

Offered: 5/7/86
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 34 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 the use and expenditure of state money.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
10 is amended to read:

11 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
12 license shall not be dedicated to any special purpose, except as
13 provided in Sections [SECTION] 15 and 17 of this article or when
14 required by the federal government for state participation in federal
15 programs. This provision shall not prohibit the continuance of any
16 dedication for special purposes existing upon the date of ratification
17 of this section by the people of Alaska.

18 * Sec. 2. Article IX, sec. 16, Constitution of the State of Alaska, is
19 amended to read:

20 SECTION 16. APPROPRIATION LIMIT. Except for appropriations to
21 the permanent fund or for Alaska permanent fund dividends, appropria-
22 tions to the budget reserve fund, appropriations of revenue bond
23 proceeds, appropriations required to pay the principal and interest on
24 general obligation bonds, and appropriations of money received from a
25 non-state source in trust for a specific purpose, including revenues
26 of a public enterprise or public corporation of the state that issues
27 revenue bonds, appropriations from the treasury made for a fiscal year
28 shall not exceed appropriations made for the preceding fiscal year
29 [\$2,500,000,000] by more than five percent plus the [CUMULATIVE]

1 change, derived [FROM FEDERAL INDICES] as prescribed by law, in popu-
2 lation and inflation since the beginning of the preceding fiscal year
3 [JULY 1, 1981. WITHIN THIS LIMIT, AT LEAST ONE-THIRD SHALL BE RE-
4 SERVED FOR CAPITAL PROJECTS AND LOAN APPROPRIATIONS]. The legislature
5 may exceed this limit in bills for appropriations [TO THE ALASKA
6 PERMANENT FUND AND IN BILLS FOR APPROPRIATIONS FOR CAPITAL PROJECTS,]
7 whether of bond proceeds or otherwise, if each bill is approved by the
8 governor, or passed by affirmative vote of three-fourths of the mem-
9 bership of the legislature over a veto or item veto, or becomes law
10 without signature, and is also approved by the voters as prescribed by
11 law. Each bill for appropriations for capital projects in excess of
12 the limit shall be confined to capital projects of the same type, and
13 the voters shall, as provided by law, be informed of the cost of
14 operations and maintenance of the capital projects. [NO OTHER APPRO-
15 PRIATION IN EXCESS OF THIS LIMIT MAY BE MADE EXCEPT TO MEET A STATE OF
16 DISASTER DECLARED BY THE GOVERNOR AS PRESCRIBED BY LAW. THE GOVERNOR
17 SHALL CAUSE ANY UNEXPENDED AND UNAPPROPRIATED BALANCE TO BE INVESTED
18 SO AS TO YIELD COMPETITIVE MARKET RATES TO THE TREASURY.]

19 * Sec. 3. Article IX, Constitution of the State of Alaska, is amended
20 by adding a new section to read:

21 SECTION 17. BUDGET RESERVE FUND. (a) Money received by the
22 state that is subject to the appropriation limit under Section 16 of
23 this article and that exceeds that appropriation limit, shall be
24 deposited in the budget reserve fund. Additional appropriations may
25 be made to the budget reserve fund.

26 (b) Money in the budget reserve fund shall be invested so as to
27 yield competitive market rates to the fund. Income from investment of
28 the fund shall be retained in the fund.

29 (c) If the legislature determines that the money subject to the

1 appropriation limit received by the state in a fiscal year is less
2 than the maximum amount that may be appropriated under Section 16 of
3 this article, up to twenty-five percent of the budget reserve fund
4 balance may be appropriated to the general fund.

5 (d) Notwithstanding the appropriation limit in this section and
6 in Section 16 of this article, additional amounts may be appropriated
7 from the budget reserve fund to meet a state disaster declared by the
8 governor as prescribed by law.

9 * Sec. 4. Article XV, Constitution of the State of Alaska, is amended
10 by adding new sections to read:

11 SECTION 29. EFFECTIVE DATE. If a majority of those voting in
12 1986 on the reconsideration of the 1982 amendment limiting appropria-
13 tion increases approves the 1982 amendment, the 1986 amendment repeal-
14 ing and readopting Section 16 of Article IX takes effect forty days
15 after the certification of the 1986 general election returns by the
16 lieutenant governor. If a majority rejects the 1982 amendment, the
17 1986 amendment repealing and readopting Section 16 of Article IX takes
18 effect thirty days after certification of the 1986 general election
19 returns.

20 SECTION 30. RECONSIDERATION OF AMENDMENT LIMITING INCREASE IN
21 APPROPRIATIONS. If the 1986 amendment limiting appropriation increase
22 (art. IX, sec. 16) and establishing the budget reserve fund (art. IX,
23 sec. 17) is adopted, the lieutenant governor shall cause the ballot
24 title and proposition for the amendment to be placed on the ballot
25 again at the general election in 1990. If the majority of those
26 voting on the proposition in 1990 rejects the amendment, Sections 16
27 and 17 of Article IX are repealed and the reference to Section 17 of
28 Article IX is deleted from Section 7 of Article IX.

29 * Sec. 5. The lieutenant governor shall include on the ballot for the

1 1986 general election an explanation that an affirmative vote on the con-
2 stitutional amendment providing for the budget reserve fund and revising
3 the appropriation limit will supersede an affirmative vote on the reconsid-
4 eration under art. XV, sec. 27, of the Alaska Constitution, of the 1982
5 amendment establishing the appropriation limit.

6 * Sec. 6. The amendments proposed by this resolution shall be placed
7 before the voters of the state at the next general election in conformity
8 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
9 tion laws of the state.