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1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 49

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 relating to  
7 the use and expenditure of state money.

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

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

11 SECTION 29. APPROPRIATION LIMITS. (a) Appropriations from the  
12 treasury for fiscal year 1992 may not exceed \$2,200,000,000. Appro-  
13 priations from the treasury for fiscal years 1993, 1994, and 1995 may  
14 not exceed the amount appropriated during the prior fiscal year, minus  
15 the amount appropriated under Section 30(d) of this article during the  
16 prior fiscal year to meet a State disaster declared by the governor as  
17 prescribed by law. This subsection does not apply to appropriations  
18 to the permanent fund or for permanent fund dividends for State resi-  
19 dents, appropriations to the budget reserve fund, appropriations of  
20 revenue bond proceeds, appropriations required to pay the principal  
21 and interest on general obligation bonds, and appropriations of money  
22 received from a non-State source in trust for a specific purpose,  
23 including revenue of a public enterprise or public corporation of the  
24 State that issues revenue bonds.

25 (b) If inflation since the beginning of a fiscal year is greater  
26 than six percent, an appropriation for that fiscal year of up to the  
27 amount necessary to offset the effect of the inflation to the extent  
28 that it exceeds six percent may be made. The appropriation is not  
29 subject to the limit established in (a) of this section. For purposes

1 of applying this subsection, the rate of inflation shall be derived  
2 from federal indices as prescribed by law.

3 SECTION 30. BUDGET RESERVE FUND. (a) Money received by the  
4 State that is subject to the appropriation limit under Section 29 of  
5 this article and that exceeds that appropriation limit, shall be  
6 deposited in the budget reserve fund. Deposits under this subsection  
7 are not subject to the prohibition on dedicated funds under Arti-  
8 cle IX, Section 7. Additional appropriations may be made to the  
9 budget reserve fund.

10 (b) Money in the budget reserve fund shall be invested so as to  
11 yield competitive market rates to the fund. Income from investment of  
12 the fund shall be retained in the fund.

13 (c) If the legislature determines that the money subject to the  
14 appropriation limit received by the State in a fiscal year is less  
15 than the amount that was appropriated under Section 29 of this article  
16 in the previous fiscal year, up to two-thirds of the budget reserve  
17 fund balance may be appropriated to the general fund. However, the  
18 amount appropriated from the budget reserve fund when added to the  
19 money subject to the appropriation limit during the current fiscal  
20 year may not exceed the amount that was appropriated under Section 29  
21 of this article in the previous fiscal year.

22 (d) Notwithstanding the appropriation limit in this section and  
23 in Section 29 of this article, additional amounts may be appropriated  
24 by affirmative vote of three-fourths of the membership of each house  
25 of the legislature from the budget reserve fund or the general fund to  
26 meet a State disaster declared by the governor as prescribed by law.

27 (e) On July 1, 1996, the unexpended and unencumbered balance in  
28 the budget reserve fund is transferred to the general fund.

29 \* Sec. 2. Section 16 of art. IX and secs. 26, 27, and 28 of art. XV,

1 Constitution of the State of Alaska, are repealed July 1, 1991.

2 \* Sec. 3. Sections 29 and 30 of art. XV, Constitution of the State of  
3 Alaska, are repealed July 2, 1996.

4 \* Sec. 4. The amendment proposed by this resolution shall be placed  
5 before the voters of the state at the next general election in conformity  
6 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
7 tion laws of the state.