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FILE WITH SB410

TO: Senator Ray
FROM: Paula d. Scavera
DATE: February 6, 1984
RE: SB 410

This bill repeals the reserve for energy facilities development account, the reserve for capital outlay account and the renewable resources development and investment funds. These accounts have been held by the Attorney General to be unconstitutional dedications and have no balances in them.

The bill also repeals a dedication of revenue to the Alaska Native Fund. This dedication is no longer operative because the state has paid all amounts owed to this fund. A repeal of a dedication of a portion of federal mineral leasing revenues is also contained in the bill since federal law no requires dedication.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

20410

February 6, 1984

The Honorable Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

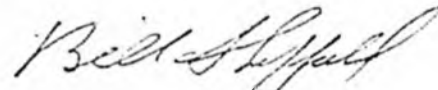
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that repeals certain accounts, funds, and dedications of state revenue.

Section 1 of the bill repeals statutes which appear to create dedicated funds in a manner that is not consistent with the limitations imposed by the Alaska Constitution. Repealed in sec. 1 are: (1) the reserve for capital outlay account (AS 37.05.157); (2) the reserve for energy facilities development account (AS 37.05.158); (3) a reference to AS 37.05.157 (reserve for capital outlay) in AS 37.07.062 dealing with the capital budget; and (4) the Alaska renewable resources development fund and Alaska renewable resources investment fund. (AS 37.11.010 -- 37.11.090). The accounts and the funds are inactive because it has been determined that they violate the dedicated fund prohibition contained in art. IX, sec. 7 of the Alaska Constitution. On the advice of the attorney general, no deposits were ever made to the accounts, and none has an outstanding balance. The renewable resources funds did, but no longer, have outstanding balances.

In sec. 2 of the bill, the dedication of revenue to the Alaska Native fund (AS 37.20.040) is repealed because the fund is no longer needed to implement the Alaska Native Claims Settlement Act. AS 43.05.210 is repealed because the dedication, for specific uses, of a part of the revenue received under 36 U.S.C. sec. 191 (the Federal Mineral Leasing Act) is no longer required by the federal law.

Under some circumstances, the dedication of state revenue might be appropriate. However, I believe that a dedication, if made at all, should be effected by amending the Alaska Constitution.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: SB 0110
 Title: Repealing certain runs and dedications
 Sponsor: Rules by Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: None
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Hilt Barker MB
 Division: Treasury

Phone: 465-2350
 Date: 01-07-84

Approved by Commissioner: [Signature]
 Agency: Revenue

Date: 1/6/84

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