Amended: 2/27/90
Offered: 2/14/90
Referred: Rules

6-0161I

Original sponsor(s): SEN. FAIKS, Jones, Eliason, Fischer, Kelly, Uehling

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska establishing
7 temporary provisions relating to dedi-
8 cated funds, the expenditure limit, and
9 the budget reserve fund; and suspending
10 the operation of provisions relating to
11 dedicated funds and the appropriation
12 limit.

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

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

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

19 (b) The proceeds of any State tax or license shall not be dedi-
20 cated to any special purpose, except as provided in Section 15 of
21 Article IX and Sections 30 and 31 of this article or when required by
22 the federal government for State participation in federal programs.
23 This provision shall not prohibit the continuance of any dedication
24 for special purposes existing upon the date of ratification of Sec-
25 tion 7 of Article IX by the people of Alaska.

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

29 (b) Except for appropriations to the permanent fund or for

1 Alaska permanent fund dividends, appropriations to meet a disaster
2 emergency declared by the governor as prescribed by law, appropria-
3 tions to the budget reserve fund, appropriations of revenue derived
4 from a tax that has been approved by a vote of the taxpayers, appro-
5 priations of money received from a State source required for State
6 participation in a federally mandated aid program for low income
7 persons to the extent the appropriations exceed amounts appropriated
8 during fiscal year 1991 for the same purposes, appropriations of
9 general obligation and revenue bond proceeds, appropriations required
10 to pay the principal and interest on general obligation and revenue
11 bonds issued by the State, appropriations of money received from a
12 non-State source in trust for a specific purpose, appropriations of
13 revenue of a public authority or corporation of the State that issues
14 revenue bonds, and appropriations of revenue of a State program under
15 which revenue bonds are issued, appropriations from the general fund
16 made for
17 (1) fiscal year 1992 may not exceed $2,300,000,000;
18 (2) fiscal years 1993 - 1996 may not exceed an amount equal
19 to five percent less than the amount appropriated during the prior
20 fiscal year that was subject to the limit under this subsection.
21 (c) During a fiscal year the legislature may exceed the expendi-
22 ture limit under (b) of this section if each bill that exceeds the
23 limit is passed by affirmative vote of two-thirds of the membership of
24 each house of the legislature.
25 (d) Except as provided in (e) of this section, all money re-
26 ceived by the State during a fiscal year that is subject to the expen-
27 diture limit under (b) of this section, that exceeds that limit, and
28 that is not appropriated under (c) of this section shall be deposited
29 in the budget reserve fund.

1 (e) Except for money deposited into the permanent fund under
2 Section 15 of Article IX, all money received by the State as a result
3 of the termination through settlement or otherwise, of litigation in
4 State or federal court involving mineral lease rentals, royalties,
5 royalty sale proceeds, and federal mineral revenue sharing payments
6 and bonuses shall be deposited in the budget reserve fund.
7 SECTION 31. BUDGET RESERVE FUND. (a) This section applies from
8 July 1, 1991, through June 30, 1996.
9 (b) In addition to deposits made to the budget reserve fund
10 under Section 30(d) and (e) of this article, appropriations may be
11 made to the fund at any time.
12 (c) Money in the budget reserve fund shall be invested so as to
13 yield competitive market rates to the fund. Income from investment of
14 the fund shall be retained in the fund.
15 (d) Except as provided in (e) of this section, money may be
16 appropriated from the budget reserve fund only if the legislature
17 determines that the money received by the State in a fiscal year and
18 subject to the expenditure limit is less than the maximum amount that
19 may be appropriated under Section 30(b) of this article. However, the
20 amount appropriated from the budget reserve fund during a fiscal year
21 may not exceed the lesser of
22 (1) the amount that, when added to money received by the
23 State during that fiscal year and subject to the expenditure limit,
24 equals the maximum amount that may be appropriated under Section 30(b)
25 of this article; or
26 (2) twenty-five percent of the balance of the budget re-
27 serve fund.
28 (e) An appropriation from the budget reserve fund may be made
29 upon affirmative vote of two-thirds of the membership of each house of

1 the legislature to meet a disaster emergency declared by the governor
2 as prescribed by law. An appropriation from the budget reserve fund
3 to the principal of the permanent fund may be made at any time.
4 SECTION 32. REPEAL. Sections 29 - 31 of Article XV are repealed
5 July 1, 1996.
6 * Sec. 2. The amendment 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.