

HOUSE BILL NO. 8
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES GRUENBERG, Koponen, Carney

Introduced: 1/21/91
Referred: Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the statutory appropriation limit, and to balancing the budget and
2 ensuring compliance with appropriation limits in the budget process."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 37.05.540(b) is amended to read:

5 (b) Except for appropriations to the permanent fund or for Alaska permanent fund
6 dividends, appropriations to the budget reserve fund under (a) of this section, appropriations
7 to the budget reserve fund under art. IX, sec. 17, Constitution of the State of Alaska.
8 appropriations of revenue bond proceeds, appropriations required to pay the principal and interest
9 on general obligation bonds, and appropriations of money received from a nonstate source in trust
10 for a specific purpose, including revenue of a public enterprise or public corporation of the state
11 that issues revenue bonds, appropriations from the treasury made in a fiscal year may not exceed
12 appropriations made in the preceding fiscal year adjusted by [MORE THAN FIVE PERCENT
13 PLUS] the change in population and inflation since the beginning of the preceding fiscal year.
14 For purposes of applying this limit an appropriation is considered to be made in the fiscal year

1 in which it is enacted and a reappropriation remains attributed to the fiscal year in which succeeding
2 original appropriation is enacted. The determination of the change in population for purposes for that
3 this subsection shall be based on an annual estimate of population by the Department of Labor.
4 The determination of the change in inflation for purposes of this subsection shall be based on the
5 Consumer Price Index for all urban consumers for Anchorage prepared by the United States
6 Bureau of Labor Statistics. The amount of money received by the state that is subject to the
7 appropriation limit includes the balance in the general fund carried forward from the preceding
8 fiscal year.

9 * Sec. 2. AS 37.07.020(b) is amended to read:

10 (b) In addition to the budget and general appropriation bill, the governor shall submit
11 (1) a capital improvements program and financial plan covering the succeeding
12 six fiscal years; and

13 (2) an estimate of state revenue expected to be received and the amount of
14 total expenditures recommended for the fiscal year following the fiscal year for which the
15 budget is submitted.

16 * Sec. 3. AS 37.07.020(c) is amended to read:

17 (c) Proposed expenditures may not exceed estimated revenue for the succeeding fiscal
18 year and must comply with the appropriation limits in the Constitution of the State of
19 Alaska and AS 37.05.540(b). The expenditures proposed in the six-year capital improvements
20 program and financial plan may not exceed the estimated revenue and bond authorizations passed
21 and proposed.

22 * Sec. 4. AS 37.07.030 is amended to read:

23 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legislature shall

24 (1) provide for a budget review function;

25 (2) analyze the comprehensive operating and capital improvements programs and
26 financial plans recommended by the governor;

27 (3) adopt legislation to authorize implementation of the governor's comprehensive
28 operating and capital improvements programs and financial plans or appropriate alternatives to
29 those plans;

30 (4) provide for a post-audit function to cover financial transactions, program
31 accomplishment, and compliance with legislative intent;

(5) adopt or revise the estimate of receipts required to balance the succeeding fiscal year's budget in order that proposed expenditures do not exceed estimated receipts for that fiscal year;

(6) reduce state expenditures and adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years within the appropriation limits in the Constitution of the State of Alaska and AS 37.05.540(b).

* Sec. 5. AS 37.07 is amended by adding a new section to read:

Sec. 37.07.115. FISCAL EMERGENCIES. During the interim, if the governor determines that projected state revenue will be insufficient to pay for projected state expenditures during the remainder of the fiscal year, the governor may declare a state of fiscal emergency and issue a proclamation calling the legislature into special session. At a special session called under this section, only reductions in expenditures and increases in sources of revenue may be designated in the proclamation as subjects for legislation. Notwithstanding AS 24.05.100(a)(1), the date of convening stated in the proclamation shall be within 10 days after the proclamation is issued.