

BILLS 1981 - 1982

SCR 55 - SJR 61

1593

1593

COMMITTEE REPORT
SENATE

4/28/82

FURTHER: Finance

Date: 4-29-82

Mr. President: HEALTH, EDUCATION &
SOCIAL SERVICES

The Committee on _____ has had SCR 55

Creating the Blue Ribbon Commission on the Status of Mount Edgecumbe High School

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass [] do not pass

[] do pass with attached amendments(s)

replace with CS for SCR 55 (HESS) same title new title

and recommends maj - do pass

[] AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
CHAIRMAN

Original sponsor: Health, Education
and Social Services
Committee

Offered: 4/30/82
Referred: Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 55 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Creating the Blue Ribbon Commission
6 on the Status of Mount Edgecumbe High
7 School.

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

9 WHEREAS Mount Edgecumbe High School has provided a source of secondary
10 education for many Alaskans since 1947; and

11 WHEREAS Mount Edgecumbe High School has provided a quality education for
12 its students; and

13 WHEREAS at the end of the 1982 - 1983 school year Mount Edgecumbe High
14 School will be closed by the federal government;

15 BE IT RESOLVED by the Alaska State Legislature that a Blue Ribbon Com-
16 mission on the Status of Mount Edgecumbe High School is created for the
17 purpose of studying options for the operation of Mount Edgecumbe High School
18 following closure by the federal government; and be it

19 FURTHER RESOLVED that the options studied by the Blue Ribbon Commission
20 on the Status of Mount Edgecumbe High School include, but not be limited to,
21 a preparatory school for college-bound students, a leadership academy for
22 outstanding students, and a vocational skills center, and that any options
23 studied include estimates on the cost of operations and improvements to
24 facilities; and be it

25 FURTHER RESOLVED that the Blue Ribbon Commission on the Status of Mount
26 Edgecumbe High School consist of (1) two members appointed by the president
27 of the senate, one of whom is a public member representing regional educa-
28 tional attendance areas; (2) two members appointed by the speaker of the
29 house of representatives, one of whom is a public member representing regional

1 educational attendance areas; (3) two members appointed by the governor, one
2 of whom is the mayor of the City and Borough of Sitka or the mayor's designee;
3 (4) one member appointed by the state Board of Education; and be it

4 FURTHER RESOLVED that the Blue Ribbon Commission on the Status of Mount
5 Edgecumbe High School report to the legislature its findings and recommenda-
6 tions regarding the operation of Mount Edgecumbe High School within 45 days
7 after the convening of the First Session of the Thirteenth Legislature.
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Introduced: 4/28/82
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
AND SOCIAL SERVICES COMMITTEE

2 SENATE CONCURRENT RESOLUTION NO. 55

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Creating the Blue Ribbon Commission
6 on the Status of Mount Edgcumbe High
7 School.

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

9 WHEREAS the Mount Edgcumbe High School has provided one of the only
10 sources of secondary education for many Alaskans since 1947; and

11 WHEREAS Mount Edgcumbe High School has provided a consistently high
12 quality education for its students; and

13 WHEREAS the federal government is considering the closure of Mount
14 Edgcumbe High School;

15 BE IT RESOLVED by the Alaska State Legislature that the Blue Ribbon
16 Commission on the Status of Mount Edgcumbe High School is created to study
17 the conditions under which the Mount Edgcumbe High School shall be open; and
18 be it

19 FURTHER RESOLVED that the Blue Ribbon Commission on the Status of Mount
20 Edgcumbe High School shall consist of two members to be appointed by the
21 President of the Senate, one of whom shall be a member of the Legislature and
22 one of whom shall be a public member; two members to be appointed by the
23 Speaker of the House of Representatives, one of whom shall be a member of the
24 Legislature and one of whom shall be a public member; two members to be
25 appointed by the Governor; and one member to be appointed by the State Board
26 of Education; and be it

27 FURTHER RESOLVED that the Blue Ribbon Commission on the Status of Mount
28 Edgcumbe High School shall report its findings to the Legislature by the
29 45th day of the First Session of the Thirteenth Legislature.

SCR 55

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE CONC. RESOL. NO. 55.....

By THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Creating the Blue Ribbon Commission on the Status of Mount Edgecumbe High School.

Introduced in the Senate ... 4/28, 19... 82

HISTORY IN THE SENATE

19 82 Read first time and referred to Committee on

4 28 HESS and Finance

430 Reported back with *HESS replace w/CS-4do pass to Finance*

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Introduced: 4/28/82
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
AND SOCIAL SERVICES COMMITTEE

2

SENATE CONCURRENT RESOLUTION NO. 55

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

Creating the Blue Ribbon Commission

6

on the Status of Mount Edgecumbe High

7

School.

8

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Speaker of the House of Representatives, one of whom shall be a member of the

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Legislature and one of whom shall be a public member; two members to be

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26

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27

FURTHER RESOLVED that the Blue Ribbon Commission on the Status of Mount

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Edgecumbe High School shall report its findings to the Legislature by the

29

45th day of the First Session of the Thirteenth Legislature.

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Original sponsor: Health, Education
and Social Services
Committee

Offered: 4/30/82
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 55 (HESS)

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4 TWELFTH LEGISLATURE - SECOND SESSION

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29 house of representatives, one of whom is a public member representing regional

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1/12/82

Notify Correy Peska
re: inquiries and scheduling
of this Resolution.

Introduced: 1/11/82
Referred: State Affairs and
Judiciary

1 IN THE SENATE

BY KELLY

2 SENATE JOINT RESOLUTION NO. 56

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Consti-
6 tution of the State of Alaska relating
7 to the election of the state auditor.

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

9 * Section 1. Article IX, sec. 14, Constitution of the State of Alaska, is
10 repealed and readopted to read:

11 SECTION 14. STATE AUDITOR. There shall be a state auditor. He
12 shall be a qualified voter of the State, a citizen of the United States,
13 a resident of Alaska for at least five years preceding his filing for
14 office, and a certified public accountant. The state auditor shall be
15 chosen by the qualified voters of the State at a general election. The
16 candidate receiving the greatest number of votes shall be state auditor.
17 The first election of a state auditor shall be at the general election
18 in 1984. The term of office of the state auditor is four years,
19 beginning at noon on the first Monday in December following his election
20 and ending at noon on the first Monday in December four years later. No
21 person who has been elected state auditor for two full successive terms
22 shall be again eligible to hold that office. The state auditor shall be
23 the auditor of the accounts of all departments, offices, and agencies of
24 the State including the Legislature, the Executive, and the Judiciary
25 and the University of Alaska and shall perform other duties prescribed
26 by law. The state auditor constitutes an agency independent of the
27 executive branch agencies named in Section 22 of Article III.

28 * Sec. 2. The amendment proposed by this resolution shall be placed
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
2 laws of the state.

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ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE JOINT RESOLUTION NO. 56

By KELLY

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

Introduced in the Senate 1/11/ 82, 19

HISTORY IN THE SENATE

19	82	Read first time and referred to Committee on										
1	11	St. Affairs and Judiciary										
1	12	Finance/SA/Judiciary 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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Reconsideration												
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Signed by President												
Sent to House												
SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

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Reported correctly engrossed											
Signed by Speaker											
Returned to Senate											
CHIEF CLERK OF THE HOUSE											

HISTORY IN THE SENATE

19	Received from House
To enrolling	
Reported correctly enrolled	
Sent to Governor	
. by Governor	
Filed with Lt. Governor	
Chapter No.	

Introduced: 1/11/82
Referred: State Affairs and
Judiciary

1 IN THE SENATE

BY KELLY

2 SENATE JOINT RESOLUTION NO. 56

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Consti-
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26 by law. The state auditor constitutes an agency independent of the
27 executive branch agencies named in Section 22 of Article III.

28 * Sec. 2. The amendment proposed by this resolution shall be placed
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
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Introduced: 1/29/82
Referred: State Affairs,
Finance and Judiciary

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE JOINT RESOLUTION NO. 65

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska relating to the
7 expenditure of money which exceeds the
8 limit on appropriations.

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

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

12 SECTION 17. UNEXPENDED AND UNOBLIGATED MONEY. Not more than fifty
13 per cent of the unexpended and unobligated money in the state treasury
14 which exceeds the limit established by section 16 of this article for a
15 fiscal year may be expended for capital projects approved by the voters.
16 If the voters fail to approve an appropriation for a capital project,
17 the amount of the appropriation shall be placed in the permanent fund
18 established by section 15 of this article. The remaining unexpended and
19 unobligated money in the state treasury for a fiscal year shall be
20 invested as provided in section 16 of this article unless the voters
21 approve, as prescribed by law, the placement of the money in the perma-
22 nent fund established by section 15 of this article.

23 * Sec. 2. Article XV, Constitution of the State of Alaska, is amended by
24 adding new sections to read:

25 SECTION 29. EFFECTIVE DATE OF AMENDMENT. The 1982 amendment re-
26 lating to the appropriation of unexpended and unobligated state money
27 (art. IX, sec. 17) takes effect on the effective date of the amendment
28 limiting appropriation increases (art. IX, sec. 16).

29 SECTION 30. REPEAL OF AMENDMENT. If the amendment limiting appro-

1 priation increases (art. IX, sec. 16) is rejected by the voters at the
2 1986 general election, the amendment relating to the appropriation of
3 unexpended and unobligated state revenue (art. IX, sec. 17) is repealed.

4 * Sec. 3. The amendments proposed by this resolution shall be placed be-
5 fore the voters of the state at the next general election in conformity with
6 art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws
7 of the state.

Introduced: 1/29/82
Referred: State Affairs,
Finance and Judiciary

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE JOINT RESOLUTION NO. 65

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Introduced: 1/29/82
Referred: State Affairs,
Finance and Judiciary

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE JOINT RESOLUTION NO. 65

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

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COMMITTEE REPORT
SENATE

FURTHER: Judiciary

Date: _____

Mr. President:

The Committee on FINANCE has had SSB 61

Proposing amendments to the Constitution of the State of Alaska relating to reapportionment and creating an investment fund

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for 61 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 2 FNots (2/3/82)
8/9/82
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN



Official Business

Alaska State Legislature

Senate

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Dankworth
FROM: Pete Jeans *PJ*
DATE: March 24, 1982
RE: SJR 61

SECTION 16. This section places a limit on the revenue available for appropriation by the legislature. Revenue received from any source other than revenues from all mineral lease rentals, royalty sale proceeds, federal mineral revenue sharing payments and bonuses are available. This includes, but is not limited to revenue received from taxes, licenses and permit fees, federal shared revenues, investment earnings, airport and ferry system charges, court system charges and other miscellaneous revenues.

The legislature determines the percentage it will appropriate for operating, capital or loans.

The governor is responsible to reduce spending if actual revenues are below that appropriated by the legislature. This will prevent deficit spending and allow the legislature to "balance the books" at the beginning of each session.

SECTION 17. This section establishes the Alaska Resource Fund.

All revenue received from mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses, that are not required by law to be deposited in the permanent fund, are placed in the Alaska Resource Fund.

This fund is used in the following ways:

- (1) The legislature may appropriate one-fifth (20%) of the balance in the fund for any purpose if the appropriation is approved by the voters.
- (2) Money in the fund shall be invested at a rate of return equal to the market rate of return for similar investments, but not less than the rate of return provided by obligations of the United States Government. (For a 90 day investment the bottom line would be 90 day treasury bills, today 12.82%, 10 year maturity 13.79%.) or;
- (3) Money in the fund may be invested in capital projects which are owned by the state that will return the investment to the fund and provide a rate of return equal to the market rate for general obligation bonds of the state at the time the investment is made. (Approximately 10%).
- (4) Earnings on the fund are deposited in the general fund.

SECTION 26. Will eliminate the possibility of a second vote on the appropriation for relocation of the capital.

FUNDS AVAILABLE FOR OPERATING & CAPITAL BUDGETS

SJR-61

IN THOUSAND OF CURRENT DOLLARS

	<u>FY 1983</u> <u>Estimate</u> <u>January</u>	<u>FY 1984</u> <u>Estimate</u> <u>January</u>
<u>Taxes</u>		
<u>Income</u>		
Corporate-General (1)	35,000	39,000
Corporate-Petroleum (2)	304,000	360,000
<u>Gross Receipts</u>		
Alaska Business License	5,500	5,500
Fish-Canned Salmon	6,000	6,000
Fish-Shorebased	11,000	11,000
Fish-Floating	4,000	4,000
Salmon Enhancement	2,400	2,400
Insurance Companies	11,500	11,500
Other	1,400	1,400
<u>Severance</u>		
Gravel, Timber, Etc.	2,500	2,500
Oil & Gas Production (3)(4)	1,819,000	2,213,400
Oil & Gas Conservation	700	700
<u>Property</u>		
Oil & Gas (5)	157,700	225,000
Vehicle Registration	200	200
<u>Sale/Use</u>		
Alcoholic Beverages	9,000	9,000
Fuel Taxes-Aviation	4,500	4,700
Fuel Taxes-Highway	18,500	19,000
Fuel Taxes-Marine	3,800	4,000
Tabacco Products	1,900	1,900
<u>Other</u>		
Estate	500	500
Total Taxes	<u>2,399,100</u>	<u>2,921,700</u>
<u>Licenses & Permits</u>		
<u>Business</u>	11,000	12,100
<u>Non-Business</u>	13,000	13,500
Total Licenses & Permits	<u>24,000</u>	<u>25,600</u>
<u>Intergovernmental Receipts</u>		
Federal Shared Revenues (6)(7)	9,900	10,000
Investment Earnings	315,000	375,000
<u>Facilities Related Charges</u>		
Airports	1,200	1,200
Ferry System-Southeast	26,300	28,900
Ferry System-Southwest	3,800	4,100
Other	4,500	4,700
<u>Service Related Charges</u>		
Court System	3,300	3,500
Other	4,500	4,800
	<u>43,600</u>	<u>47,200</u>
<u>Miscellaneous Revenues</u>	5,900	6,000
Total	2,797,500	3,385,500

SJR-61

YEAR	REVENUE PROJECTIONS	SECTION 16 REVENUE	RESOURCE FUND BALANCE	INTEREST RESOURCE FUND	SECTION 17 VOTER APPROVAL
1983	3308.4	2989.62	0.0	0.00	0.00
1984	5241.7	3101.91	1306.3	0.00	326.59
1985	6518.6	3696.82	3672.1	143.70	0.00
1986	7611.7	4304.35	5138.8	367.21	1284.70
1987	8762.2	4907.82	8325.2	462.49	0.00
1988	9275.2	5051.11	9443.9	749.27	2360.97
1989	10300.3	5624.25	13280.8	849.95	0.00
1990	10468.6	5926.71	13613.4	1195.27	3403.34
1991	10107.8	5814.31	17159.0	1225.20	0.00
1992	10437.1	6185.93	16538.6	1544.31	4134.66
1993	10547.9	6236.29	20102.3	1488.48	0.00
1994	10971.4	6658.49	18935.5	1809.21	4733.87
1995	10236.5	6307.10	22204.5	1704.19	0.00
1996	10298.7	6532.60	20278.4	1998.41	5069.61
1997	10729.1	6658.43	23663.7	1825.06	0.00
1998	11291.7	7100.27	21716.6	2129.73	5429.16

OFFICE OF THE GOVERNOR
INFORMATION BY THE DIVISION OF BUDGET & MANAGEMENT

- (1) RESOURCE EXPENDITURE RATE = 20% WITHDRAWN EVERY OTHER YEAR
- (2) VARIABLE RATE OF RETURN, LONG TERM INFLATION RATE = 7%
- (3) THE RATE OF RETURN ON THE RESOURCE AND PERMANENT FUND IS
1983 = 13%, 1984 = 12%, 1985 = 11%, 1986 = 10%, 1987-1998 = 9%

SJR-61

RESOURCE FUND

YEAR	RESOURCE FUND BALANCE	RESOURCE FUND INTEREST	RESOURCE FUND INTEREST AS A PERCENTAGE OF SECTION 16
1983	0.0	0.00	0.0%
1984	1306.3	0.00	0.0%
1985	3672.1	143.70	3.9%
1986	5138.8	367.21	8.5%
1987	8325.2	462.49	9.4%
1988	9443.9	749.27	14.8%
1989	13280.8	849.95	15.1%
1990	13613.4	1195.27	20.2%
1991	17159.0	1225.20	21.1%
1992	16538.6	1544.31	25.0%
1993	20102.3	1488.48	23.9%
1994	18935.5	1809.21	27.2%
1995	22204.5	1704.19	27.0%
1996	20278.4	1998.41	30.6%
1997	23663.7	1825.06	27.4%
1998	21716.6	2129.73	30.0%

OFFICE OF THE GOVERNOR
INFORMATION BY THE DIVISION OF BUDGET & MANAGEMENT

- (1) RESOURCE EXPENDITURE RATE = 20% WITHDRAWN EVERY OTHER YEAR
- (2) VARIABLE RATE OF RETURN, LONG TERM INFLATION RATE = 7%
- (3) THE RATE OF RETURN ON THE RESOURCE AND PERMANENT FUND IS
1983 = 13%, 1984 = 12%, 1985 = 11%, 1986 = 10%, 1987-1998 = 9%

SJR-61

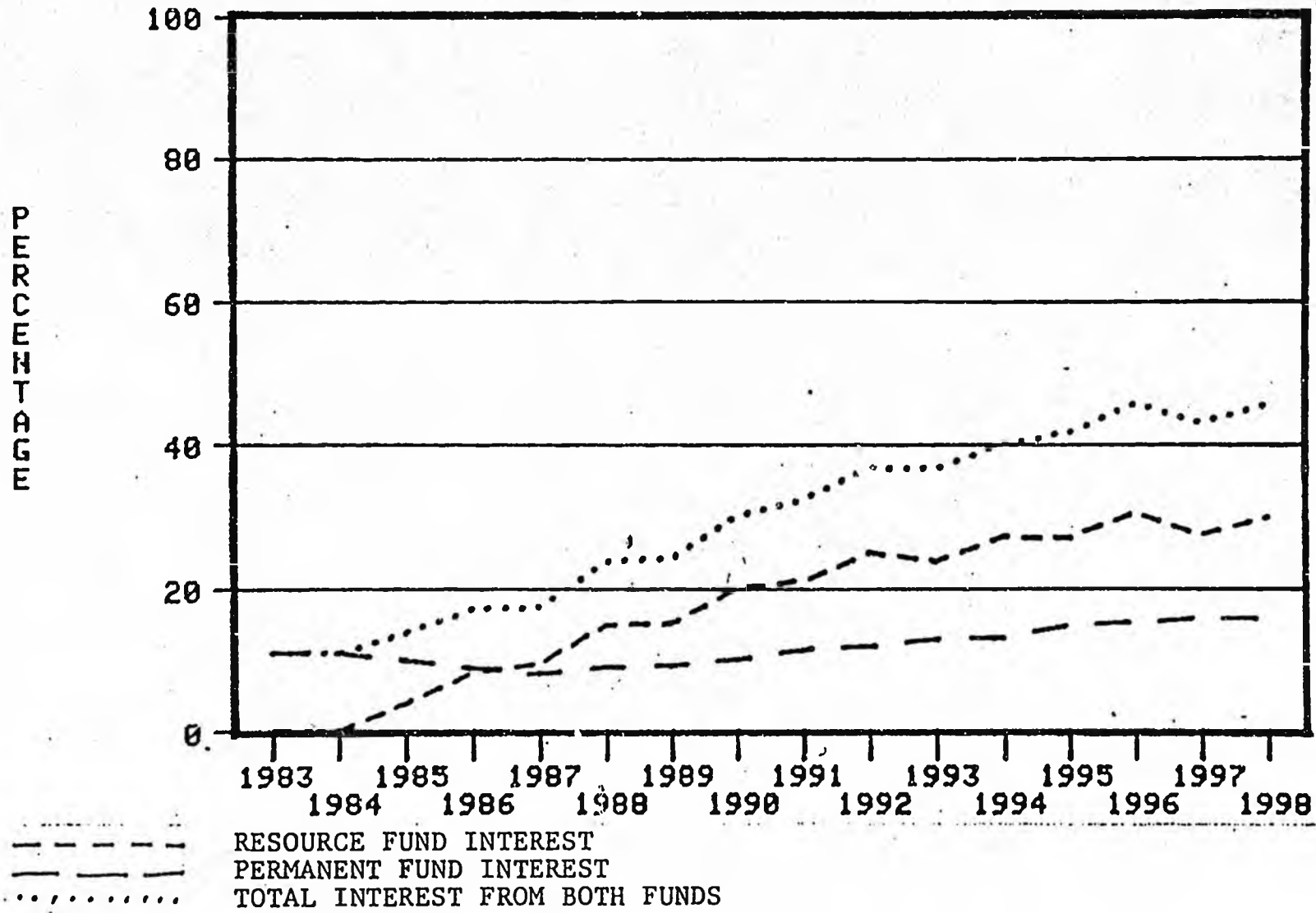
PERMANENT FUND

YEAR	PERMANENT FUND BALANCE	INTEREST	PERMANENT FUND INTEREST AS A PERCENTAGE OF SECTION 16
1983	2818.8	325.00	10.9%
1984	3325.6	338.26	10.9%
1985	3781.6	365.82	9.9%
1986	4337.5	378.16	8.8%
1987	5005.5	390.38	8.0%
1988	5749.9	450.49	8.9%
1989	6589.1	517.49	9.2%
1990	7395.1	593.02	10.0%
1991	8142.9	665.56	11.4%
1992	8879.7	732.86	11.8%
1993	9627.7	799.18	12.8%
1994	10373.5	866.49	13.0%
1995	11033.9	933.61	14.8%
1996	11656.5	993.05	15.2%
1997	12341.9	1049.08	15.8%
1998	13051.2	1110.77	15.6%

OFFICE OF THE GOVERNOR
INFORMATION BY THE DIVISION OF BUDGET & MANAGEMENT

- (1) RESOURCE EXPENDITURE RATE = 20% WITHDRAWN EVERY OTHER YEAR
- (2) VARIABLE RATE OF RETURN, LONG TERM INFLATION RATE = 7%
- (3) THE RATE OF RETURN ON THE RESOURCE AND PERMANENT FUND IS
1983 = 13%, 1984 = 12%, 1985 = 11%, 1986 = 10%, 1987-1998 = 9%

TOTAL INTEREST FROM THE RESOURCE AND PERMANENT FUNDS AS A PERCENTAGE OF FUNDS
AVAILABLE FOR APPROPRIATION



Original sponsor: Dankworth

3/19/82

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska relating
7 to appropriations and the retention,
8 investment and expenditure of certain
9 state revenues; and superseding the
10 amendments proposed by Legislative
11 Resolve No. 1, First Special Session
12 of the Twelfth Legislature (FSS FCCS
13 SJR 4).

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

15 * Section 1. Article IX, Constitution of the State of Alaska, is amended
16 by adding new sections to read:

17 SECTION 16. *Limit on (addition made by Legit Services)* APPROPRIATIONS. Except as provided in section 17 of
18 this article, the total amount of appropriations which take effect in a
19 fiscal year shall not exceed the sum of the uncommitted general fund
20 balance at the beginning of that fiscal year plus the revenues of the
21 State for that fiscal year, other than revenues from all mineral lease
22 rentals, royalties, royalty sale proceeds, federal mineral revenue shar-
23 ing payments and bonuses. If the governor determines that the total
24 amount of appropriations taking effect in a fiscal year will exceed the
25 amount authorized by this section, he shall reduce state spending to as-
26 sure that amount is not exceeded.

27 SECTION 17. ALASKA RESOURCE FUND. Except as provided in section
28 15 of this article, all mineral lease rentals, royalties, royalty sale
29 proceeds, federal mineral revenue sharing payments and bonuses received

1 by the State shall be placed in an Alaska resource fund. Up to one-
2 fifth of the balance in the Alaska resource fund may be appropriated for
3 any purpose if the appropriation is approved by the voters in a general
4 election as provided by law. Money in the Alaska resource fund shall be
5 invested as provided by law at a rate of return equal to the market rate
6 of return for similar investments but not less than the rate of return
7 provided by obligations of similar maturity of the United States govern-
8 ment at the time the investment is made. Money in the Alaska resource
9 fund may also be invested ^{as provided by law (Dankworth Amendment)} in capital projects which are owned by the
10 State, which will return to the Alaska resource fund the amount of the
11 investment, and which will provide a rate of return on the investment at
12 least equal to the market rate for general obligation bonds of similar
13 maturity of the State at the time the investment is made. Earnings on
14 money deposited in the Alaska resource fund shall be deposited in the
15 general fund.

16 * Sec. 2. Article IX, section 15, Constitution of the State of Alaska is
17 amended to read:

18 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five percent
19 of all mineral lease rentals, royalties, royalty sale proceeds, and fed-
20 eral mineral revenue sharing payments received by the State from mineral
21 leases issued on or before December 1, 1979, and at least twenty-five
22 percent of all bonuses received by the State from mineral leases issued
23 on or before February 15, 1980, shall be placed in a permanent fund.
24 Fifty percent of all mineral lease rentals, royalties, royalty sale pro-
25 ceeds, and federal mineral revenue sharing payments received by the
26 State from mineral leases issued after December 1, 1979, and fifty per-
27 cent of all bonuses received by the State from mineral leases issued af-
28 ter February 15, 1980, shall be placed in the permanent fund. The prin-
29 cipal of the permanent fund [, THE PRINCIPAL OF WHICH] shall be used

1 only for [THOSE] income-producing investments specifically designated by
2 law as eligible for permanent fund investments at the market rate of re-
3 turn for similar investments. All income from the permanent fund shall
4 be deposited in the general fund unless otherwise provided by law.

5 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended by
6 adding new sections to read:

7 SECTION 26. APPROPRIATIONS FOR RELOCATION OF THE CAPITAL. If a
8 majority of those voting on the question at the general election in 1982
9 approve the ballot proposition for the total cost of the State of pro-
10 viding for relocation of the capital, no additional voter approval of
11 appropriations for that purpose within the cost approved by the voters
12 is required under section 17 of article IX of this constitution.

13 SECTION 27. EFFECTIVE DATE OF AMENDMENTS. The 1982 amendments to
14 article IX of this constitution adding sections 16 and 17, relating to
15 appropriations and the Alaska resources fund, and amending section 15,
16 relating to the permanent fund, take effect July 1, 1983.

17 * Sec. 4. The amendments proposed by this resolution shall be placed be-
18 fore the voters of the state at the next general election in conformity with
19 art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws
20 of the state.

21 * Sec. 5. The amendments proposed by this resolution supersede the amend-
22 ments proposed by the Legislative Resolve No. 1, First Special Session of the
23 Twelfth Legislature (FSS FCCS SJR 4), and void the requirement contained in
24 section 3 of that resolution that the amendments proposed by that resolution
25 be placed before the voters of the state.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SSSJR 61
(Administrative Costs)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SSSJR 61 (1/29/82)
Title Constitutional Amendment relating to appropriations/investment fund
Requested by Senate State Affairs Committee Date 3/9/82

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection & Management
BRU, Program, Or Subprogram(s) Affected Treasury Management
(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) SEE ANALYSIS SECTION

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) SEE ANALYSIS SECTION

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

Legislation provides for investment of an "Investment Fund" as provided for by subsequent law.

Because fund management will be provided for by subsequent law fiscal impact as to administrative costs at this time is indeterminate as final form or organization/integration with our funds management, etc., will determine nature and extent of staff and other costs necessary.

Administrative costs, however, should be charged to fund income to establish proper cost allocation.

IV. DATE March 9, 1982 PREPARED BY Anselm C. Stack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division
Original: Legislative Finance PHONE 465-2350
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SSSJR 61
 Title Constitutional Amendment relating to appropriations/investment fund
 Requested by Senate State Affairs Committee Date 2/3/82

II. FISCAL DETAIL
 Agency Affected _____
 Program Category Affected _____
 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (~~Thousands~~ of Dollars)
Millions

GENERAL FUND		(1.345)	(1.630)			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The projected figures represent the subsequent loss of General Fund revenues, based on the Department of Revenue's January 1982 estimates, which would be placed in the investment fund. It should be noted that royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sales.

Robert W. Elliott

IV. DATE 2/3/82 PREPARED BY Robert W. Elliott
 AGENCY Department of Revenue

Original: Legislative Finance - PHONE 465-2173
 cc: Budget and Management

Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Original sponsor: Dankworth

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska relating
7 to appropriations and the retention,
8 investment and expenditure of certain
9 state revenues; and superseding the
10 amendments proposed by Legislative
11 Resolve No. 1, First Special Session
12 of the Twelfth Legislature (FSS FCCS
13 SJR 4).

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

15 * Section 1. Article IX, Constitution of the State of Alaska, is amended
16 by adding new sections to read:

17 SECTION 16. APPROPRIATIONS. Except as provided in section 17 of
18 this article, the total amount of appropriations which take effect in a
19 fiscal year shall not exceed the sum of the uncommitted general fund
20 balance at the beginning of that fiscal year plus the revenues of the
21 State for that fiscal year, other than revenues from all mineral lease
22 rentals, royalties, royalty sale proceeds, federal mineral revenue
23 sharing payments and bonuses. If the governor determines that the total
24 amount of appropriations taking effect in a fiscal year will exceed the
25 amount authorized by this section, he shall reduce state spending to
26 assure that amount is not exceeded.

27 SECTION 17. ALASKA RESOURCE FUND. Except as provided in section
28 15 of this article, all mineral lease rentals, royalties, royalty sale
29 proceeds, federal mineral revenue sharing payments and bonuses received

1 by the State shall be placed in an Alaska resource fund. Up to one-
2 fifth of the balance in the Alaska resource fund may be appropriated for
3 any purpose if the appropriation is approved by the voters in a general
4 election as provided by law. Money in the Alaska resource fund shall be
5 invested as provided by law at a rate of return equal to the market rate
6 of return for similar investments but not less than the rate of return
7 provided by obligations of similar maturity of the United States govern-
8 ment at the time the investment is made. Money in the Alaska resource
9 fund may also be invested as provided by law in capital projects which
10 are owned by the State, which will return to the Alaska resource fund
11 the amount of the investment, and which will provide a rate of return on
12 the investment at least equal to the market rate for general obligation
13 bonds of similar maturity of the State at the time the investment is
14 made. Earnings on money deposited in the Alaska resource fund shall be
15 deposited in the general fund.

16 * Sec. 2. Article IX, section 15, Constitution of the State of Alaska is
17 amended to read:

18 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five percent
19 of all mineral lease rentals, royalties, royalty sale proceeds, and fed-
20 eral mineral revenue sharing payments received by the State from mineral
21 leases issued on or before December 1, 1979, and at least twenty-five
22 percent of all bonuses received by the State from mineral leases issued
23 on or before February 15, 1980, shall be placed in a permanent fund.
24 Fifty percent of all mineral lease rentals, royalties, royalty sale pro-
25 ceeds, and federal mineral revenue sharing payments received by the
26 State from mineral leases issued after December 1, 1979, and fifty per-
27 cent of all bonuses received by the State from mineral leases issued af-
28 ter February 15, 1980, shall be placed in the permanent fund. The prin-
29 cipal of the permanent fund [, THE PRINCIPAL OF WHICH] shall be used

1 only for [THOSE] income-producing investments specifically designated by
2 law as eligible for permanent fund investments at the market rate of re-
3 turn for similar investments. All income from the permanent fund shall
4 be deposited in the general fund unless otherwise provided by law.

5 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended by
6 adding new sections to read:

7 SECTION 26. APPROPRIATIONS FOR RELOCATION OF THE CAPITAL. If a
8 majority of those voting on the question at the general election in 1982
9 approve the ballot proposition for the total cost of the State of pro-
10 viding for relocation of the capital, no additional voter approval of
11 appropriations for that purpose within the cost approved by the voters
12 is required under section 17 of article IX of this constitution.

13 SECTION 27. EFFECTIVE DATE OF AMENDMENTS. The 1982 amendments to
14 article IX of this constitution adding sections 16 and 17, relating to
15 appropriations and the Alaska resource fund, and amending section 15,
16 relating to the permanent fund, take effect July 1, 1983.

17 * Sec. 4. The amendments proposed by this resolution shall be placed be-
18 fore the voters of the state at the next general election in conformity with
19 art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws
20 of the state.

21 * Sec. 5. The amendments proposed by this resolution supersede the amend-
22 ments proposed by Legislative Resolve No. 1, First Special Session of the
23 Twelfth Legislature (FSS FCCS SJR 4), and void the requirement contained in
24 section 3 of that resolution that the amendments proposed by that resolution
25 be placed before the voters of the state.
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSSSJR 61 (Fin)

Title: Constitutional amendment relating to Alaska Resource Fund.

Requested by: Senate Judiciary Committee Date: 04/02/82

II. FISCAL DETAIL

Agency Affected:

Program Category Affected:

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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)						
AK Permanent Fund	-	-	297,600	352,300	-	-
AK Resource Fund	-	-	892,800	1,056,900	-	-

POSITIONS

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

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

The figures represent the projected contributions of all state and federal mineral revenues to the Alaska Permanent Fund and the Alaska Resource Fund, based on Department of Revenue March 1982 estimates. It should be noted that bonus and royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sales. Furthermore, investment earnings from both funds, which would be subsequently deposited in the General Fund, were not determined.

IV. DATE: 04/02/82

PREPARED BY: Robert W. Elliott

AGENCY: Revenue

PHONE: 465-2173

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Original sponsor: Dankworth

Offered: 3/26/82
Referred: Judiciary

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska relating
7 to appropriations and the retention,
8 investment and expenditure of certain
9 state revenues; and superseding the
10 amendments proposed by Legislative
11 Resolve No. 1, First Special Session
12 of the Twelfth Legislature (FSS FCCS
13 SJR 4).

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

15 * Section 1. Article IX, Constitution of the State of Alaska, is amended
16 by adding new sections to read:

17 SECTION 16. APPROPRIATIONS. Except as provided in section 17 of
18 this article, the total amount of appropriations which take effect in a
19 fiscal year shall not exceed the sum of the uncommitted general fund
20 balance at the beginning of that fiscal year plus the revenues of the
21 State for that fiscal year, other than revenues from all mineral lease
22 rentals, royalties, royalty sale proceeds, federal mineral revenue
23 sharing payments and bonuses. If the governor determines that the total
24 amount of appropriations taking effect in a fiscal year will exceed the
25 amount authorized by this section, he shall reduce state spending to
26 assure that amount is not exceeded.

27 SECTION 17. ALASKA RESOURCE FUND. Except as provided in section
28 15 of this article, all mineral lease rentals, royalties, royalty sale
29 proceeds, federal mineral revenue sharing payments and bonuses received

1 by the State shall be placed in an Alaska resource fund. Up to one-
2 fifth of the balance in the Alaska resource fund may be appropriated for
3 any purpose if the appropriation is approved by the voters in a general
4 election as provided by law. Money in the Alaska resource fund shall be
5 invested as provided by law at a rate of return equal to the market rate
6 of return for similar investments but not less than the rate of return
7 provided by obligations of similar maturity of the United States govern-
8 ment at the time the investment is made. Money in the Alaska resource
9 fund may also be invested as provided by law in capital projects which
10 are owned by the State, which will return to the Alaska resource fund
11 the amount of the investment, and which will provide a rate of return on
12 the investment at least equal to the market rate for general obligation
13 bonds of similar maturity of the State at the time the investment is
14 made. Earnings on money deposited in the Alaska resource fund shall be
15 deposited in the general fund.

16 * Sec. 2. Article IX, section 15, Constitution of the State of Alaska is
17 amended to read:

18 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five percent
19 of all mineral lease rentals, royalties, royalty sale proceeds, and fed-
20 eral mineral revenue sharing payments received by the State from mineral
21 leases issued on or before December 1, 1979, and at least twenty-five
22 percent of all bonuses received by the State from mineral leases issued
23 on or before February 15, 1980, shall be placed in a permanent fund.
24 Fifty percent of all mineral lease rentals, royalties, royalty sale pro-
25 ceeds, and federal mineral revenue sharing payments received by the
26 State from mineral leases issued after December 1, 1979, and fifty per-
27 cent of all bonuses received by the State from mineral leases issued af-
28 ter February 15, 1980, shall be placed in the permanent fund. The prin-
29 cipal of the permanent fund [, THE PRINCIPAL OF WHICH] shall be used

1 only for [THOSE] income-producing investments specifically designated by
2 law as eligible for permanent fund investments at the market rate of re-
3 turn for similar investments. All income from the permanent fund shall
4 be deposited in the general fund unless otherwise provided by law.

5 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended by
6 adding new sections to read:

7 SECTION 26. APPROPRIATIONS FOR RELOCATION OF THE CAPITAL. If a
8 majority of those voting on the question at the general election in 1982
9 approve the ballot proposition for the total cost of the State of pro-
10 viding for relocation of the capital, no additional voter approval of
11 appropriations for that purpose within the cost approved by the voters
12 is required under section 17 of article IX of this constitution.

13 SECTION 27. EFFECTIVE DATE OF AMENDMENTS. The 1982 amendments to
14 article IX of this constitution adding sections 16 and 17, relating to
15 appropriations and the Alaska resource fund, and amending section 15,
16 relating to the permanent fund, take effect July 1, 1983.

17 * Sec. 4. The amendments proposed by this resolution shall be placed be-
18 fore the voters of the state at the next general election in conformity with
19 art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws
20 of the state.

21 * Sec. 5. The amendments proposed by this resolution supersede the amend-
22 ments proposed by Legislative Resolve No. 1, First Special Session of the
23 Twelfth Legislature (FSS FCCS SJR 4), and void the requirement contained in
24 section 3 of that resolution that the amendments proposed by that resolution
25 be placed before the voters of the state.
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Introduced: 1/29/82
Referred: State Affairs, Finance
and Judiciary

1 IN THE SENATE

BY DANKWORTH

2 SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska relating
7 to appropriations and creating an
8 investment fund.

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

10 * Section 1. Article IX, Constitution of the State of Alaska, is amended
11 by adding new sections to read:

12 SECTION 16. APPROPRIATIONS. The legislature shall appropriate in
13 a fiscal year no more than three-fourths of the revenue of the State re-
14 ceived in that fiscal year from sources other than disposal of state
15 lands, or interest in state lands, for operating expenses of state
16 government and not more than one-fourth of the revenues received by the
17 State from those sources for capital projects.

18 SECTION 17. INVESTMENT FUND. (a) Revenues of the State received
19 from lease or disposal of state lands, or interests in state lands,
20 other than revenue that is required by law to be deposited in the per-
21 manent fund established in Section 15, Article IX of this constitution,
22 shall be placed in the investment fund. Money in the fund shall be
23 invested as provided by law. The legislature may annually appropriate
24 up to ten percent of the balance in the investment fund at the close of
25 the previous fiscal year for capital projects. Additional amounts from
26 the investment fund may be appropriated for any purpose if the appropri-
27 ation is approved by the voters as provided by law and for meeting
28 natural disasters as provided by law.

29 (b) For purposes of this section and Section 16 of this article,

1 revenues received from the disposal of state lands or an interest in
2 state lands include, but are not limited to, all revenues from the sale
3 or lease of land, mineral lease rentals, royalties, royalty sale pro-
4 ceeds, federal mineral revenue sharing payments and bonuses received by
5 the State.

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

10 * Sec. 3. The amendments proposed by this resolution supersede the amend-
11 ments proposed by Legislative Resolve No. 1, First Special Session of the
12 Twelfth Legislation, (FSS - FCCS SJR 4) and voids the requirement contained
13 in section 3 of that resolution that the amendments proposed by that resolu-
14 tion be placed before the voters of the state.

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

March 26, 1982

Honorable Arliss Sturgulewski
Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Sturgulewski:

Following this morning's hearing on proposed CSSS SJR 61(Finance) in the Senate Finance Committee, a member of your staff contacted me with some questions about the effect of the proposed constitutional amendment adding section 26 to article XV with the title "Appropriations for Relocation of the Capital." This will formalize my answers to these questions.

The essential point of your staff member's inquiry was whether the language in proposed section 26 would constitute an automatic appropriation of funds necessary for the capital move (within the cost approved by the voters) in future years without further legislative action. It would not. Similarly, it would neither authorize future legislatures to exceed the spending limitation established by proposed section 16 of article IX nor to appropriate all or any part in excess of 20% of the resource fund established by section 17. What it would do is permit future legislatures to appropriate the amount authorized by the voters for the costs of the capital move without the necessity for additional approval by the voters at a general election, as would otherwise be required by section 17. During any two year period, those appropriations could not exceed 20 per cent of the money in the resource fund. Of course, if the capital move is approved by the voters this fall and the Capital City Development Corporation which would be established under AS 44.07 subsequently comes into existence, any amount of money in the resource fund could be used under section 17 to invest in revenue bonds which might be issued by the corporation, so long as they meet the requirements established in that section.

Honorable
Arliss Sturgulewski

- 2 -

March 25, 1982

If it is the desire of the Finance Committee to deal with the question of appropriations for a possible capital move in a manner other than that which I have described above, the language proposed for section 26, article XV should be altered. I am certainly available to assist you and the committee in drafting alternate language.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: 

Ronald W. Lorensen
Deputy Attorney General

RWL:cjs

cc: Honorable Ed Dankworth
Senator

0836

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SSSJR 61
(Administrative Costs)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SSSJR 61 (1/29/82)
Title Constitutional Amendment relating to appropriations/investment fund
Requested by Senate State Affairs Committee Date 3/9/82

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection & Management
BRU, Program, Or Subprogram(s) Affected Treasury Management
(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) SEE ANALYSIS SECTION

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) SEE ANALYSIS SECTION

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Legislation provides for investment of an "Investment Fund" as provided for by subsequent law.

Because fund management will be provided for by subsequent law fiscal impact as to administrative costs at this time is indeterminate as final form or organization/integration with our funds management, etc., will determine nature and extent of staff and other costs necessary.

Administrative costs, however, should be charged to fund income to establish proper cost allocation.

IV. DATE March 9, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division
Original: Legislative Finance PHONE 465-2350
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

- I. REQUEST
 Bill/Resolution No. SSSJR 61
 Title Constitutional Amendment relating to appropriations/investment fund
 Requested by Senate State Affairs Committee Date 2/3/82
- II. FISCAL DETAIL
 Agency Affected _____
 Program Category Affected _____
 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)
Millions

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		(1.345)	(1.630)			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

The projected figures represent the subsequent loss of General Fund revenues, based on the Department of Revenue's January 1982 estimates, which would be placed in the investment fund. It should be noted that royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sales.

IV. DATE 2/3/82 PREPARED BY Robert W. Elliott
 AGENCY Department of Revenue
 Original: Legislative Finance PHONE 465-2173
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Original sponsor: Dankworth

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Proposing amendments to the Constitution of the State of Alaska relating to appropriations and creating an Alaska resource fund.

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

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

SECTION 16. APPROPRIATIONS. Except as provided in Section 17, the legislature shall appropriate in a fiscal year no more than the sum of the unobligated general fund balance and estimated revenues of the State for that fiscal year from sources other than revenues received from all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses.

SECTION 17. ALASKA RESOURCE FUND. Revenues of the State received from all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the state other than revenue that is required by law to be deposited in the permanent fund established in Section 15, Article IX of this constitution, shall be placed in the Alaska resource fund. Money in the Alaska resource fund shall be invested at market rates as provided by law. The legislature may annually appropriate money in the Alaska resource fund for any purpose if the appropriation is approved by the voters as provided by law or for meeting natural disasters as provided by law.

Interest earned on money deposited in the Alaska resource fund shall be deposited in the general fund for appropriation to capital projects.

* Sec. 2. Article XV, Constitution of the State of Alaska, is amended by adding a new section to read:

SECTION 26. APPROPRIATIONS FOR RELOCATION OF THE CAPITAL.

If a majority of those voting on the question at the general election in 1982 approve the ballot proposition for the total cost of the State of providing for relocation of the capital, no additional voter approval of appropriations for that purpose within the cost approved by the voters is required under the 1982 amendment establishing the Alaska Resource Fund (art. IX, sec. 17).

* Sec. 3. The amendments 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.

* Sec. 4. The amendments proposed by this resolution supersede the amendments proposed by the Legislative Resolve No. 1, First Special Session of the Twelfth Legislature, (FSS - FCCS SJR 4), and voids the requirement contained in section 3 of that resolution that the amendments proposed by that resolution be placed before the voters of the state.



Official Business

Alaska State Legislature

Senate

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Ed Dankworth

FROM: Pete Jeans

RE: FCCSSJR 4 and SJR 61

DATE: January 29, 1982

As per your request, attached is a comparison of FCCSSJR 4 and SJR 61, relating to limiting State spending.

PJ:1a1

A COMPARISON OF FCCSSJR 4 AND SJR 61

Both of these resolutions are proposing amendments to the Constitution of the State of Alaska relating to limiting increases in appropriations. They are two entirely different concepts.

FCCSSJR 4

This concept utilizes a base of \$2.5 billion available for appropriations with increases based on population and inflation since July 1, 1981. One-third of this amount is reserved for capital projects and loans.

Exempt from this limitation are:

- (1) Alaska Permanent Fund Dividends.
- (2) Revenue Bond Proceeds.
- (3) Principle and Interest on General Obligation Bonds.
- (4) Money received from a non-state source in trust for a specific purpose.
- (5) Permanent Fund Contributions required by law.
- (6) Appropriations necessary to meet a state of disaster declared by the Governor.

The Legislature may exceed this limit in bills for appropriations to the Alaska Permanent Fund or Capital Projects if approved by the voters as prescribed by law.

SJR-61 (Sponsor Substitute)

This proposal limits spending for the operation of state government to no more than three-fourths of the revenue received by the State from taxes, license fees, permits, interest and other miscellaneous income. Revenue received from the lease or disposal of State lands or interest in State lands cannot be used for the Operating Budget. The remaining one-fourth can be used for Capital Projects.

Revenue received from the lease or disposal of State lands, or interest in State lands, other than revenue that is required by law to be deposited in the Permanent Fund, is placed in the investment fund. The Legislature may annually appropriate no more than ten percent of the balance in the fund at the close of the previous fiscal year for capital projects. Additional amounts from the investment fund may be appropriated for any purpose that is approved by the voters.

Alternatives on how to use the interest earned from the investment fund are being considered. One approach is to use these funds for municipal assistance.

Exempt from this limitation are:

- (1) Permanent fund contributions required by law.
- (2) Appropriations necessary to meet a natural disaster.

The attached charts and graphs compare the effects of these two resolutions over a period of 16 years using the latest available revenue projections from the Department of Revenue.

FCCSSJR 4

- Couples government spending to population and inflation.
- No consideration given to available revenue.
- Funds available for voter approved capital projects would not exist after FY 92 based on revenue projections.
- Based on revenue projections there would be a shortfall or deficit in excess of \$18 billion by FY 98.

SJR-61

- Spending cannot exceed revenue.
- Operating budget is based on revenue received from taxes, license fees, permits and other miscellaneous income.
- Voters decide how to spend revenue received from the sale or lease of our natural resources.

FUNDS AVAILABLE FOR OPERATING & CAPITAL BUDGETS

SJR-61

IN THOUSAND OF CURRENT DOLLARS

	FY 1983 Estimate <u>January</u>	FY 1984 Estimate <u>January</u>
<u>Taxes</u>		
<u>Income</u>		
Corporate-General (1)	35,000	39,000
Corporate-Petroleum (2)	304,000	360,000
<u>Gross Receipts</u>		
Alaska Business License	5,500	5,500
Fish-Canned Salmon	6,000	6,000
Fish-Shorebased	11,000	11,000
Fish-Floating	4,000	4,000
Salmon Enhancement	2,400	2,400
Insurance Companies	11,500	11,500
Other	1,400	1,400
<u>Severance</u>		
Gravel, Timber, Etc.	2,500	2,500
Oil & Gas Production (3)(4)	1,819,000	2,213,400
Oil & Gas Conservation	700	700
<u>Property</u>		
Oil & Gas (5)	157,700	225,000
Vehicle Registration	200	200
<u>Sale/Use</u>		
Alcoholic Beverages	9,000	9,000
Fuel Taxes-Aviation	4,500	4,700
Fuel Taxes-Highway	18,500	19,000
Fuel Taxes-Marine	3,800	4,000
Tabacco Products	1,900	1,900
<u>Other</u>		
Estate	500	500
 Total Taxes	 <u>2,399,100</u>	 <u>2,921,700</u>
<u>Licenses & Permits</u>		
<u>Business</u>	11,000	12,100
<u>Non-Business</u>	13,000	13,500
 Total Licenses & Permits	 <u>24,000</u>	 <u>25,600</u>
<u>Intergovernmental Receipts</u>		
Federal Shared Revenues (6)(7)	9,900	10,000
Investment Earnings	315,000	375,000
<u>Facilities Related Charges</u>		
Airports	1,200	1,200
Ferry System-Southeast	26,300	28,900
Ferry System-Southwest	3,800	4,100
Other	4,500	4,700
<u>Service Related Charges</u>		
Court System	3,300	3,500
Other	4,500	4,800
	<u>43,600</u>	<u>47,200</u>
 <u>Miscellaneous Revenues</u>	 <u>5,900</u>	 <u>6,000</u>
 Total	 2,797,500	 3,385,500

INVESTMENT FUND

10% - AVAILABLE FOR CAPITAL PROJECTS

90% - VOTER APPROVAL

<u>State Resource Revenue</u>	FY 1983 Estimate	FY 1984 Estimate
<u>Sale/Use</u>		
Bonus Sales (8)(9)(10)	-0-	-0-
Rents (9)(10)	5,500	5,500
Royalties (3)(6)(7)	1,325,200	1,608,800
Sale of State Property	5,500	5,500
TOTAL -	1,336,200	1,619,800

- (1) Nonpetroleum corporate income tax estimates have declined for two reasons: 1) tax rates have been converted to a sliding scale with effective rates lowered for most corporations (Ch. 116 SLA 1981); and 2) the new accelerated depreciation rates enacted on a federal level will be automatically effective for these corporations (Economic Recovery Tax Act of 1981 - Pub. L. 97-34, 8/13/81).
- (2) The reasons for the notable decrease in the Corporate Income Petroleum Tax are 1) the change in tax law (Ch. 116 SLA 1981) passed during the 1981 legislative session which shifted revenue from the income tax to the oil and gas production tax and 2) the current softening in oil prices.
- (3) If the TAPS tariff negotiations or proceedings fail to materialize in favor of the State, then the aforementioned total revenues will have to be reduced \$90 million in FY 83 and \$200 million in FY 84. The current forecast assumes a \$5.62 TAPS tariff for FY 83 which is 59¢ less per barrel than the prevailing \$6.21 TAPS tariff, and a \$4.74 TAPS tariff for FY 84 which is \$1.47 less per barrel.
- (4) Due to the tax law change (Ch. 116 SLA 1981) the nominal tax rates increased from 12.25% to 15.0%.
- (5) The North Slope Borough's local property tax for 1981 was increased to 91.54 mills from 60.81 mills for 1980. This assessment is a credit against the state tax. Thirty mills of the new rate were for the Borough's operating budget and 61.54 mills for debt service. These are not assumed to decline for 1982, 1983, or 1984.
- (6) Net of 25 percent Permanent Fund contribution.
- (7) Includes estimated revenue (\$13.5 million) due to State's winning recent U.S. Supreme Court decision regarding the Kenai Moose Range royalty distribution; however, payment is not expected until FY 82. FY 82, FY 83, and FY 84 figures reflect the State's 90 percent entitlement.
- (8) The Department of Natural Resources projects additional lease sales to be held in 1982, 1983, and 1984. However, bonus bids are impossible to anticipate prior to sales and therefore no estimates are included.
- (9) Net of Permanent Fund contribution by Ch. 18 SLA 1980.
- (10) Reflects lease sales of \$12.8 million held September 16, 1980, \$4.3 million held May 13, 1981, and \$1.5 million held August 25, 1981.
- (11) The State is currently in litigation with Charter Oil Corporation over billings for purchases of royalty oil. The aforementioned numbers include approximately \$60.0 million from July to December 1981 which has not yet been realized.
- (12) The FY 1981 royalty value reflects the retroactive payment due the State, by the North Slope producers, for the recently negotiated settlement regarding field costs previously deducted from the royalty wellhead value.

ASSUMPTIONS

- (1) Annual rate of interest on general and permanent funds = 10%.
- (2) Annual rate of interest on new bonds = 10%.
- (3) Maturity period on new bonds in years = 10.
- (4) % of operating budget in G.F. cash balance = 20%.
- (5) Permanent fund contributions are based on 25% of total petroleum royalties earned from existing oil fields and 50% from as yet undiscovered fields as estimated in the "Petroleum Production Revenue Forecast" December 1981 quarterly report by the Alaska Department of Revenue.
- (6) Growth rate in operating budget for the purpose of estimating FCCSSJR-4 is 12%. (inflation 9%, population 3%)
- (7) % of permanent fund earnings paid as dividends = 50%.
- (8) Surplus available for voter approved projects.
- (9) All available funds are spent each FY.

SOURCES OF INFORMATION

- (1) "Revenue Sources" - Alaska Department of Revenue
January 1982
- (2) "Petroleum Production Revenue Forecast" - Alaska
Department of Revenue, January 1982
- (3) "Budget Forecasting Model" - Legislative Finance Working
Document, January 21, 1982
- (4) "Computer Report" - Department of Revenue, November 13, 1981

FCCSSJR-4

	OPERATING	CAPITAL	DEBT SERVICE	P/F DIVIDENDS	VOTER APPROVAL	PERMANENT FUND	TOTAL REVENUE	SURPLUS DEFICIT	ACCUMALATIVE DEFICIT
1983	1866.7	933.3	113.2	152.7	1142.9	441.7	4650.5	-0-	
1984	2090.7	1045.3	138.8	157.3	1821.9	536.3	5790.3	-0-	
1985	2341.6	1170.7	163.8	196.7	2482.9	635.6	6991.3	-0-	
1986	2622.6	1311.2	161.9	248.9	4082.5	720.0	7982.1	-0-	
1987	2937.3	1468.6	157.8	296.4	3532.9	837.0	9230.0	-0-	
1988	3289.8	1644.8	154.8	340.4	3120.1	918.7	9468.6	-0-	
1989	3684.5	1842.2	146.5	388.7	3398.4	1031.2	10491.5	-0-	
1990	4126.7	2063.2	135.4	441.5	2599.2	1010.6	10376.6	-0-	
1991	4621.9	2310.8	114.8	497.6	1494.1	959.8	9999.0	-0-	
1992	5176.5	2588.1	114.1	555.9	586.2	997.2	10018.0	-0-	
1993	5797.7	2898.7	31.7	615.4	-0-	1040.6	10276.2	107.9	
1994	6493.4	3246.5	25.8	675.1	-0-	1070.4	10498.6	1012.6	1120.5
1995	7272.6	3636.1	23.0	734.0	-0-	1002.5	10019.9	2648.3	3768.8
1996	8145.3	4072.4	21.5	791.8	-0-	996.0	9974.6	4052.4	7821.2
1997	9122.8	4561.1	16.7	849.0	-0-	1099.9	10808.2	4841.3	12662.5
1998	10217.5	5108.5	14.4	905.9	-0-	1152.3	11291.7	6116.9	18779.4

SJR - 61

	OPERATING	CAPITAL	AVAILABLE FROM INVESTMENT FUND	TOTAL CAPITAL	VOTER APPROVAL	PERMANENT FUND	TOTAL REVENUE	SURPLUS OR DEFICIT
1983	2169.4	723.1	132.6	846.7	1192.7	441.7	4650.5	-0-
1984	2733.9	911.3	160.9	1072.2	1447.9	536.3	5790.3	-0-
1985	3336.6	1112.2	190.7	1302.9	1716.2	635.6	6991.3	-0-
1986	3826.7	1275.6	216.0	1491.6	1943.8	720.0	7982.1	-0-
1987	4411.4	1470.5	251.1	1721.6	2260.0	837.0	9230.0	-0-
1988	4345.3	1448.4	275.6	1724.0	2480.6	918.7	9468.6	-0-
1989	4803.0	1601.0	305.6	1906.6	2750.7	1031.2	10491.5	-0-
1990	4794.6	1598.3	297.3	1895.6	2675.8	1010.6	10376.6	-0-
1991	4667.6	1555.8	281.6	1837.4	2534.2	959.8	9999.0	-0-
1992	4665.4	1555.1	280.0	1835.1	2520.3	997.2	10018.0	-0-
1993	4788.0	1596.0	285.2	1881.2	2566.4	1040.6	10276.2	-0-
1994	4923.2	1641.1	286.4	1927.5	2577.5	1070.4	10498.6	-0-
1995	4793.0	1597.7	262.7	1860.4	2364.0	1002.5	10019.9	-0-
1996	4834.1	1611.4	253.3	1864.7	2279.8	996.0	9974.6	-0-
1997	5224.9	1741.6	274.2	2015.8	2467.6	1099.9	10808.2	-0-
1998	5471.2	1823.7	283.5	2107.2	2551.0	1162.3	11291.7	-0-

BILLION

\$14

OPERATING BUDGET

\$12

\$10

\$ 8

\$ 6

\$ 4

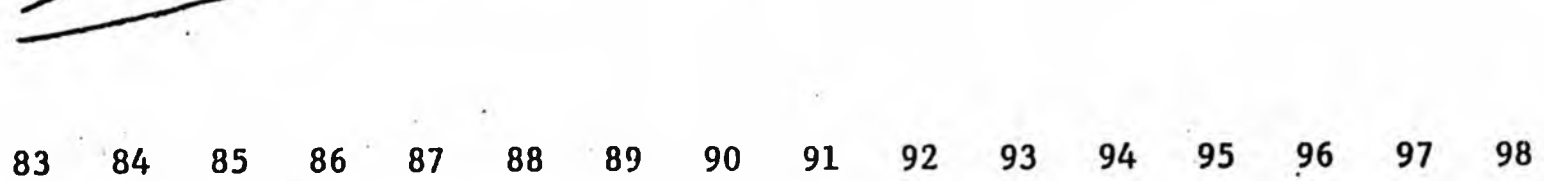
\$2

YEAR

83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98

SJR-4

SJR-61



BILLIONS

\$4

\$3.5

\$3

\$2.5

\$2

\$1.5

\$1

CAPITAL BUDGET

SJR-4

SJR-61

YEAR

83

84

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93

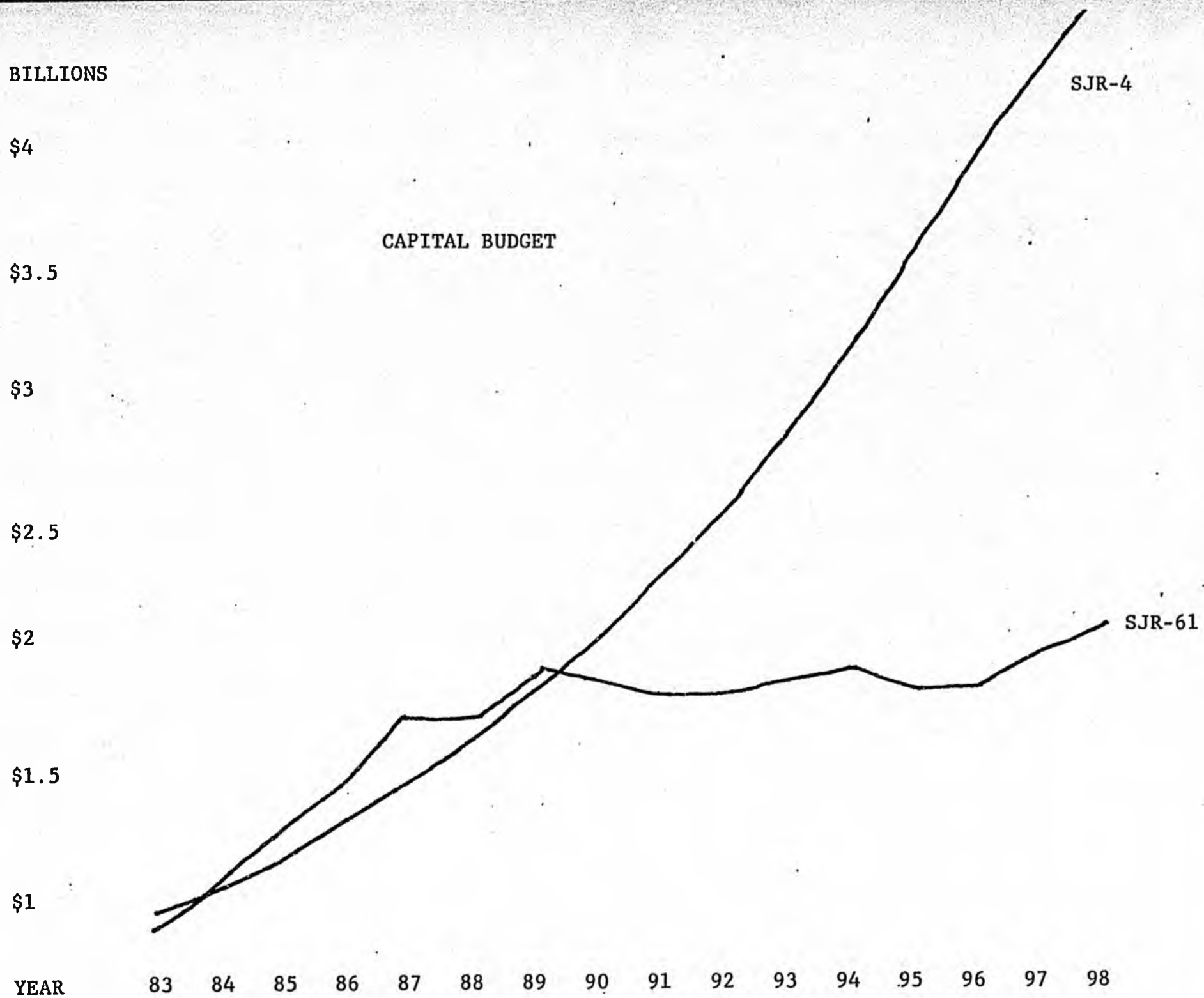
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95

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BILLIONS

\$4

\$3.5

\$3

\$2.5

\$2

\$1.5

\$1

AVAILABLE FOR VOTER APPROVAL

YEAR

83

84

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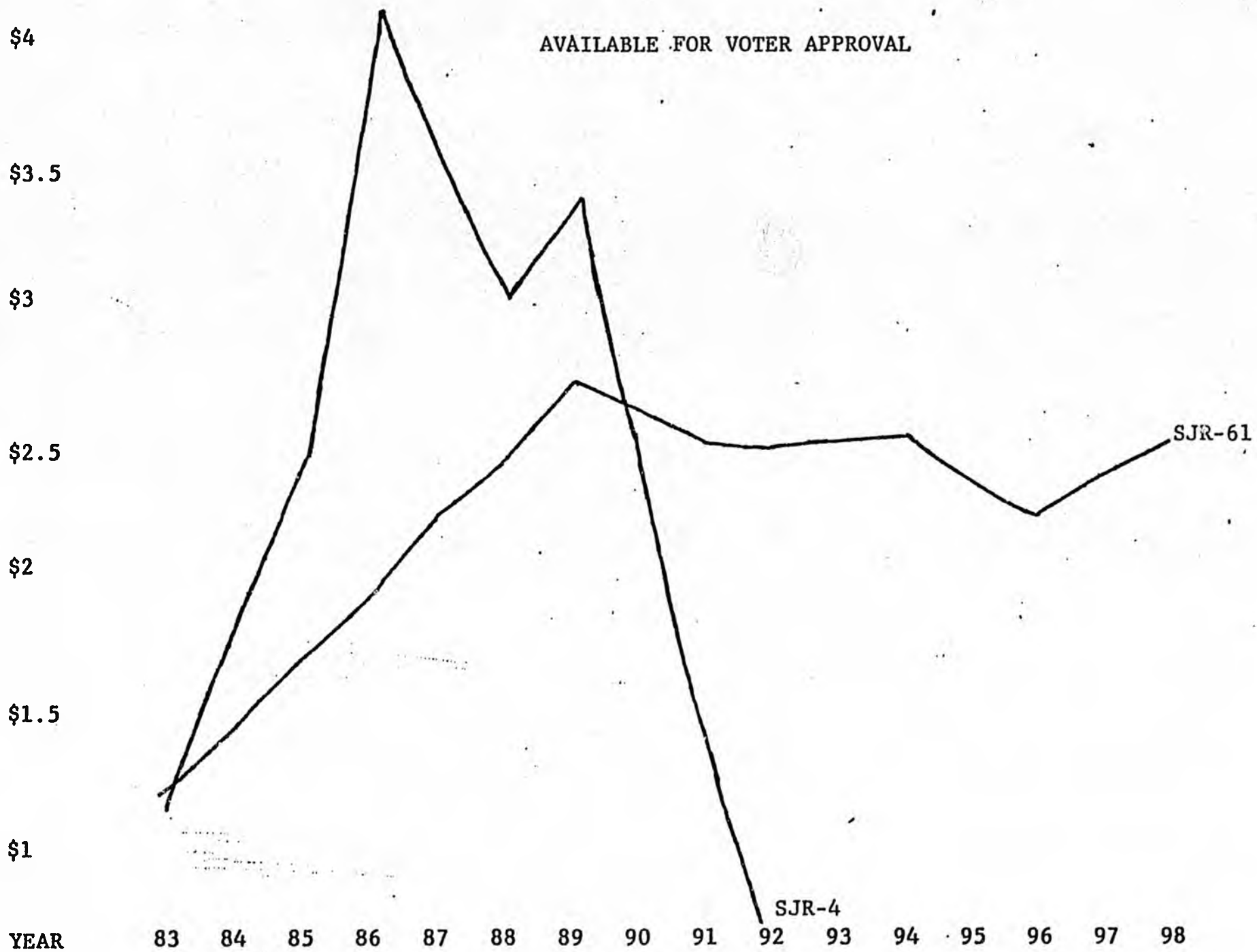
96

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98

SJR-4

SJR-61



BILLION

\$14

TOTAL REVENUE REQUIRED TO REACH
SPENDING LIMITATIONS

\$12

\$10

\$ 8

\$ 6

\$ 4

\$2

YEAR

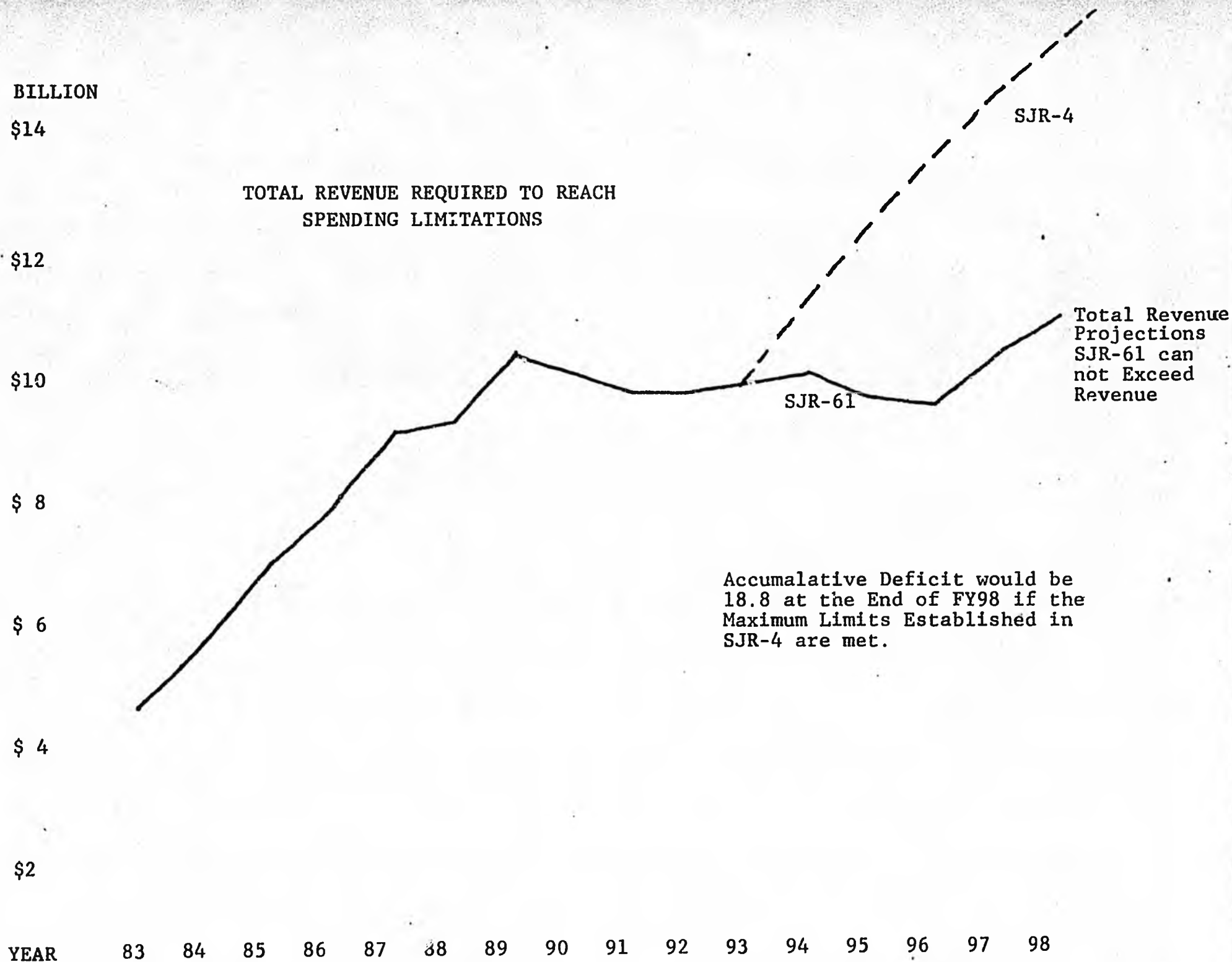
83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98

SJR-4

SJR-61

Total Revenue
Projections
SJR-61 can
not Exceed
Revenue

Accumulative Deficit would be
18.8 at the End of FY98 if the
Maximum Limits Established in
SJR-4 are met.



Introduced: 1/29/82
Referred: State Affairs, Finance
and Judiciary

1 IN THE SENATE

BY DANKWORTH

2 SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska relating
7 to appropriations and creating an
8 investment fund.

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

10 * Section 1. Article IX, Constitution of the State of Alaska, is amended
11 by adding new sections to read:

12 SECTION 16. APPROPRIATIONS. The legislature shall appropriate in
13 a fiscal year no more than three-fourths of the revenue of the State re-
14 ceived in that fiscal year from sources other than disposal of state
15 lands, or interest in state lands, for operating expenses of state
16 government and not more than one-fourth of the revenues received by the
17 State from those sources for capital projects.

18 SECTION 17. INVESTMENT FUND. (a) Revenues of the State received
19 from lease or disposal of state lands, or interests in state lands,
20 other than revenue that is required by law to be deposited in the per-
21 manent fund established in Section 15, Article IX of this constitution,
22 shall be placed in the investment fund. Money in the fund shall be
23 invested as provided by law. The legislature may annually appropriate
24 up to ten percent of the balance in the investment fund at the close of
25 the previous fiscal year for capital projects. Additional amounts from
26 the investment fund may be appropriated for any purpose if the appropri-
27 ation is approved by the voters as provided by law and for meeting
28 natural disasters as provided by law.

29 (b) For purposes of this section and Section 16 of this article,

1 revenues received from the disposal of state lands or an interest in
2 state lands include, but are not limited to, all revenues from the sale
3 or lease of land, mineral lease rentals, royalties, royalty sale pro-
4 ceeds, federal mineral revenue sharing payments and bonuses received by
5 the State.

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

10 * Sec. 3. The amendments proposed by this resolution supersede the amend-
11 ments proposed by Legislative Resolve No. 1, First Special Session of the
12 Twelfth Legislature, (FSS - FCCS SJR 4) and voids the requirement contained
13 in section 3 of that resolution that the amendments proposed by that resolu-
14 tion be placed before the voters of the state.

Original sponsor: Rules/Governor

Offered: 7/14/81

1 IN THE SENATE

BY THE 2d FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE JOINT RESOLUTION NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SPECIAL SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska relating to limit-
7 ing increases in appropriations.

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

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

11 SECTION 16. APPROPRIATION LIMIT. Except for appropriations for
12 Alaska permanent fund dividends, appropriations of revenue bond pro-
13 ceeds, appropriations required to pay the principal and interest on
14 general obligation bonds, and appropriations of money received from a
15 non-State source in trust for a specific purpose, including revenues of
16 a public enterprise or public corporation of the State that issues
17 revenue bonds, appropriations from the treasury made for a fiscal year
18 shall not exceed \$2,500,000,000 by more than the cumulative change,
19 derived from federal indices as prescribed by law, in population and
20 inflation since July 1, 1981. Within this limit, at least one-third
21 shall be reserved for capital projects and loan appropriations. The
22 legislature may exceed this limit in bills for appropriations to the
23 Alaska permanent fund and in bills for appropriations for capital
24 projects, whether of bond proceeds or otherwise, if each bill is ap-
25 proved by the governor, or passed by affirmative vote of three-fourths
26 of the membership of the legislature over a veto or item veto, or
27 becomes law without signature, and is also approved by the voters as
28 prescribed by law. Each bill for appropriations for capital projects
29 in excess of the limit shall be confined to capital projects of the

1 same type, and the voters shall, as provided by law, be informed of the
2 cost of operations and maintenance of the capital projects. No other
3 appropriation in excess of this limit may be made except to meet a
4 state of disaster declared by the governor as prescribed by law. The
5 governor shall cause any unexpended and unappropriated balance to be
6 invested so as to yield competitive market rates to the treasury.

7 * Sec. 2. Article XV, Constitution of the State of Alaska, is amended by
8 adding new sections to read:

9 ✓ SECTION 26. APPROPRIATIONS FOR RELOCATION OF THE CAPITAL. If a
10 majority of those voting on the question at the general election in
11 1982 approve the ballot proposition for the total cost to the State of
12 providing for relocation of the capital, no additional voter approval
13 of appropriations for that purpose within the cost approved by the
14 voters is required under the 1982 amendment limiting increases in
15 appropriations (art. IX, sec. 16).

16 SECTION 27. RECONSIDERATION OF AMENDMENT LIMITING INCREASES IN
17 APPROPRIATIONS. If the 1982 amendment limiting appropriation increases
18 (art. IX, sec. 16) is adopted, the lieutenant governor shall cause the
19 ballot title and proposition for the amendment to be placed on the
20 ballot again at the general election in 1986. If the majority of those
21 voting on the proposition in 1986 rejects the amendment, it shall be
22 repealed.

23 SECTION 28. APPLICATION OF AMENDMENT. The 1982 amendment limit-
24 ing appropriation increases (art. IX, sec. 16) applies to appropria-
25 tions made for fiscal year 1984 and thereafter.

26 * Section 3. The amendments proposed by this resolution shall be placed
27 before the voters of the state at the next general election in conformity
28 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
29 tion laws of the state.

Introduced: 1/19/82
Referred: Finance and Judiciary

1 IN THE SENATE

BY DANKWORTH

2 SENATE JOINT RESOLUTION NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska relating
7 to appropriations and creating a
8 capital investment fund.

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

10 * Section 1. Article IX, Constitution of the State of Alaska, is amended
11 by adding new sections to read:

12 SECTION 16. APPROPRIATIONS. The legislature shall appropriate in
13 a fiscal year no more than three-fourths of the revenue of the State re-
14 ceived in that fiscal year from sources other than lease or disposal of
15 state lands, or interest in state lands, for operating expenses of state
16 government and not more than one-fourth of the revenues received by the
17 State from those sources for capital projects.

18 SECTION 17. CAPITAL INVESTMENT FUND. (a) Revenues of the State
19 received from lease or disposal of state lands, or interests in state
20 lands, other than revenue that is required by law to be deposited in the
21 permanent fund established in Section 15, Article IX of this constitu-
22 tion, shall be placed in the capital investment fund. Money in the fund
23 shall be invested as provided by law. The legislature may annually
24 appropriate no more than ten percent of the balance in the fund at the
25 close of the previous fiscal year for capital projects. Additional
26 amounts from the fund may be appropriated for capital projects if the
27 appropriation is approved by the voters as provided by law.

28 (b) Revenues received from the disposal of state lands or an
29 interest in state lands include, but are not limited to, all revenues

1 from the sale or lease of land, mineral lease rentals, royalties,
2 royalty sale proceeds, federal mineral revenue sharing payments and
3 bonuses received by the State.

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

8 * Sec. 3. The amendments proposed by this resolution supersede the amend-
9 ments proposed by Legislative Resolve No. 1, First Special Session of the
10 Twelfth Legislation, (FSS - FCCS SJR 4) and voids the requirement contained
11 in section 3 of that resolution that the amendments proposed by that resolu-
12 tion be placed before the voters of the state.

Original sponsor: Dankworth

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 61 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitu-
6 tion of the State of Alaska relating
7 to appropriations and the retention,
8 investment and expenditure of certain
9 state revenues; and superseding the
10 amendments proposed by Legislative
11 Resolve No. 1, First Special Session
12 of the Twelfth Legislature (FSS FCCS
13 SJR 4).

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

15 * Section 1. Article IX, Constitution of the State of Alaska, is amended
16 by adding new sections to read:

17 SECTION 16. LIMIT ON APPROPRIATIONS. Except as provided in
18 section 17 of this article, the total amount of appropriations which
19 take effect in a fiscal year shall not exceed the sum of the uncommitted
20 general fund balance at the beginning of that fiscal year plus the
21 revenues of the State for that fiscal year, other than revenues from all
22 mineral lease rentals, royalties, royalty sale proceeds, federal mineral
23 revenue sharing payments and bonuses. If the governor determines that
24 the total amount of appropriations taking effect in a fiscal year will
25 exceed the amount authorized by this section, he shall reduce state
26 spending to assure that amount is not exceeded.

27 SECTION 17. ALASKA RESOURCE FUND. Except as provided in section
28 15 of this article, all mineral lease rentals, royalties, royalty sale
29 proceeds, federal mineral revenue sharing payments and bonuses received

1 by the State shall be placed in an Alaska resource fund. Up to one-
2 fifth of the balance in the Alaska resource fund may be appropriated for
3 any purpose if the appropriation is approved by the voters in a general
4 election as provided by law. Money in the Alaska resource fund shall be
5 invested as provided by law at a rate of return equal to the market rate
6 of return for similar investments but not less than the rate of return
7 provided by obligations of similar maturity of the United States govern-
8 ment at the time the investment is made. Money in the Alaska resource
9 fund may also be invested as provided by law in capital projects which
10 are owned by the State, which will return to the Alaska resource fund
11 the amount of the investment, and which will provide a rate of return on
12 the investment at least equal to the market rate for general obligation
13 bonds of similar maturity of the State at the time the investment is
14 made. Earnings on money deposited in the Alaska resource fund shall be
15 deposited in the general fund.

16 * Sec. 2. Article IX, section 15, Constitution of the State of Alaska is
17 amended to read:

18 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five percent
19 of all mineral lease rentals, royalties, royalty sale proceeds, and fed-
20 eral mineral revenue sharing payments received by the State from mineral
21 leases issued on or before December 1, 1979, and at least twenty-five
22 percent of all bonuses received by the State from mineral leases issued
23 on or before February 15, 1980, shall be placed in a permanent fund.
24 Fifty percent of all mineral lease rentals, royalties, royalty sale pro-
25 ceeds, and federal mineral revenue sharing payments received by the
26 State from mineral leases issued after December 1, 1979, and fifty per-
27 cent of all bonuses received by the State from mineral leases issued af-
28 ter February 15, 1980, shall be placed in the permanent fund. The prin-
29 cipal of the permanent fund [, THE PRINCIPAL OF WHICH] shall be used

1 only for [THOSE] income-producing investments specifically designated by
2 law as eligible for permanent fund investments at the market rate of re-
3 turn for similar investments. All income from the permanent fund shall
4 be deposited in the general fund unless otherwise provided by law.

5 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended by
6 adding new sections to read:

7 SECTION 26. APPROPRIATIONS FOR RELOCATION OF THE CAPITAL. If a
8 majority of those voting on the question at the general election in 1982
9 approve the ballot proposition for the total cost of the State of pro-
10 viding for relocation of the capital, no additional voter approval of
11 appropriations for that purpose within the cost approved by the voters
12 is required under section 17 of article IX of this constitution.

13 SECTION 27. EFFECTIVE DATE OF AMENDMENTS. The 1982 amendments to
14 article IX of this constitution adding sections 16 and 17, relating to
15 appropriations and the Alaska resource fund, and amending section 15,
16 relating to the permanent fund, take effect July 1, 1983.

17 * Sec. 4. The amendments proposed by this resolution shall be placed be-
18 fore the voters of the state at the next general election in conformity with
19 art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws
20 of the state.

21 * Sec. 5. The amendments proposed by this resolution supersede the amend-
22 ments proposed by Legislative Resolve No. 1, First Special Session of the
23 Twelfth Legislature (FSS FCCS SJR 4), and void the requirement contained in
24 section 3 of that resolution that the amendments proposed by that resolution
25 be placed before the voters of the state.
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