

Introduced: 2/4/81
Referred: Finance and Judiciary

1 IN THE HOUSE

BY RANDOLPH AND BETTISWORTH

2 HOUSE JOINT RESOLUTION NO. 3

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the
6 Constitution of the State of Alaska
7 relating to state debt.

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

9 * Section 1. Article IX, sec. 8 of the Constitution of the State of
10 Alaska, is repealed and readopted to read:

11 SECTION 8. STATE DEBT. No State debt shall be contracted except
12 the State may, as provided by law and without ratification by the
13 voters of the State, contract debt for the purpose of repelling
14 invasion, suppressing insurrection, defending the State in war, meeting
15 natural disasters, or redeeming indebtedness outstanding at the time
16 this section becomes effective.

17 * Sec. 2. The amendment proposed by this resolution shall be placed
18 before the voters of the state at the next general election in conformity
19 with art. XIII, sec. 1, Constitution of the State of Alaska, and the
20 election laws of the state.

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ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST Session

HOUSE JOINT RES. NO. 3

By ... RANDOLPH AND BETTISWORTH

Proposing an amendment to the Constitution of the State of Alaska relating to state debt.

Amendment to the Constitution, state debt

Introduced in the House 2/4 .., 19. 81

HISTORY IN THE HOUSE

19 81	Read first time and referred to Committee on Finance and Judiciary																		
Feb. 4	Reported back with recommendation that																		
	Read second time and																		
	Read third time and																		
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CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

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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.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

HJR 3

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE JOINT RESOLUTION NO. 3

Title Amendment to the Constitution of the State of Alaska relating to State debt

Requested by House Finance Committee

Date 2/4/81

II. FISCAL DETAIL

Agency Affected State Bond Committee, Dept. of Revenue

Program Category Affected General Fund

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (~~Thousands~~ ^{MILLIONS} of Dollars) IN TERMS OF OPPORTUNITY COST

GENERAL FUND				8.0	18.6	32.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Bill removes State's ability to sell GO bonds for capital projects.

The above opportunity cost assumes that the State will either invest its own money or if spent on other projects, etc., that project has an implicit assumed rate of return equal to what the State could have gotten had it simply invested the money. Bill would be placed before voters in next general election, 11/82; next following FY is FY 84.

Additional Assumptions: (1) A 12% earnings rate on invested funds or project.

(2) An 8% interest rate on cost of debt.

(3) Debt issued for FY 84 thru FY 86 would be as follows
(in millions): \$200, \$225, \$250, 10-year issues, even payoff.

(4) Projects start at beginning of each period.

(5) Not discounted for net present value.

Anselm C. Staack

IV. DATE February 17, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)