

HB

8

(7)  
Date Referred: January 21, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 2-4-91

The JUDICIARY Committee considered:

HB 8

HOUSE BILL NO. 8

BUDGET PROCESS & APPROPRIATION LIMIT

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

RECOMMENDATIONS:  
 be replaced with CS HB 8 (Jud)  the same title  
 a new title  
 have attached amendments(s)  
 do pass  
 do not pass  
 no recommendations  
 individual recommendations  
 additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal impact \_\_\_\_\_  fiscal note(s) \_\_\_\_\_  
 zero fiscal note Leg. Affairs  zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Signature	Check appropriate column:	Do Not	No Rec	Amend
		Pass		
<u>David Conley</u>				
<u>Kevin P. ...</u>				
<u>Mark ...</u>				
<u>Mark ...</u>				

David Conley  
 Chairman's Signature

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 8

BY REPRESENTATIVE HANLEY  
AND REPRESENTATIVE GRUENBERG

Page 2, line 1, after "in which":

Delete "it is enacted"

Insert "the first expenditure under that appropriation is authorized [IT IS ENACTED]"

After "to the" insert "first"

After "year in which" insert "an expenditure under"

Page 2, line 2, after appropriation:

Delete "is enacted"

Insert "was authorized [IS ENACTED]"

A large, stylized handwritten signature or set of initials, possibly reading 'P. S.', is written in the lower-left quadrant of the page.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE GRUENBERG

TO: HB 8

Page 3, line 8:

Delete "AS 37.07"

Insert "AS 24.05.100"

Delete "section"

Insert "subsection"

Page 3, line 9:

Delete "Sec. 37.07.115. FISCAL EMERGENCIES."

Insert "(c)"

Page 3, line 14:

Delete "AS 24.05.100(a)(1)"

Insert "(a)(1) of this section"



AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 8

Page 2, after line 8:

Insert a new bill section to read:

"\* Sec. 2. AS 37.05.540 is amended by adding a new subsection to read:

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

Renumber the following bill sections accordingly.

prop. by Rep Hanley -

Adopted

**DIVISION OF LEGAL SERVICES**

RECEIVED 3 1 1991

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

P.O. Box Y, Juneau, Alaska 99811  
(907) 465-3867 or 465-2450  
FAX (907) 465-2029

Deliveries to: 240 Main Street  
Court Plaza, Room 500  
Mail Stop 3101

**MEMORANDUM**

January 31, 1991

**SUBJECT:** Governor's Authority to Call a Special Session (HB 8)

**TO:** Representative Dave Donley, Chair  
House Judiciary Committee

**FROM:** Tamara Brandt Cook *TBC*  
Director

Section 5 of HB 8 contains the following new provision of law:

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.

You have asked whether this provision unconstitutionally infringes upon the Governor's constitutional power to call the legislature into special session. In my opinion it does not because the provision does not purport to require the Governor to call a special session nor does it restrict the power of the Governor to call a special session under the authority of the constitution. It only sets out parameters for sessions called under that section if the Governor chooses to base a call on it.

Note that the existing law dealing with special sessions requires the Governor to give 15 days notice of a special session. (AS 24.05.100) All the new provision would do is permit this notice period to be reduced to 10 days or less for sessions dealing with fiscal emergencies. I agree that neither of these provisions would effectively prevent the Governor from calling a special session and providing a different notice period. I also agree that, were the new provision enacted, the Governor could not be

Representative Dave Donley

January 31, 1991

Page 2

prevented from designating additional subjects for legislation despite the restriction in that provision. (See Article II, Section 9 and Article III, Section 17) Nevertheless, as a practical matter, the Governor has in the past complied with AS 24.05.100 in calling special sessions and it might be that the proposed new provision would also be utilized if it were enacted.

TBC:mi:gc

91-015.mai

# State of Alaska

## Committees

CO-CHAIR, HOUSE JUDICIARY  
VICE-CHAIR, HOUSE LABOR AND COMMERCE  
HOUSE HEALTH, EDUCATION  
AND SOCIAL SERVICES



P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4712  
465-4968/4986  
(SESSION)

914 CLAY COURT  
ANCHORAGE, ALASKA 99503  
(907) 276-6844

Representative Max F. Gruenberg, Jr.  
District 11  
Spenard, Upper Midtown Anchorage

## MEMORANDUM

DATE: January 29, 1991  
TO: Members of the House Judiciary Committee  
FROM: Representative Max Gruenberg *MFG*  
RE: Sectional Analysis of HB 8

### Section 1

AS 32.05.540(b) reduces the existing statutory appropriation limit by removing the five percent add on from the preceding fiscal year.

### Section 2

AS 37.07.020(b)(2) requires the governor, when he submits his budget, to also submit revenue estimates and recommend expenditure limits for the following fiscal year.

### Section 3

AS 37.07.020(c) requires the Governor's budget to comply with the existing constitutional and statutory appropriation limits.

### Section 4

AS 37.07.030(c)(6) amends the statute that requires the legislature to pass a balanced budget to also require that in balancing the budget, the legislature shall look first to reductions in State expenditures and second to increasing revenues. This section also requires that the legislature pass a budget that meets the requirements of the existing constitutional and statutory appropriation limits.

### Section 5

AS 37.070.115 authorizes the governor to call a special session in the case of a revenue short fall.

# State of Alaska

## Committees

CO-CHAIR, HOUSE JUDICIARY  
VICE-CHAIR, HOUSE LABOR AND COMMERCE  
HOUSE HEALTH, EDUCATION  
AND SOCIAL SERVICES



P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4712  
465-4968/4986  
(SESSION)

914 CLAY COURT  
ANCHORAGE, ALASKA 99503  
(907) 276-6844

Representative Max F. Gruenberg, Jr.  
District 11  
Spenard, Upper Midtown Anchorage

## MEMORANDUM

DATE: January 29, 1991  
TO: Representative Max Gruenberg  
Representative Niilo Koponen  
FROM: Mark Handley *M Handley*  
RE: Existing constitutional and statutory appropriation  
limits

Enclosed is a package containing existing state statutory and constitutional appropriation limitations.

### I. CONSTITUTIONAL PROVISIONS

- A. Article IX, Section 16, the present constitutional appropriation limit. See Exhibit "A."
- B. Article IX, Section 8, the constitutional prohibition on contracting state debt without voter approval. See Exhibit "B."
- C. Article IX, Section 17, the new constitutional budget reserve fund which limits appropriations from the fund and diverts settlement money into the fund. See Exhibit "C."

### II. STATUTORY PROVISIONS

- A. AS 37.05.540, the statutory limit contained in the budget reserve fund statute. See Exhibit "D."
- B. AS 37.07.020(c) requires the governor to submit a balanced budget. See Exhibit "E."
- C. AS 37.07.030(5) and (6) require the legislature to pass a balanced budget as part of a six year balanced budget plan. See Exhibit "F."

# Exhibit A

~~Income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.~~

~~(The addition of this section was approved by the voters of the state November 2, 1976 and became effective February 21, 1977.)~~

## Article IX

### Appropriation Limit

SECTION 16. Except for appropriations for Alaska permanent fund dividends, appropriations of revenue bond proceeds, appropriations required to pay the principal and interest on general obligation bonds, and appropriations of money received from a non-State source in trust for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds, appropriations from the treasury made for a fiscal year shall not exceed \$2,500,000,000 by more than the cumulative change, derived from federal indices as prescribed by law, in population and inflation since July 1, 1981. Within this limit, at least one-third shall be reserved for capital projects and loan appropriations. The legislature may exceed this limit in bills for appropriations to the Alaska permanent fund and in bills for appropriations for capital projects, whether of bond proceeds or otherwise, if each bill is approved by the governor, or passed by affirmative vote of three-fourths of the membership of the legislature over a veto or item veto, or becomes law without signature, and is also approved by the voters as prescribed by law. Each bill for appropriations for capital projects in excess of the limit shall be confined to capital projects of the same type, and the voters shall, as provided by law, be informed of the cost of operations and maintenance of the capital projects. No other appropriation in excess of this limit may be made except to meet a state of disaster declared by the governor as prescribed by law. The governor shall cause any unexpended and unappropriated balance to be invested so as to yield competitive market rates to the treasury. [Amendment approved November 2, 1982]

Purpose and Construction

Local Government Powers

Boroughs

Assembly

Service Areas

# Exhibit B

transferred, nor shall the public credit be used, except for a public purpose.

Exceptions

Dedicated  
Funds

SECTION 7. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

Budget

Article IX

(The amendment to this section was approved by the voters of the state November 2, 1976 and became effective February 21, 1977. This amendment inserted "as provided in section 15 of this article or" in the first sentence.)

State Debt

SECTION 8. No state debt shall be contracted unless authorized by law for capital improvements or unless authorized by law for housing loans for veterans, and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective. [Amendment approved November 2, 1982]

Expenditures

Effect of amendments. - The amendment approved November 2, 1982, inserted "or unless authorized by law for housing loans for veterans" in the first sentence.

Legislative  
Post-Audit

Local Debts

SECTION 9. No debt shall be contracted by any political subdivision of the State, unless authorized for capital improvements by its governing body and ratified by a majority vote of those qualified to vote and voting on the question.

Alaska  
Permanent  
Fund

Interim  
Borrowing

SECTION 10. The State and its political subdivisions may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year, but all debt so contracted shall be paid before the end of the next fiscal year.

Maintenance and operations, functionality, indoor air quality, public convenience, design, and appearance; and be it

*Further Resolved* that a State Lease Task Force is established to study the issues raised by the goals set out in the previous resolves in order to determine the best method for achieving these goals; and be it

*Further Resolved* that the task force shall consist of nine persons appointed by the governor, two representatives appointed by the speaker of the state house of representatives, and two senators appointed by the president of the state senate; and be it

*Further Resolved* that the members of the task force appointed by the governor shall include two engineers licensed under AS 08.48, two architects licensed under AS 08.48, two representatives of local government, one representative from the Department of Transportation and Public Facilities, one representative from the Department of Administration, and one representative from the University of Alaska; and be it

*Further Resolved* that the terms of the task force members shall begin July 1, 1990, and that the task force shall terminate January 22, 1991; and be it

*Further Resolved* that the task force shall submit a report of its findings and recommendations to the governor and the legislature by January 21, 1991; and be it

*Further Resolved* that the administrative and legal services of the Legislative Affairs Agency shall be made available to the task force.

LEGISLATIVE RESOLVE NO. 129

(HCS CSSSSJR 5(Fin) am H)

Section 1. Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

**SECTION 17. BUDGET RESERVE FUND.** (a) There is established as a separate fund in the State treasury the budget reserve fund. Except for money deposited into the permanent fund under Section 15 of this article, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a State or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund. Money in the budget reserve fund shall be invested so as to yield competitive market rates to the fund. Income of the fund shall be retained in the fund. Section 7 of this article does not apply to deposits made to the fund under this subsection. Money may be appropriated from the fund only as authorized under (b) or (c) of this section.

129  
blic  
l to  
s in  
e it  
ons  
the  
ors  
by  
wo  
cal  
ta-  
of  
of  
all  
ary  
its  
by  
the  
ce.  
is  
ed  
nd.  
15  
s a  
an  
rt  
le  
or  
ty,  
et  
tes  
17  
nis  
as

(b) If the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year, an appropriation may be made from the budget reserve fund. However, the amount appropriated from the fund under this subsection may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year.

(c) An appropriation from the budget reserve fund may be made for any public purpose upon affirmative vote of three-fourths of the members of each house of the legislature.

(d) If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. The legislature shall implement this subsection by law.

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

LEGISLATIVE RESOLVE NO. 130

(SJR 84)

~~Whereas title to the airport at Saint Paul, Alaska, was transferred to the State of Alaska under the terms of the Fur Seal Act Amendments of 1983 (P.L. 98-129) and a Transfer of Property Agreement entered into February 11, 1984; and~~

~~Whereas the local Native corporation agreed to lease or sell land needed for expansion of the airport, and state and federal agencies have committed themselves to take the steps necessary to implement the Transfer of Property Agreement; and~~

~~Whereas the economic well-being of Saint Paul, Alaska, is largely dependent upon the rapidly growing crab, surimi, and bottomfish industry; and~~

~~Whereas the Saint Paul airport facility provides the only year-round access to and from the community; and~~

~~Whereas the Saint Paul airport facility is critical to ensuring that the community's commercial and social ties with the state and nation are maintained; and~~

~~Whereas the Saint Paul airport is classified as a nonprimary commercial service airport under the Airport Improvement Program (AIP); and~~

~~Whereas nonprimary airports are only eligible to receive AIR discretionary funding and limited State of Alaska primary entitlement funding; and~~

under 42 U.S.C. 6508. It is the intent of the legislature that an initial appropriation be made to the Department of Community and Regional Affairs to cover anticipated impact grants, and that additional funds be made available through supplemental appropriations if the impact is greater than anticipated and the legislature considers the additional grants proposed by the department to be meritorious.

(e) A municipality may use the funds received under (d) of this section only for the following activities and services to alleviate the impact of the oil and gas development under 42 U.S.C. 6508 within the National Petroleum Reserve — Alaska:

- (1) planning;
  - (2) construction, maintenance, and operation of essential public facilities by the municipality; and
  - (3) other necessary public services provided by the municipality.
- (f) Funds appropriated under (d) of this section may not be used for the retirement of municipal debt.

(g) Amounts received by the state under 42 U.S.C. 6508 and not appropriated for grants to municipalities under (d) of this section lapse at the end of each fiscal year as follows:

- (1) 50 percent to the principal of the Alaska permanent fund;
- (2) .5 percent to the public school fund (AS 37.14.110); and
- (3) the remainder to the general fund for use by the state for the following facilities and services:
  - (A) planning;
  - (B) construction, maintenance, and operation of essential public facilities; and
  - (C) other necessary public services. (§ 2 ch 94 SLA 1984; am §§ 2, 3 ch 53 SLA 1986)

Revisor's notes. — Formerly AS 37.25.040. Renumbered in 1988.

1986 Acts, see § 1, ch. 94, SLA 1984, and § 1, ch. 53, SLA 1986, respectively, in the Temporary and Special Acts.

Cross references. — For legislative findings in connection with the 1984 and

**Sec. 37.05.540. Budget reserve fund; appropriation limit.**

(a) There is established as a separate fund in the state treasury the budget reserve fund. The budget reserve fund consists of appropriations to the fund. Money received by the state that is subject to the appropriation limit under (b) of this section and that exceeds that limit, may be appropriated to the budget reserve fund.

(b) Except for appropriations to the permanent fund or for Alaska permanent fund dividends, appropriations to the budget reserve fund, appropriations of revenue bond proceeds, appropriations required to pay the principal and interest on general obligation bonds, and appropriations of money received from a nonstate source in trust for a specific purpose, including revenue of a public enterprise or public corporation of the state that issues revenue bonds, appropriations from the

treasury made in a fiscal year may not exceed appropriations made in the preceding fiscal year by more than five percent plus the change in population and inflation since the beginning of the preceding fiscal year. For purposes of applying this limit an appropriation is considered to be made in the fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal year in which the original appropriation is enacted. The determination of the change in population for purposes of this subsection shall be based on an annual estimate of population by the Department of Labor. The determination of the change in inflation for purposes of this subsection shall be based on the Consumer Price Index for all urban consumers for Anchorage prepared by the United States Bureau of Labor Statistics. The amount of money received by the state that is subject to the appropriation limit includes the balance in the general fund carried forward from the preceding fiscal year.

(c) If the legislature determines that the money subject to the appropriation limit received by the state in a fiscal year is less than the maximum permitted to the appropriated under (b) of this section, up to 25 percent of the balance of the budget reserve fund may be appropriated to the general fund.

(d) The Department of Revenue shall manage and invest assets of the budget reserve fund in the manner set out for the management and investment of the assets of the general fund under AS 37.10.070. Income from investment of the budget reserve fund may be appropriated to the fund each year by law.

(e) Notwithstanding other provisions of this section, appropriations may be made from the budget reserve fund needed by the governor to meet a disaster. In this subsection, "disaster" has the meaning given in AS 26.23.230. (§ 1 ch 58 SLA 1986)

Revisor's notes. — Formerly AS 37.05.156. Renumbered in 1988.

Editor's notes. — Section 3, ch. 58,

SLA 1986 provides that this section "applies to fiscal year 1988 and fiscal years thereafter".

Article 7. General Provisions.

Section  
900. Interpretation of chapter  
910. Applicability to University of Alaska  
920. Fiscal year

Section  
990. Definitions for chapter  
995. Short title

~~Sec. 37.05.900. Interpretation of chapter. This chapter shall be construed as supplemental to all other state laws not in conflict with it. If a section or part of a section of this chapter is in conflict with federal requirements for a program for which federal grant-in-aid funds are available, the section or part to the extent of the conflict is inoperative. (§ 1 art VIII ch 82 SLA 1955; am § 18 ch 186 SLA 1957)~~

37.07.010

§ 37.07.020

PUBLIC FINANCE

§ 37.07.020

the Fiscal

(3) the preparation, coordination, analysis, and enactment of a budget that is organized to focus on the services provided by state agencies and on the cost of those services and that provides for implementation of policies and plans, in the succeeding budget period;

(4) the evaluation of alternatives to existing policies, plans and procedures that offer potential for more efficient state services;

(5) the regular appraisal and reporting of program performance;

(6) public participation in the development of the annual budget, including opportunity for the public to review and comment upon the plans and programs of the Office of the Governor and all state agencies in the executive branch, the legislature, the judicial system, the University of Alaska, and the public corporations of the state. (§ 1 ch 188 SLA 1970; am § 2 ch 168 SLA 1978; am §§ 1, 2 ch 2 SLA 1982)

r special ap-

Cross references. — For constitutional provisions as to budget, see Alaska Const., art. IX, § 12.

NOTES TO DECISIONS

Stated in M-K Eng'g Co. v. Alaska Power Auth., 662 F. Supp. 303 (D. Alaska 1986).

obstacle to  
ska subject  
this title.  
Gen.

Sec. 37.07.020. Responsibilities of the governor. (a) The governor shall prepare and submit to the legislature before the fourth legislative day a budget for the succeeding fiscal year which must cover all estimated receipts, including all grants, loans, and money received from the federal government, and all proposed expenditures of the state government. The budget submitted by the governor shall be organized so that the proposed expenditures for each agency are presented separately. The budget must be accompanied by a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenue. The proposed general appropriation bill shall become public information on December 15 of each year at which time the governor shall submit copies to the legislature and make copies available to the public.

(D. Alaska

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

his chap-  
nd finan-  
nd legis-  
the state  
dures for  
odic revi-  
financial

(c) Proposed expenditures may not exceed estimated revenue for the succeeding fiscal year. The expenditures proposed in the six-year capital improvements program and financial plan may not exceed the estimated revenue and bond authorizations passed and proposed.

unge pro-  
ate goals

(d) The governor shall annually, before the convening of the legislature, report to the legislature through the Legislative Budget and Audit Committee the long-range fiscal and economic consequences of

(1) alternate levels of capitalization of the investment funds of the state; and

(2) alternative investment policy for the general fund surplus. (§ 1 ch 188 SLA 1970; am § 3 ch 168 SLA 1978; am § 4 ch 18 SLA 1980; am § 3 ch 2 SLA 1982; am § 1 ch 61 SLA 1984)

Effect of amendments. — The 1984 amendment added the last sentence in subsection (a).

**Sec. 37.07.030. Responsibilities of the legislature.** The legislature shall

- (1) provide for a budget review function;
- (2) analyze the comprehensive operating and capital improvements programs and financial plans recommended by the governor;
- (3) adopt legislation to authorize implementation of the governor's comprehensive operating and capital improvements programs and financial plans or appropriate alternatives to those plans;
- (4) provide for a post-audit function to cover financial transactions, program accomplishment, and compliance with legislative intent;
- (5) adopt or revise the estimate or 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) 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. (§ 1 ch 188 SLA 1970; am § 4 ch 168 SLA 1978)

**NOTES TO DECISIONS**

<p>Budgetary system established by statutes implementing Constitution. — Statutory language implementing Alaska Const., art. IX, § 13, establishes a budgetary system in which all appropriations are</p>	<p>made by legislative act. Municipality of Anchorage v. Frohne, Sup. Ct. Op. No. 1477 (file Nos. 3050, 3104), 568 P.2d 3 (1977).</p>
---	---

**Sec. 37.07.040. Office of management and budget.** The Alaska office of management and budget shall

- (1) assist the governor in the preparation and explanation of the proposed comprehensive program and financial plan, including the coordination and analysis of state agency goals and objectives, plans, and budget requests;
- (2) prepare for submission to the governor an annually updated six-year capital improvements program and the proposed capital improvements budget for the coming fiscal year, the latter to include individual project justification with documentation of estimated project cost;
- (3) develop procedures to produce the information needed for effective policy decision making, including procedures to provide for the

§ 37.05.550

§ 37.05.990 and also  
§ 2 SLA 1986; am

§ 36.90.290" for "AS  
graph (d)(3).

§ funds shall be  
general fund:

§ 44.68.130(c);

enterprises revolv-

each of the funds  
in excess of reve-  
from that fund.  
§ 92 ch 36 SLA

injury fund, and the  
effectively, should be  
the general fund.

vessel replace-  
a marine high-  
s of money ap-  
ed to the fund  
nage the fund.  
anted for sepa-  
y. The legisla-  
hment of exist-  
erry vessels, or  
ls.  
ey received by  
ceipts or from  
um Sands case  
case (State v.  
ka permanent

§ 37.05.800

PUBLIC FINANCE

§ 37.07.030

fund under AS 37.13.010(a)(1) or (2) or into the public school trust  
fund under AS 37.14.150. (§ 1 ch 145 SLA 1990)

**Cross references.** — For Alaska Ma-  
rine Highway System Fund and budget,  
see AS 19.65.050 — 19.65.100.

**Effective dates.** — Section 1, ch. 145,  
SLA 1990, which enacted this section,  
took effect on September 19, 1990.

**Article 6A. Miscellaneous Provisions.**

**Section**

800. Restriction on use of state money for  
residential contracting

**Effective date of article.** — Section  
13, ch. 99, SLA 1990, provides: "This Act  
takes effect July 1, 1991."

**Sec. 37.05.800. Restriction on use of state money for residen-  
tial contracting.** (a) The state may not grant or loan money or pur-  
chase a loan for the construction or alteration of a privately-owned  
residential structure of one to four units unless the grant or loan  
requires the construction or alteration to be undertaken by a residen-  
tial contractor with an endorsement issued under AS 08.18. In this  
subsection, "alteration" means changes that have a value greater  
than 25 percent of the value of the structure being altered.

(b) The restriction of (a) of this section does not apply to a state loan  
or grant or purchase of a loan made for work described in AS  
08.18.161 that is exempt from the requirements of AS 08.18. (§ 10 ch  
99 SLA 1990)

**Chapter 07. Executive Budget Act.**

**Section**

30. Responsibilities of the legislature

**Sec. 37.07.030. Responsibilities of the legislature.** The legisla-  
ture shall

- (1) provide for a budget review function;
- (2) analyze the comprehensive operating and capital improvements  
programs and financial plans recommended by the governor;
- (3) adopt legislation to authorize implementation of the governor's  
comprehensive operating and capital improvements programs and fi-  
nancial plans or appropriate alternatives to those plans;
- (4) provide for a post-audit function to cover financial transactions,  
program 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) 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. (§ 1 ch 188 SLA 1970; am § 4 ch 168 SLA 1978)

Editor's notes. — This section is set out above to correct a typographical error in the main pamphlet.

**Sec. 37.07.080. Program execution.**

Cross references. — For definition of "program receipts" applicable to this section, see AS 37.05.146.

**Chapter 10. Public Funds.**

**Article**

2. Accounting (§ 37.10.050)
3. Investment and Deposit of State Funds (§ 37.10.085)

**Article 2. Accounting.**

**Section**

50. Charges for state services; collection, accounting and deposit of state money

**Sec. 37.10.050. Charges for state services; collection, accounting and deposit of state money.** (a) A state agency may not charge for the provision of state services unless the charge (1) is set or otherwise authorized by statute; and (2) where a regulation is necessary, is set by or provided for in a regulation that meets the standards of AS 44.62.020 and 44.62.030. A fee or other charge that is set by regulation may not exceed the estimated actual costs of the state agency in administering the activity or providing the service unless otherwise provided by the statute under which the regulation is adopted; this limitation does not apply to sales of property by a state agency. Unless specifically exempted by statute, a state agency authorized to collect or receive fees, licenses, taxes, or other money belonging to the state shall account for and remit the receipts, less fees to which the collector is entitled by statute or regulation, to the Department of Revenue at least once each month. The commissioner of administration shall separately account under AS 37.05.142 for receipts deposited under this subsection.

# State of Alaska

## Committees

CO-CHAIR, HOUSE JUDICIARY  
VICE-CHAIR, HOUSE LABOR AND COMMERCE  
HOUSE HEALTH, EDUCATION  
AND SOCIAL SERVICES



P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4712  
465-4968/4986  
(SESSION)

914 CLAY COURT  
ANCHORAGE, ALASKA 99503  
(907) 276-6844

Representative Max F. Gruenberg, Jr.  
District 11  
Spenard, Upper Midtown Anchorage

## MEMORANDUM

DATE: January 29, 1991

TO: Members of the House Judiciary Committee

FROM: Representative Max Gruenberg *Max*  
Representative Niilo Koponen *Niilo*

RE: HB 8, "An Act relating to the statutory appropriation limits and to balancing the budget, and ensuring compliance with appropriation limits in the budget process."

I would very much appreciate your support for HB 8. Under this bill, appropriations will generally be limited to the same level as the preceding fiscal year adjusted for inflation and population changes.

It also requires the governor to provide to the legislature an estimate of anticipated state revenues and expenditures for the fiscal year after the fiscal year for which the governor's budget is submitted. It adds a statutory requirement that proposed expenditures must be within statutory and constitutional appropriation limits.

The bill requires the legislature to cut expenditures as well as adjust revenues, if necessary, to balance the budget or meet constitutional and statutory spending limits. The bills also allows the governor to call a special session to deal with a revenue shortfall.

Alaska's fiscal health depends on responsible legislative actions to deal with changing revenues available and changing state needs. HB 8 is an important step in the right direction.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HB 2

Revision Date: \_\_\_\_\_ Department Affected: Legislative Affairs Agency

Title: "An Act relating to the statutory appropriation limit and to balancing..." BRU: Legislative Council

Component: Session Expenses, Legal Services

Sponsor: Representative Gruenberg

Requestor: Representative Gruenberg COMPONENT SERIAL NO. 

	7	8	2
	7	8	1

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Zero fiscal impact.

Prepared By: Pamela A. Stoops, Director *Pamela A. Stoops* Phone: 465-3800

Division: Administrative Services Date: January 24, 1991

Approved by Commissioner: Warren W. Endicott, Executive Director *Warren W. Endicott*

Agency: Legislative Affairs Agency Date: January 24, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).