

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

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance)
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 IX, Constitution of the State of Alaska, is amend-
12 ed by adding a new section to read:
13 SECTION 17. BUDGET RESERVE FUND. (a) The budget reserve fund
14 is established as a separate fund in the State treasury. The legisla-
15 ture may appropriate money to the budget reserve fund. Money in the
16 fund shall be invested so as to yield competitive market rates to the
17 fund. Notwithstanding Section 7 of this article, income from invest-
18 ment of the fund shall be retained in the fund and money may be appro-
19 priated from the fund only as authorized under (b) of this section.
20 (b) Money received by the State that is subject to the appro-
21 priation limit under Section 29 of Article XV and that exceeds that
22 appropriation limit shall be deposited in the budget reserve fund.
23 Deposits under this subsection are not subject to the prohibition on
24 dedicated funds under Section 7 of this article. If the legislature
25 determines that the money subject to the appropriation limit received
26 by the State in a fiscal year is less than the amount that may be
27 appropriated under Section 29 of Article XV, up to two-thirds of the
28 budget reserve fund balance may be appropriated to the general fund.
29 However, the amount appropriated from the budget reserve fund when

1 added to the money subject to the appropriation limit may not exceed
2 the amount that may be appropriated under Section 29 of Article XV for
3 that fiscal year. Notwithstanding the appropriation limit in this
4 subsection and in Section 29 of Article XV, additional amounts may be
5 appropriated from the budget reserve fund by affirmative vote of
6 three-fourths of the membership of each house of the legislature.

7 * Sec. 2. Article IX, sec. 17(b), Constitution of the State of Alaska,
8 is repealed and readopted to read:

9 (b) If the amount available for appropriation for a fiscal year
10 is less than the amount appropriated for the previous fiscal year, an
11 appropriation may be made from the budget reserve fund for that fiscal
12 year. However, the amount appropriated may not exceed the amount
13 necessary, when added to other funds available for appropriation, to
14 provide for total appropriations equal to the amount of appropriations
15 made in the previous calendar year for the previous fiscal year.
16 Additional amounts may be appropriated from the budget reserve fund by
17 affirmative vote of three-fourths of the membership of each house of
18 the legislature.

19 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended
20 by adding a new section to read:

21 SECTION 29. APPROPRIATION LIMIT. (a) Appropriations from the
22 treasury made for each of fiscal years 1992, 1993, 1994, and 1995
23 shall not exceed \$2,200,000,000. This subsection does not apply to
24 appropriations to the permanent fund or for permanent fund dividends
25 to State residents, appropriations to the budget reserve fund, appro-
26 priations required to pay the principal and interest on general obli-
27 gation bonds issued by the State, appropriations of general obligation
28 and revenue bond proceeds, appropriations required to pay principal
29 and interest on revenue bonds of a public enterprise or public

1 corporation of the State, appropriations of money received from a
2 State source required for State participation in a federal entitlement
3 program for low income persons, appropriations of money received from
4 a non-State source in trust for a specific purpose, appropriations
5 required to comply with the terms of a settlement agreement or judg-
6 ment in carrying out the trust responsibilities of the State under the
7 Alaska Mental Health Enabling Act of 1956, appropriations of money
8 derived from a fishery enhancement tax that has been approved by vote
9 of the affected taxpayers, and appropriations to meet a state of
10 disaster declared by the governor as prescribed by law.

11 (b) If the rate of inflation since the beginning of a fiscal
12 year is greater than five percent, an appropriation for the next
13 fiscal year of up to the amount necessary to offset the effect of the
14 cumulative inflation that exceeds a compound rate of five percent per
15 annum since July 1, 1991, may be made during the regular session held
16 during that fiscal year upon affirmative vote of two-thirds of the
17 membership of each house of the legislature. The appropriation is not
18 subject to the limit established in (a) of this section. For purposes
19 of applying this subsection, the rate of inflation shall be based on
20 the Consumer Price Index for all urban consumers for Anchorage pre-
21 pared by the United States Bureau of Labor Statistics.

22 * Sec. 4. Section 16 of art. IX and secs. 26, 27, and 28 of art. XV,
23 Constitution of the State of Alaska, are repealed.

24 * Sec. 5. Section 29 of art. XV, Constitution of the State of Alaska,
25 is repealed.

26 * Sec. 6. Sections 1, 3, and 4 of this resolution take effect July 1,
27 1991.

28 * Sec. 7. Sections 2 and 5 of this resolution take effect July 1, 1995.

29 * Sec. 8. The amendments proposed by this resolution shall be placed

1 before the voters of the state at the next general election in conformity
2 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
3 tion laws of the state.