

Introduced: 4/30/81.  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 545

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Reserve for Emergency Operat-  
7 ing Expenses Account; and providing for an effective  
8 date."

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

10 \* Section 1. AS 37.05.159(b)(1) is amended to read:

11 (1) the governor by proclamation determines that there is a  
12 final judgment in excess of \$500,000,000 by a court of competent juris-  
13 isdiction against the state or one of its officers in an official capacity  
14 which the state is unable to pay or an impairment of the flow of state  
15 revenues which will result in imminent danger that the state will be un-  
16 able to meet its operating budget obligations and the governor orders  
17 that money from the account be used to pay the judgment or for the  
18 operating expenses of state government in the amount set out in the  
19 proclamation; and

20 \* Sec. 2. AS 37.05.159(b)(2) is amended to read:

21 (2) the governor calls a special session of the legislature  
22 to consider all subjects relating to the judgment or impairment of the  
23 flow of state revenues.

24 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
25 10.070(c).



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26  
27  
28  
29 COMMITTEE COPY

HB 545

Gov Letter

14B 545

April 29, 1981

The Honorable Jim Duncan  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting companion bills to cover the possibility, no matter how slight, of an adverse judgment in ARCO v. State Civ. No. 3 AN 79-1903 (filed March 31, 1979), the oil and gas income tax litigation. These bills do not accord validity to the plaintiffs' claims. Rather, these bills should be viewed as acts of prudent financial husbandry made necessary because of the unpredictable nature of litigation.

One bill makes a special appropriation to the Reserve for Emergency Operating Expenses Account (the so-called Rainy Day Fund) of \$300,000,000 worth of assets and \$350,000,000 in cash for a total of \$650,000,000.

The second bill amends AS 37.05.159 (Reserve for Emergency Operating Expenses Account) to authorize expenditures to pay a judgment which could not otherwise be paid.

These bills must be viewed as insurance. The money in the account is available for investment, and therefore, the appropriation will not be expended unless the plaintiffs prevail in the tax litigation.

Sincerely,

S/JS/H

Jay S. Hammond  
Governor

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST Session

HOUSE BILL NO. 545

By THE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR

"An Act relating to the Reserve for Emergency Operating Expenses Account; and providing for an effective date."

Reserve for Emergency operating expenses acct.

Introduced in the House ... 4/30 ... 1981

HISTORY IN THE HOUSE

1981	Read first time and referred to Committee on Finance'										
Apr 30	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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PASS	Effective Date										
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Excused	Excused										
	Reported correctly engrossed										
	Signed by Speaker										
	Sent to Senate										
CHIEF CLERK OF THE HOUSE											

HISTORY IN THE SENATE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
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	Reported correctly engrossed										
	Signed by President										
	Returned to House										
SECRETARY OF THE SENATE											

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
	Filed with Lt. Governor
	Chapter No. ....