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1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 5 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska establishing  
7 temporary provisions relating to dedi-  
8 cated funds, the Alaska permanent fund,  
9 the expenditure limit, and the budget  
10 stabilization fund; and suspending the  
11 operation of provisions relating to  
12 dedicated funds, the Alaska permanent  
13 fund, and the appropriation limit.

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

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

17 SECTION 29. DEDICATED FUNDS. (a) The operation of Section 7 of  
18 Article IX is suspended from July 1, 1991, through June 30, 1996, and  
19 this section applies in lieu of Section 7 of Article IX.

20 (b) The proceeds of any state tax or license shall not be dedi-  
21 cated to any special purpose, except as provided in Sections 30 and 32  
22 of this article or when required by the federal government for state  
23 participation in federal programs. This provision shall not prohibit  
24 the continuance of any dedication for special purposes existing upon  
25 the date of ratification of Section 7 of Article IX by the people of  
26 Alaska.

27 SECTION 30. ALASKA PERMANENT FUND. (a) The operation of Sec-  
28 tion 15 of Article IX is suspended from July 1, 1991, through June 30,  
29 1996, and this section applies in lieu of Section 15 of Article IX.

1 (b) At least twenty-five percent of all mineral lease rentals,  
2 royalties, royalty sale proceeds, federal mineral revenue sharing  
3 payments and bonuses received by the State shall be placed in a perma-  
4 nent fund, the principal of which shall be used only for those income-  
5 producing investments specifically designated by law as eligible for  
6 permanent fund investments.

7 (c) The income of the permanent fund shall be distributed as  
8 follows:

9 (1) fifty percent to be used for dividends for State resi-  
10 dents as provided by law;

11 (2) thirty percent to be added to the principal of the  
12 permanent fund to help offset the effect of inflation and increase the  
13 principal; and

14 (3) twenty percent to the budget stabilization fund estab-  
15 lished under Section 32 of this article.

16 SECTION 31. EXPENDITURE LIMIT. (a) The operation of Section 16  
17 of Article IX is suspended from July 1, 1991, through June 30, 1996,  
18 and this section applies in lieu of Section 16 of Article IX.

19 (b) Except for appropriations to the permanent fund or for  
20 Alaska permanent fund dividends, appropriations to the budget stabili-  
21 zation fund, appropriations by the legislature to meet a State natural  
22 disaster declared by the governor as prescribed by law, appropriations  
23 of revenue bond proceeds, and appropriations of money received from a  
24 non-State source in trust for a specific purpose, including revenues  
25 of a public enterprise or public corporation of the State that issues  
26 revenue bonds, appropriations from the treasury made for a fiscal year  
27 may not exceed appropriations made for the preceding fiscal year  
28 adjusted, as prescribed by law, for the change in population and  
29 inflation since the beginning of the preceding fiscal year.

1           (c) During a fiscal year the legislature may exceed the expendi-  
2           ture limit under (b) of this section if each bill that exceeds the  
3           limit is passed by affirmative vote of two-thirds of the membership of  
4           each house of the legislature or, notwithstanding Sections 1 and 14 of  
5           Article II and Article XI, is approved by the voters as prescribed by  
6           law. The voters shall, for each bill for appropriations for capital  
7           projects submitted to them under this subsection, be informed as  
8           provided by law of the cost of operations and maintenance of each  
9           capital project.

10           (d) The money received by the State during a fiscal year that is  
11           subject to the expenditure limit under (b) of this section, that does  
12           not exceed that limit, and that is not appropriated under (b) of this  
13           section shall be deposited in the principal of the permanent fund.

14           (e) Fifty percent of the money received by the State during a  
15           fiscal year that is subject to the expenditure limit under (b) of this  
16           section, that exceeds that limit, and that is not appropriated under  
17           (c) of this section shall be deposited in the principal of the perma-  
18           nent fund. The remaining fifty percent shall be deposited in the  
19           budget stabilization fund.

20           SECTION 32. BUDGET STABILIZATION FUND. (a) This section ap-  
21           plies from July 1, 1991, through June 30, 1996.

22           (b) Income of the permanent fund shall be deposited in the  
23           budget stabilization fund in accordance with Section 30(c) of this  
24           article. Fifty percent of the money received by the State that is  
25           subject to the expenditure limit under Section 31(b) of this article,  
26           exceeds that limit, and is not appropriated under Section 31(c) of  
27           this article shall be deposited in the budget stabilization fund.  
28           Additional appropriations may be made to the budget stabilization  
29           fund.

1 (c) Money in the budget stabilization fund shall be invested so  
2 as to yield competitive market rates to the fund. Income from invest-  
3 ment of the fund shall be retained in the fund.

4 (d) If the legislature determines that the money subject to the  
5 expenditure limit received by the State in a fiscal year is less than  
6 the maximum amount that may be appropriated under Section 31 of this  
7 article, money may be appropriated from the budget stabilization fund  
8 to the general fund. However, the amount appropriated from the budget  
9 stabilization fund during a fiscal year may not exceed the lesser of

10 (1) the amount that, when added to money subject to the  
11 expenditure limit received by the State during that fiscal year,  
12 equals the maximum amount that may be appropriated under Section 31 of  
13 this article; or

14 (2) twenty-five percent of the balance of the budget sta-  
15 bilization fund.

16 (e) Notwithstanding the expenditure limit in Section 31 of this  
17 article, additional amounts may be appropriated from the budget stabi-  
18 lization fund to meet a State disaster declared by the governor as  
19 prescribed by law.

20 SECTION 33. REPEAL. Sections 29 - 32 of Article XV are repealed  
21 July 1, 1996.

22 \* Sec. 2. The amendments proposed by this resolution shall be placed  
23 before the voters of the state at the next general election in conformity  
24 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
25 tion laws of the state.