

1 IN THE HOUSE

BY MILLER AND FRANK

2

HOUSE JOINT RESOLUTION NO. 36

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 creating an

7

appropriation reserve fund and limiting

8

increases in appropriations.

9

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

10

* Section 1. Article IX, sec. 7, Constitution of the State of Alaska,

11

is amended to read:

12

SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or

13

license shall not be dedicated to any special purpose, except as

14

provided in section 15 of this article and in section 29 of article XV

15

or when required by the federal government for state participation in

16

federal programs. This provision shall not prohibit the continuance of

17

any dedication for special purposes existing upon the date of ratifi-

18

cation of this section by the people of Alaska.

19

* Sec. 2. Article IX, sec. 16, Constitution of the State of Alaska, is

20

repealed and readopted to read:

21

SECTION 16. APPROPRIATION LIMITATIONS. Except for appropria-

22

tions to the Alaska permanent fund, appropriations of the proceeds of

23

revenue or general obligation bonds and appropriations required to pay

24

the principal and interest on general obligation bonds, appropriations

25

from the treasury during a fiscal year may not exceed the lesser of

26

the amount appropriated in the previous fiscal year adjusted for the

27

cumulative inflation and population growth or decline as defined by

28

law or 95 percent of the unrestricted revenue of the state for the

29

previous calendar year. An appropriation in excess of this limit may

1 not be made unless a state of emergency is declared by the governor as
2 provided by law. The governor shall cause any unexpended or unappro-
3 priated balance to be invested so as to yield competitive market rates
4 to the treasury.

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

7 SECTION 17. APPROPRIATION RESERVE FUND. An appropriation re-
8 serve fund is established consisting of deposits as provided under
9 section 29 of article XV and appropriations to the fund as may be
10 provided by law. Appropriations may not be made from the appropria-
11 tion reserve fund except for the purpose of repelling invasion, sup-
12 pressing insurrection, defending the state in war, meeting natural
13 disasters, or appropriations required to pay the principal and inter-
14 est on general obligation bonds. The balance of the appropriation
15 reserve fund shall be invested at competitive national market rates.
16 All earnings of the fund shall become part of the principal of the
17 fund. On June 30 of the fiscal year in which the balance of the
18 appropriation reserve fund equals the appropriations of unrestricted
19 revenue in the preceding fiscal year, the balance of the appropriation
20 reserve fund shall lapse into the treasury and no deposits shall be
21 made into the fund after that date.

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

24 SECTION 29. APPROPRIATION RESERVE FUND. Unless the balance of
25 the appropriation reserve fund has lapsed into the treasury before
26 receipt of the money, all money received by the state from the follow-
27 ing sources that is unappropriated on July 1, 1989, and otherwise
28 unencumbered and unrestricted at the time of receipt shall be trans-
29 ferred from the treasury to the appropriation reserve fund:

1 (1) money from the settlement or other conclusion of the
2 Trans-Alaska Pipeline System rate case, State v. Amerada Hess, et al.,
3 Superior Court, First Judicial District, Case No. 77-847 (civil), and
4 United States v. Alaska, No. 84 original, United States Supreme Court;

5 (2) money received under 43 U.S.C. section 1337(g) (Outer
6 Continental Shelf Lands Act, as now or hereafter amended);

7 (3) taxes, together with penalties and interest on the
8 taxes, levied under AS 43.56 (Oil and Gas Exploration, Production and
9 Pipeline Transportation Property Taxes), AS 43.57 (Oil and Gas Regula-
10 tion and Conservation Tax), former AS 43.58 (Oil and Gas Reserves Ad
11 Valorem Tax), and former AS 43.21 (Oil and Gas Corporate Income Tax)
12 for a tax year ending prior to January 1, 1988, and paid to the state
13 after June 30, 1989.

14 SECTION 30. APPROPRIATION LIMITATIONS. After June 30, 1989, and
15 until June 30 of the fiscal year in which the balance of the appro-
16 priation reserve fund lapses into the treasury, appropriations during
17 a fiscal year may not exceed the amount appropriated in the previous
18 fiscal year by more than the cumulative inflation and population
19 growth or decline as prescribed by law. This limitation does not
20 apply to appropriations to the Alaska permanent fund, appropriations
21 of the proceeds of revenue or general obligation bonds, and appropria-
22 tions required to pay the principal and interest on general obligation
23 bonds. An appropriation in excess of this limit may not be made
24 unless a state of emergency is declared by the governor as provided by
25 law. Seventy-five percent of that portion of the unrestricted revenue
26 of the state that has not been appropriated as allowed by this section
27 shall be transferred from the general fund to the appropriation re-
28 serve fund on the first day of each fiscal year during the period
29 defined in this section and twenty-five percent shall be transferred

1 to the Alaska permanent fund. During the period in which this section
2 is in effect the provisions of section 16 of article IX of this Con-
3 stitution are superseded. The 1988 amendment repealing and readopting
4 section 16 of article IX applies to appropriations made for fiscal
5 year 1990 and thereafter.

6 * Sec. 5. 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.