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# REP. TERRY MARTIN

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## Alaska House of Representatives

### SPONSOR STATEMENT

HB 98 "An Act relating to deposits to the budget reserve fund."

In November, 1990, the voters of the state approved an amendment to the Alaska Constitution that establishes a budget reserve fund, consisting primarily of windfalls gained by the settlement of oil tax disputes.

The money in this fund is available to the legislature for appropriation under two circumstances: The legislature can appropriate from it by a simple majority vote if the amount available for appropriation in the general fund is less than the amount appropriated in the previous fiscal year; or, the legislature can appropriate from the budget reserve by a 3/4 vote for any public purpose.

After money has been appropriated from the budget reserve fund, the constitution requires that it be repaid at the end of the fiscal year from any money available in the general fund. The constitutional amendment also stipulates that the legislature shall implement this provision by law.

HB 98 provides the mechanism to implement that directive, by requiring the department of administration to determine the amount borrowed, and then transfer that amount into the budget reserve fund from the general fund.



## A BRIEF SYNOPSIS

Of HB 98

This bill would require the department of administration, at the end of a fiscal year, to determine how much the legislature had borrowed from the constitutional budget reserve fund, that remains to be repaid. And how much in unappropriated general funds was available at the end of the previous fiscal year to repay the debt. Based upon those determinations, the commissioner of administration would then have until November 1 to transfer the money from the general fund to the budget reserve fund.

For example, suppose the legislature borrows \$200 million from the budget reserve for its FY 94 budget. Suppose that at the end of FY 94 (on June 30, 1994) the \$200 million debt remains, and there is now \$1.5 billion in the general fund, that would be used to fund the FY 95 budget. Before that money is spent on FY 95, the department of administration would transfer \$200 million back to the budget reserve fund, as the constitution directs. In other words, the legislature must pay its debt to the budget reserve before it funds normal government operations. This bill simply creates the mechanism to meet that obligation.

As no other effective date is provided, this law, if enacted, would become effective 90 days after the governor signs it or allows it to become law without his signature.



# House State Affairs Committee

## Representative Gene Kubina, Chair

DATE: April 24, 1991

PLACE: Capitol, Room 102

### SUBJECT OF MEETING:

- \*HB 41 - Relating to PFD for Alaskans on Military Duty
- \*HB 98 - Relating to Qualify Certain Persons for PFD's

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Larry Martin	Dist. 13				3783	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 41
Tom Williams	Revenue	PFD Division			465-2323	<input checked="" type="radio"/> Y <input type="radio"/> N	SB 98 / HB 41
Tom Wright	Mil & Vet Affairs Committee	PO Box V Juneau AK	99511		4527	<input type="radio"/> Y <input type="radio"/> N	ANSWER QUESTIONS HB 91-5698
Jeff Morrison	DMVA	PO Box L Juneau			465-4600	<input type="radio"/> Y <input type="radio"/> N	
JEFF BUSH	LAW				465-3600	<input type="radio"/> Y <input type="radio"/> N	either
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
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