

Original sponsors: Rieger, Collins,  
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1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE JOINT RESOLUTION NO. 12 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska relating to the  
7 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 ten percent plus the [CUMULATIVE]

1 change, derived from federal indices as prescribed by law, in [POPULATION AND] inflation since the beginning of the preceding fiscal year  
2 [JULY 1, 1961 WITHIN THIS LIMIT, AT LEAST ONE-THIRD SHALL BE RE-  
3 SERVED FOR CAPITAL PROJECTS AND LOAN APPROPRIATIONS. THE LEGISLATURE  
4 MAY EXCEED THIS LIMIT IN BILLS FOR APPROPRIATIONS TO THE ALASKA PERMA-  
5 NENT FUND AND IN BILLS FOR APPROPRIATIONS FOR CAPITAL PROJECTS, WHETH-  
6 ER OF BOND PROCEEDS OR OTHERWISE, IF EACH BILL IS APPROVED BY THE  
7 GOVERNOR, OR PASSED BY AFFIRMATIVE VOTE OF THREE-FOURTHS OF THE MEM-  
8 BERSHIP OF THE LEGISLATURE OVER A VETO OR ITEM VETO, OR BECOMES LAW  
9 WITHOUT SIGNATURE, AND IS ALSO APPROVED BY THE VOTERS AS PRESCRIBED BY  
10 LAW. EACH BILL FOR APPROPRIATIONS FOR CAPITAL PROJECTS IN EXCESS OF  
11 THE LIMIT SHALL BE CONFINED TO CAPITAL PROJECTS OF THE SAME TYPE, AND  
12 THE VOTERS SHALL, AS PROVIDED BY LAW, BE INFORMED OF THE COST OF  
13 OPERATIONS AND MAINTENANCE OF THE CAPITAL PROJECTS. NO OTHER APPRO-  
14 PRIATION IN EXCESS OF THIS LIMIT MAY BE MADE EXCEPT TO MEET A STATE OF  
15 DISASTER DECLARED BY THE GOVERNOR AS PRESCRIBED BY LAW. THE GOVERNOR  
16 SHALL CAUSE ANY UNEXPENDED AND UNAPPROPRIATED BALANCE TO BE INVESTED  
17 SO AS TO YIELD COMPETITIVE MARKET RATES TO THE TREASURY].

18  
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 ninety-two percent of the amount that was appropriated under  
3        Section 16 of this article in the previous fiscal year, up to two-  
4        thirds of the budget reserve fund balance may be appropriated to the  
5        general fund. However, the amount appropriated from the budget re-  
6        serve fund when added to the money subject to the appropriation limit  
7        during the current fiscal year may not exceed ninety-two percent of  
8        the amount that was appropriated under Section 16 of this article in  
9        the previous fiscal year.

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

14        \* Sec. 4. Article XV, Constitution of the State of Alaska, is amended  
15        by adding a new section to read:

16        SECTION 29. APPLICATION. The 1988 amendments relating to dedi-  
17        cated funds (art. IX, sec. 7), the appropriation limit (art. IX,  
18        sec. 16), and the budget reserve fund (art. IX, sec. 17) apply to  
19        fiscal year 1990 and thereafter.

20        \* Sec. 5. The amendments proposed by this resolution shall be placed  
21        before the voters of the state at the next general election in conformity  
22        with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
23        tion laws of the state.