

CS FOR HOUSE BILL NO. 8 (JUDICIARY)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 2/5/91
Referred: Finance

Sponsor(s): REPRESENTATIVES GRUENBERG, Koponen, Carney

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 24.05.100 is amended by adding a new subsection to read:

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

12 * **Sec. 2.** AS 37.05.540(b) is amended to read:

13 (b) Except for appropriations to the permanent fund or for Alaska permanent fund
14 dividends, appropriations to the budget reserve fund under (a) of this section, appropriations

1 to the budget reserve fund under art. IX, sec. 17. Constitution of the State of Alaska.
2 appropriations of revenue bond proceeds, appropriations required to pay the principal and interest
3 on general obligation bonds, and appropriations of money received from a nonstate source in trust
4 for a specific purpose, including revenue of a public enterprise or public corporation of the state
5 that issues revenue bonds, appropriations from the treasury made in a fiscal year may not exceed
6 appropriations made in the preceding fiscal year adjusted by [MORE THAN FIVE PERCENT
7 PLUS] the change in population and inflation since the beginning of the preceding fiscal year.
8 For purposes of applying this limit an appropriation is considered to be made in the fiscal year
9 in which the first expenditure under that appropriation is authorized [IT IS ENACTED] and
10 a reappropriation remains attributed to the first fiscal year in which an expenditure under the
11 original appropriation was authorized [IS ENACTED]. The determination of the change in
12 population for purposes of this subsection shall be based on an annual estimate of population by
13 the Department of Labor. The determination of the change in inflation for purposes of this
14 subsection shall be based on the Consumer Price Index for all urban consumers for Anchorage
15 prepared by the United States Bureau of Labor Statistics. The amount of money received by the
16 state that is subject to the appropriation limit includes the balance in the general fund carried
17 forward from the preceding fiscal year.

18 * Sec. 3. AS 37.05.540 is amended by adding a new subsection to read:

19 (f) An appropriation that exceeds the appropriation limit established in (b) of this section
20 may be passed by the legislature upon affirmative vote of three-fourths of the members of each
21 house of the legislature.

22 * Sec. 4. AS 37.07.020(b) is amended to read:

23 (b) In addition to the budget and general appropriation bill, the governor shall submit
24 (1) a capital improvements program and financial plan covering the succeeding
25 six fiscal years; and
26 (2) an estimate of state revenue expected to be received and the amount of
27 total expenditures recommended for the fiscal year following the fiscal year for which the
28 budget is submitted.

29 * Sec. 5. AS 37.07.020(c) is amended to read:

30 (c) Proposed expenditures may not exceed estimated revenue for the succeeding fiscal
31 year and must comply with the appropriation limits in the Constitution of the State of

1 **Alaska and AS 37.05.540(b)**. The expenditures proposed in the six-year capital improvements
2 program and financial plan may not exceed the estimated revenue and bond authorizations passed
3 and proposed.

4 * Sec. 6. AS 37.07.030 is amended to read:

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

6 (1) provide for a budget review function;

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

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

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

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

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