

Original sponsor(s): Finance Committee

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 66 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska relating to an
7 appropriation limit and to the budget
8 reserve fund; and providing for an
9 effective date.

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

11 * Section 1. Article XV, Constitution of the State of Alaska, is amend-
12 ed by adding new sections to read:

13 SECTION 29. APPROPRIATION LIMIT. (a) Appropriations from the
14 treasury made for each of fiscal years 1992, 1993, 1994, and 1995
15 shall not exceed \$2,300,000,000. This subsection does not apply to
16 appropriations to the permanent fund or for permanent fund dividends
17 to State residents, appropriations to the budget reserve fund, appro-
18 priations of revenue bond proceeds, appropriations of revenue required
19 to pay principal and interest on revenue bonds of a public enterprise
20 or public corporation of the State, appropriations of money received
21 from a State source required for State participation in a federally
22 mandated aid program for low income persons, appropriations of money
23 received from a non-State source in trust for a specific purpose,
24 appropriations of revenue derived from a fishery enhancement tax that
25 has been approved by vote of the affected taxpayers, and appropria-
26 tions to meet a state of disaster declared by the governor as pre-
27 scribed by law.

28 (b) If the rate of inflation since the beginning of a fiscal
29 year is greater than six percent, an appropriation for that fiscal

1 year of up to the amount necessary to offset the effect of the rate of
2 inflation that exceeds six percent may be made during the regular
3 session held during that fiscal year upon affirmative vote of two-
4 thirds of the membership of each house of the legislature. The appro-
5 priation is not subject to the limit established in (a) of this sec-
6 tion. For purposes of applying this subsection, the rate of inflation
7 shall be derived from federal indices as prescribed by law.

8 SECTION 30. BUDGET RESERVE FUND. (a) The budget reserve fund
9 is established as a separate fund in the State treasury. The legisla-
10 ture may appropriate money to the budget reserve fund. Money in the
11 fund shall be invested so as to yield competitive market rates to the
12 fund. Notwithstanding Section 7 of Article IX, income from investment
13 of the fund shall be retained in the fund and money may be appropri-
14 ated from the fund only as authorized under (b) of this section.

15 (b) Money received by the State that is subject to the appro-
16 priation limit under Section 29 of this article and that exceeds that
17 appropriation limit shall be deposited in the budget reserve fund.
18 Deposits under this subsection are not subject to the prohibition on
19 dedicated funds under Section 7 of Article IX. If the legislature
20 determines that the money subject to the appropriation limit received
21 by the State in a fiscal year is less than the amount that may be
22 appropriated under Section 29 of this article, up to two-thirds of the
23 budget reserve fund balance may be appropriated to the general fund.
24 However, the amount appropriated from the budget reserve fund when
25 added to the money subject to the appropriation limit may not exceed
26 the amount that may be appropriated under Section 29 of this article
27 for that fiscal year. Notwithstanding the appropriation limit in this
28 subsection and in Section 29 of this article, additional amounts may
29 be appropriated from the budget reserve fund by affirmative vote of

1 three-fourths of the membership of each house of the legislature.

2 * Sec. 2. Article XV, sec. 30(b), Constitution of the State of Alaska,
3 is repealed and readopted to read:

4 (b) If money available for appropriations during a fiscal year
5 is less than the amount of appropriations made for the previous fiscal
6 year, an appropriation may be made from the budget reserve fund for
7 that fiscal year. However, the amount appropriated may not exceed the
8 amount necessary, when added to other funds available for appropri-
9 ation, to provide for total appropriations equal to the amount of
10 appropriations made for the previous fiscal year. Additional amounts
11 may be appropriated from the budget reserve fund by affirmative vote
12 of three-fourths of the membership of each house of the legislature.

13 * Sec. 3. Section 16 of art. IX and secs. 26, 27, and 28 of art. XV,
14 Constitution of the State of Alaska, are repealed July 1, 1991.

15 * Sec. 4. Section 29 of art. XV, Constitution of the State of Alaska,
16 is repealed.

17 * Sec. 5. Sections 1 and 3 of this resolution take effect July 1, 1991.

18 * Sec. 6. Sections 2 and 4 of this resolution take effect July 1, 1995.

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