

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8800 HOUSE STATE AFFAIRS

The Honorable Tony Knowles

December 15, 1994

Sections 2, 3, and 4 of the law appropriated \$1,006,038,474, plus \$49,608,135 in interest which would have been earned on the money after June 30, 1990, from the General Fund to the Constitutional Budget Reserve Fund with a retroactive effective date of July 1, 1993. Sections 7 and 8 of the law appropriated the amount appropriated in sections 2, 3, and 4 from the Constitutional Budget Reserve Fund back to the General Fund effective April 15, 1994. Section 9 appropriated additional amounts from the Constitutional Budget Reserve Fund to the General Fund to fund any shortfalls between fiscal year 1994 State revenue and General Fund appropriations. The amount transferred under the provisions of section 9 for FY 94 was \$363,127,835, bringing the total liability in the General Fund for amounts appropriated from the Constitutional Budget Reserve Fund to \$1,418,774,444. *

The following shows the composition of the fund balance of the General Fund for the fiscal years ending June 30, 1994, and June 30, 1993, as adjusted (in millions).

<u>Reserved</u>	<u>FY 94</u>	<u>FY 93</u>	<u>Change</u>
Encumbrances	\$ 378.0	\$ 229.3	\$ 148.7
Nonliquid Assets	199.5	19.9	179.6
Other	10.0	8.7	1.3
Total Reserved	587.5	257.9	329.6
<u>Unreserved</u>			
Designated			
Continuing Appropriations	332.7	248.0	84.7
Other	306.0	364.8	(58.8)
Balance Available for Appropriation	(1,418.7)	(56.7)	(1,362.0)
Total Unreserved	(780.0)	556.1	(1,336.1)
Total Fund Balance	\$ (192.5)	\$ 814.0	\$(1,006.5)

General Fund revenues for FY 94 were \$2,692.2 million, a decrease of \$823.1 million compared to revenues of \$3,515.3 million for FY 93. Revenues for the last two years are shown in the following schedule (in millions):

<u>Revenues</u>	<u>FY 94</u>	<u>Percent</u>	<u>FY 93</u>	<u>Percent</u>
Taxes	\$ 954.1	35.4	\$ 1,376.0	39.1
Rents and Royalties	741.4	27.5	1,094.8	31.2
Interest & Investment Income	31.0	1.2	78.5	2.2
Federal Grants-in-Aid	774.5	28.8	776.9	22.1
Miscellaneous	191.2	7.1	189.1	5.4
Total Revenues	\$ 2,692.2	100.0	\$ 3,515.3	100.0

As indicated in the following schedule (stated in millions), the major source of revenue is petroleum related. This schedule also shows that 1994 petroleum revenues were down to \$1,495.5 million, a decrease of \$830.7 million compared to FY 93 (\$2,326.2). The price of oil during FY 94 averaged \$14.04 per barrel at the West Coast, which is \$1.13 under the Department of Revenue's Low Case projection for FY 94 revenue and \$3.79 under the average price of \$17.83 for FY 93. In addition, the crude oil production for Alaska North Slope and Cook Inlet for FY 94 was 1.639 million barrels per day as compared to 1.728 for FY 93 and a high of 2.048 in FY 88.

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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT

STEVE COWPER,)
)
Plaintiff,)
)
v.)
)
WALTER J. HICKEL, Governor)
of the STATE OF ALASKA,)
DARREL J. REXWINKEL,)
Commissioner of the)
Department of Revenue for)
the State of Alaska,)
and the STATE OF ALASKA,)
)
Defendants.) Case No. 3AN-93-6848 Civil

DEFENDANT'S RESPONSE TO PLAINTIFF'S DISCOVERY REQUESTS
DATED DECEMBER 14, 1994

The State of Alaska presents the following response to plaintiff's
discovery requests.

INTERROGATORY NO. 1:

Please identify those cash pools (including current balances) which
are "available for appropriation" or "in the general fund available for
appropriation" pursuant to Art. IX, Sec. 17(b) and (d) of the Alaska
constitution.

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
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ANSWER:

The attached document titled "Response to Interrogatory No. 1(a)," prepared by the Division of Finance, Department of Administration, sets forth the state's current best estimate of the cash pools which are available for appropriation pursuant to Art. IX, Sec. 17(b) of the Alaska Constitution. The attached document titled "Response to Interrogatory No. 1(b)," prepared by the Division of Finance, Department of Administration, sets forth the state's current best estimate of the cash pools which are available for appropriation pursuant to Art. IX, Sec. 17(d) of the Alaska Constitution. These responses, although an accurate reflection of the state's current understanding of the status of these cash pools, is subject to change.

Pursuant to discussions between counsel for the state and counsel for Steve Cowper, the state has not calculated current balances for these accounts because that figure is constantly changing and extremely difficult to calculate before the end of the Fiscal Year.

INTERROGATORY NO. 2:

Please identify the total amount on June 30, 1994, "in the general fund available for appropriation" pursuant to Art. IX, Sec. 17(d) of the Alaska

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constitution.

ANSWER:

Pursuant to agreement between counsel for the state and counsel for Steve Cowper, the state has not calculated the total amount on June 30, 1994, "in the general fund available for appropriation" pursuant to Art. IX, Sec. 17(d) of the Alaska constitution.

REQUEST FOR PRODUCTION NO. 1:

Please produce all documents referring or relating to "appropriated borrowing" from the budget reserve fund pursuant to Sec. 9 of Chapter 14 SLA 1994, and/or pursuant to any other "borrowing" authority.

RESPONSE:

The state has previously complied with this request by producing Memorandum of Understanding between the Department of Administration, the Department of Revenue, and the Office of Management and Budget, November 16, 1994 and Memorandum from Don Wanie to Dugan Petty, December 7, 1994. After a diligent search, the state has not identified any other documents responsive to this request.

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REQUEST FOR PRODUCTION NO. 2:

Please produce the Cash Deficiency Plan Memorandum of Agreement signed in November of 1994 as well as all documents referring to said memorandum.

RESPONSE:

See response to Request for Production No. 1.

REQUEST FOR PRODUCTION NO. 3:

Please produce any studies of or documents referring to any cash pools which may or may not be "available for appropriation" or "in the general fund available for appropriation" pursuant to Art. IX, Sec. 17(b) and (d) of the Alaska constitution.

RESPONSE:

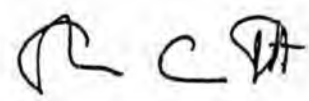
Please see response to Interrogatories Nos. 1 & 2. The state also produces the Memorandum from Don Wanie to Jack Kreinheder, dated June 20, 1994. After a diligent search, the state has not identified any other documents responsive to this request.

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ATTORNEY GENERAL, STATE OF ALASKA
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DATED this 31st day of March, 1995, at Juneau, Alaska.

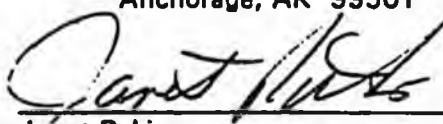
BRUCE M. BOTELHO
ATTORNEY GENERAL



By: Stephen C. Slotnick
Assistant Attorney General

This is to certify that on this date a copy of the foregoing is being mailed to the following attorneys or parties of record:

Douglas Pope
Pope & Katcher
421 W 1st Ave., Suite 220
Anchorage, AK 99501


Janet Pukis 3-31-95
Date

GENERAL FUND GROUP

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available for Appropriation Under Section 17 (b)? (See Note 1.)
11100	<u>General Fund</u> The operating subfund of the General Fund.	Yes - Funds require further legislative appropriation before expenditures can be made.
11102	<u>AHFC Special Pledge Fund</u> Consists of state assets pledged as collateral for Alaska Housing Finance Corporation (AHFC) bonds. As the obligation is decreased each year the amount of the fund is reduced. Chapter 107, SLA 1971	No - Assets are pledged as collateral and not available.
11103	<u>Home Ownership Assistance Fund</u> Consists of money appropriated by the legislature to assist persons of lower and moderate income to purchase or construct single family homes. Not active at this time. AS 44.47.382	Not applicable as the fund is inactive and has a zero balance.
11104	<u>Low Cost and Low Income Multiple Family Housing Development Fund</u> Consists of appropriations by the legislature to make grants to municipalities, public, or private nonprofit corporations designated as tax exempt for the purpose of developing low cost, low income, multiple family housing. The fund was repealed by CH 4, FSSLA 1992, Sec 140. AS 44.47.635	Not applicable as the fund has been repealed and has a zero balance.
11110	<u>FICA Administration Fund</u> Consists of amounts collected from participating political subdivisions, together with money appropriated by the state for covering the state's share of administrative costs. AS 39.30.050	Not applicable as the fund is no longer used and has a zero balance.
11111	<u>Alaska Historical Commission Receipts Account</u> Consists of all monetary gifts, grants, bequests, royalties, and other income received by the Alaska Historical Commissions and is used for commission projects. AS 41.35.380	Yes - It appears that further appropriation is required to spend these funds. However, the legislature may appropriate from this account only for commission projects and there may be legal restrictions on the use of the money donated.
11112	<u>Alaska Surplus Property Fund</u> Designed to collect revenues from the users or purchasers of excess federal property that the state has acquired and to pay the administrative expenses incurred in managing this property. AS 37.05.500(a)(2), 44.68.110-.130	No - The legislation creating this special revolving fund does not state that an appropriation is required to spend from this fund. The legislation states that administrative costs and incidental expenses shall be paid from this special fund.
11116	<u>State Small Business Enterprise Fund</u> Consists of receipts from vending facilities on public property and is used to aid blind and severely handicapped licensees in operating vending machine facilities. AS 23.15.130	Yes - It appears that further appropriation is required to spend these funds. The legislation states that the fund shall be used to aid licensees in operating vending machine facilities.
11117	<u>Second Injury Fund</u> Consists of all amounts collected as civil penalties under AS 23.30.155(c) from the employer or insurance carrier of employees who suffer compensable injury and is paid for the benefit of persons entitled under chapter 30. AS 23.30.040	No - Payment of benefits from the fund does not require an appropriation. Benefits payments are made by the commissioner of labor in accordance with the orders and awards of the Alaska Workers' Compensation Board.
11118	<u>Randolph Sheppard Small Business Fund</u> Consists of receipts from vending facilities on federal properties and is used to aid only blind licensees in operating vending machine facilities.	No - The fund consists only of federal receipts which are to be used only to aid blind licensees.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available for Appropriation Under Section 17 (b)? (See Note 1.)
11119	<u>Sick/Disabled Fishermen's Fund</u> Consists of 60 percent of the money derived by the state from all commercial fishermen licenses and money appropriated by the legislature to pay for emergency treatment, transportation, medical care, and hospitalization of commercial fishermen. AS 23.35.060	No - Payment of benefits from the fund does not require an appropriation. The law allows the department of labor to adopt regulations necessary or advisable to protect the fund by limiting or suspending payments from the fund.
11120	<u>Donated Commodity Fee</u> Consists of monies from federal agencies and recipients of goods. It is intended to cover the cost of the distribution of federal surplus food to schools, child care institutions, nonprofit camps for children, charitable institutions for minors, nutrition programs for the elderly, and assistance to needy persons. USC 7 CFR Part 250	No - The fund consists only of federal receipts which are to be used only for costs of distribution of federal surplus food.
11121	<u>Real Estate Surety Fund</u> Consists of payments made by licensed real estate brokers and salesmen under AS 08.88.500 and may be appropriated for real estate educational purposes as provided by AS 08.88.091. AS 08.88.450	No - The Real Estate Commission has authority to pay claims for reimbursement out of this fund. Amounts in the fund in excess of \$250,000 may be appropriated for real estate educational purposes.
11122	<u>Oil and Hazardous Waste Substance Release Response Fund, Prevention Account</u> Consists of appropriations by the legislature of money from private donors; money recovered from parties responsible for cleanup of oil or a hazardous substance; and fines, penalties, or damages recovered under chapter 48. The fund is to be used for the containment and cleanup of oil or a hazardous substance; monitoring, assessing, investigating, and evaluating the release of threatened release of oil or a hazardous substance; and recovery of the cost to the state of the containment and cleanup of oil or a hazardous substance. AS 48.08.010, AS 48.08.040(c)	Yes - It appears that further appropriation is required to spend these funds.
11123	<u>Railbelt Energy Fund</u> Consists of money appropriated to it by the legislature and is used to assist in meeting railbelt energy needs. AS 37.05.520	Yes - It appears that further appropriation is required to spend these funds.
11124	<u>Art in Public Places</u> Consists of one percent of the construction cost of buildings exempt from AS 35.27. The money is used to commission or purchase art for public state owned or leased buildings or facilities. AS 44.27.060	No - The Alaska State Council on the Arts may use the money in this fund to commission or purchase art.
11125	<u>Fuel Emergency Fund</u> This fund is used when the governor determines that a shortage of fuel is sufficiently severe to justify state assistance to make grants to a city or borough, or to a village or unincorporated community to purchase emergency supplies of fuel. AS 44.19.052	No - The governor may make grants from this fund to be used for purchasing emergency supplies of fuel.
11126	<u>FHWA - Airspace Leases Fund</u> In accordance with Section 156 of the United States Surface Transportation and Uniform Relocation Assistance Act of 1987. To account for revenues received from the sale, use or lease of right-of-way airspace. The revenues are available for appropriation by the legislature for highway projects. Section 156, Surface Transportation and Uniform Relocation Assistance Act of 1987.	Yes - This fund accounts for revenues received from the sale, use, or lease of right-of-way airspace, and which are available for appropriation for highway projects.
11127	<u>Railbelt Intertie Reserve</u> \$100,000,000 and the interest earned beginning on July 1, 1990 was appropriated from the Railbelt energy fund to this general fund, Railbelt intertie reserve. CH 208, Sec 159, SLA 1990	Yes - Funds may not be expended from this reserve until appropriated by the legislature. The reserve has a zero balance as of 06/30/94.
11128	<u>Oil and Hazardous Substance Release Prevention and Response Fund</u> Fund consists of two accounts (subfunds 11122 and 11129). AS 48.08.010(e)	N/A

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available for Appropriation Under Section 17 (b)? (See Note 1.)
11129	<u>Oil and Hazardous Substance Release Prevention and Response Fund, Response Account</u> Response account funds to be used to respond to a release or threatened release of hazardous substance. AS 46.08.010(a)(2), AS 46.08.045	No. Further appropriation is not required for expenditures.
11130	<u>Public Access Fund</u> The fund is used to provide public access to state waters for recreational purposes. The fund has not been activated. AS 38.05.874	Not applicable as fund is inactive and has a zero balance.
11133	<u>State Insurance Catastrophe Reserve</u> Allows for an allocation of lapsed appropriation balances to the account at the end of the fiscal year. This is accomplished by a transfer of fund equity from the unreserved/undesignated fund balance. The fund has a not to exceed amount of \$5,000,000. AS 37.05.289	No - Assets of the fund may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgements arising under the program. It does not specify in the legislation that a further appropriation is required to do this.
11134	<u>Employee Assistance and Training Program Account</u> Chapter 95 SLA 1989 established a two year pilot project to finance and award grants to employment assistance and training entities. Chapter 95, SLA 1989	No - Fiduciary trust relationship.
11135	<u>Health and Life Insurance Fund</u> The fund consists of employer and employee contributions, appropriations from the legislature, and interest earned on investment. AS 39.30.095	Not applicable as fund is inactive and has a zero balance.
11136	<u>Storage Tank Assistance Fund</u> The fund consists of money appropriated to it by the legislature. The receipts of the fund may be used for tank tightness tests, site assessments, grants, and loans. AS 48.03.410	No - The commissioner of environmental conservation may use money in the fund without further appropriation.
11137	<u>Alaska Marine Highway Vessel Replacement Fund</u> The fund consists of money appropriated to it by the Legislature. The legislature may appropriate money from the fund for refurbishment of existing state ferry vessels, acquisition of additional state ferry vessels, or replacement of retired or outmoded state ferry vessels. AS 37.05.550	Yes - It appears that further appropriation is required to spend these funds.
11138	<u>Alaska Debt Retirement Fund</u> Was established to help meet the general fund debt obligations of the state and its political subdivisions, to fund lease-purchases, and to finance capital projects with money remaining after debt obligations are paid. The fund consists of all money appropriated to it by the legislature. AS 37.15.011	Yes - It appears that further appropriation is required to spend these funds.
11139	<u>Oil and Hazardous Substance Release Mitigation Account</u> The legislature may annually appropriate the balance of this fund to the Oil and Hazardous Substance Release Response Fund (11122). The fund is maintained for accounting purposes only. AS 46.08.020	Yes - It appears that further appropriation is required to spend these funds.
11141	<u>Exxon Valdez Administration Settlement Fund</u> This fund was not created by Alaska statute, but was established at the request of the Department of Revenue to account for monies the Attorney General believes were erroneously recorded in the constitutional budget reserve fund, until legislative action was taken.	Not applicable as the fund is no longer used and has a zero balance.
11142	<u>Education Facilities Maintenance and Construction Fund</u> Established by Chapter 78 SLA 1993. Effective immediately but was funded by Chapter 83 SLA 1993 effective July 17, 1993. The Department of Education is the custodian. The source of funds are Legislative appropriations to the fund. Money in the fund may be appropriated to finance the design, construction, and maintenance of public school facilities; and for maintenance of University of Alaska facilities. AS 37.05.560	Yes - It appears that further appropriation is required to spend these funds.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available for Appropriation Under Section 17 (b)? (See Note 1.)
11143	<p><u>School Construction Grant Fund</u> Established by Chapter 5 SLA 1990 sec. 5. Effective immediately but was funded by Chapter 83 SLA 1993 effective July 17, 1993. Department of Education is the custodian. The source of funds are Legislative appropriations to the fund, and proceeds from the sale of bonds. The fund shall be used to make grants for the costs of school construction. AS 14.11.005</p>	No - It appears that further appropriation is not required as this fund consists of legislative appropriations for school construction which are deposited into this fund.
11144	<p><u>Major Maintenance Grant Fund</u> Established by Chapter 78 SLA 1993. Effective immediately but was funded by Chapter 83 SLA 1993 effective July 17, 1993. The Department of Education is the custodian. The source of funds are Legislative appropriations to the fund. The fund shall be used to make grants for the costs of school major maintenance. AS 14.11.007</p>	No - It appears that further appropriation is not required as this fund consists of legislative appropriations for school major maintenance which are deposited into this fund.
11145	<p><u>Fund for the Improvement of School Performance</u> Established by Chapter 173 SLA 1990 sec 2. Effective in FY 91 but is funded for the first time by Chapter 41 SLA 1993 sec 53 which was effective June 1, 1993. The Department of Education is the custodian. The source of funds are Legislative appropriations to the fund. The fund shall be used to make grants to school districts for the purpose of improving school performance. AS 14.03.125</p>	No - Further appropriation is not required to spend these funds.
11146	<p><u>Municipal Capital Project Matching Grant Fund</u> Established by Chapter 80 SLA 1993, effective July 6, 1993. However, it was funded by Ch 79 SLA 1993 sec 15, which was effective June 28, 1993, so the fund was established in FY 93. The Department of Administration is the custodian. The source of funds are Legislative appropriations to the fund. The money in the fund shall be held in custody for each municipality. AS 37.06.010</p>	Yes - It appears that further appropriation is required to spend these funds.
11147	<p><u>Unincorporated Community Capital Project Matching Grant Fund</u> Established by Chapter 80 SLA 1993, effective July 6, 1993. However, it was funded by Ch 79 SLA 1993 sec 15, which was effective June 28, 1993, so the fund was established in FY 93. The Department of Community and Regional Affairs is the custodian. The source of funds are Legislative appropriations to the fund. The money in the fund shall be held in custody for each unincorporated community. AS 37.06.020</p>	Yes - It appears that further appropriation is required to spend these funds.
11148	<p><u>Southeast Energy Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of money transferred to it under AS 42.45.050, which is monthly transfers (subject to appropriation) of 40% of the balance in the Four Dam Pool fund. The fund is used to make grants to utilities participating in the power transmission intertie between the Swan Lake and Tyeo Lake hydroelectric projects, for power projects. AS 42.45.040</p>	No - Further appropriation is not required to spend these funds.
11149	<p><u>Four Dam Pool Transfer Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of repayments of principal and income that would have been deposited in the former power development revolving loan fund under AS 44.83.500. Subject to appropriation, the balance of the fund will be transferred each month as follows: 40% to the Power Cost Equalization and Rural Electric Capitalization Fund; 40% to the Southeast Energy Fund, and 20% to the Power Project Fund. AS 42.45.050</p>	Yes - It appears that further appropriation is required to spend these funds.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available for Appropriation Under Section 17 (b)? (See Note 1.)
11150	<u>Power Cost Equalization & Rural Electric Capitalization Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of money transferred to it under AS 42.45.050, which is monthly transfers (subject to appropriation) of 40% of the balance in the Four Dam Pool fund. The fund is used to make grants to eligible utilities to improve the performance of the utility. AS 42.45.100	We are not able to readily determine whether the PCE/REC fund is available for appropriation.
11151	<u>Electrical Service Extension Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of money appropriated to it by the legislature. The purpose of the fund is to make grants to electric utilities to pay for costs of site preparation and construction for the extension of electrical service to private residences and small businesses not currently served by an electric utility, and for making improvements to existing utilities. AS 42.45.200	No - Further appropriation is not required to spend these funds.
11152	<u>Mitigation Accounts</u> See subfunds 11139 and 11153.	N/A
11153	<u>Oil and Hazardous Substance Release Mitigation, Response Account</u> Proceeds of levy established by AS 43.55.231.	Yes - It appears that further appropriation is required to spend these funds.
12135	<u>Alaska Marine Highway Fund</u> To enable the Alaska marine highway system to manage and operate in a manner that will enhance performance and accountability by allowing the system to account for and spend its generated revenue. AS 19.65.050.	Yes - It appears that further appropriation is required to spend these funds.
21636	<u>Alaska Grain Reserve</u> The fund balance of the Alaska Grain Reserve is not reserved or designated. All assets of the fund were transferred to the General Fund effective January 1, 1988, as per AS 03.12. The fund is maintained for accounting purposes only. AS 03.12	Not applicable as the fund is no longer used and has a zero balance.

SPECIAL REVENUE FUNDS

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available For Appropriation Under Section 17 (b)? (See Note 1.)
12120	<u>Disaster Relief Fund</u> Used to implement provisions of law relating to disaster relief in the case of a disaster, and to alleviate the effects of a disaster by making grants or loans to persons or political subdivisions on terms the governor considers appropriate. AS 26.23.300	No - The governor may expend out of the disaster relief fund for the purposes of the fund without additional legislative authorization.
12121	<u>Training and Building Fund</u> Consists of all interest and penalties collected under AS 23.20.185, 23.20.190 and 23.20.195 which involves interest on past due contributions, penalty for failure to file reports, and penalty for nonpayment of contributions to the Unemployment Insurance Fund. AS 23.20.130(d)	No - Funds available in the training and building fund shall be expended upon the direction of the department, with the approval of the governor, when the expenditure is necessary.
12122	<u>Fish and Game Fund</u> Consists of money received from sale of state sport fishing and hunting licenses and special permits; proceeds received from the sale of furs, skins and specimens taken by predator hunters and other employees; money received in settlement of a claim or loss caused by damage to the fish and game resources of the state; money received from federal, state, or other governmental units, or from private donors; interest earned on money in the fund; and money from any other source. AS 16.05.100	No - The commissioner of Fish & Game can authorize disbursements from the fund.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available For Appropriation Under Section 17 (b)? (See Note 1.)
12123	<u>School Fund</u> Consists of the proceeds derived from the payment of cigarette taxes, fees, and penalties and license fees under AS 43.50.010 to AS 43.50.140.	Yes - It appears that further appropriation is required to spend these funds. However, these funds are legally restricted to be used exclusively to rehabilitate, construct, and repair the state's school facilities, and for costs of insurance on buildings comprising school facilities.
12130	<u>State Land Reforestation Fund</u> Consists of money appropriated by the legislature and contributions from private donors. Money may be used only for the reforestation of state land. AS 41.17.300	Yes - It appears that further appropriation is required to spend these funds. (See note 2.)
12131	<u>National Petroleum Reserve Fund</u> Consists of all money disbursed to the state by the federal government under 42 U.S.C. 6508 (P.L. 96-514) since December 12, 1980, less the amount deposited in the general fund and expended by the state by general fund appropriations before June 9, 1984. AS 37.25.040	Yes - It is the intent of the legislature that each year all of the money in the National Petroleum Reserve be made available for appropriation by the legislature to municipalities that demonstrate under AS 37.25.040(c) the present impact, or the need to determine or plan for future impact, from oil and gas development under 42 U.S.C. 6508.
12132	<u>Reclamation Bonding Pool Fund</u> Statewide bonding pool for mining operations where miners contribute and initial deposit not to exceed 15% of the reclamation bond plus an additional nonrefundable annual fee not to exceed 5% of the reclamation bond. AS 27.19.040	No - The commissioner of Natural Resources can deposit reclamation bonds in the bonding pool for miners who violate their reclamation plan and the commissioner can use the bonding pool to reclaim a mining site to proper standards. It does not appear that an appropriation is required to do this.

INTERNAL SERVICE FUNDS

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available For Appropriation Under Section 17 (b)? (See Note 1.)
22652	<u>Highways Equipment Working Capital Fund</u> Intragovernmental service fund used by Department of Transportation and Public Facilities for necessary expenses resulting from the centralization of equipment maintenance and for the operation of supply depots. Receipts from rental fees and surcharges to the various departments for equipment rental, repair and supplies are deposited into this fund. AS 44.68.210	Yes - The legislature makes appropriations to the department to carry out the purpose of the fund. However, the federal government may assert a claim to a portion of any funds available which are transferred from the fund.
22654	<u>Correctional Industries Fund</u> The fund finances all expenses of the correctional industries program except salaries and benefits of state employees. AS 33.30.400 - .490	Yes - The legislature may appropriate to the correctional industries fund any amounts necessary to implement AS 33.30.400 - .490, which may equal or exceed the amount received by the state for services rendered or products sold by the correctional industries program.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for Available For Appropriation Under Section 17 (b)? (See Note 1.)
22500	<u>Information Services Fund</u> Established as an internal services fund and consists of money appropriated to it and money transferred by political subdivisions and state agencies as reimbursement of information services provided by the Department of Administration. The department may charge and collect fees and surcharges for information services provided by it to agencies and political subdivisions of the state. AS 44.21.045	Yes - The fund consists of money appropriated to it and money transferred to it by political subdivisions and state agencies as reimbursement for information services provided. However, the federal government may assert a claim to a portion of any funds available which are transferred from the fund.

Note 1.

The criteria used to determine if a fund meets the meaning of the term "available for appropriation" as used in Article IX, section 17(b), of the Alaska Constitution, was determined by an evaluation of the examples used in the Supreme Court of Alaska Case Nos. S-6294, S-6304, May 27, 1994. The specific question asked was whether or not the funds required further legislative appropriation before expenditures can be made against them. If the answer is "yes," the funds are available for appropriation. If the answer is "no," the funds are not available for appropriation.

In addition to the funds listed above, the Alaska Permanent Fund Earnings Reserve and the Science and Technology Endowment funds which are held by the Alaska Permanent Fund Corporation are considered available for appropriation in accordance with Article IX, Section 17(b), of the Alaska Constitution.

The following fund groups were not considered in the determination of availability for the reasons given with each fund group:

- (1) **Expendable, Nonexpendable, Pension, and Agency Trust Funds** - These funds are considered monies held in trust for the purpose of the fund and therefore are not considered available funds.
- (2) **Enterprise Funds** - The majority of these funds are revolving loan funds which do not require appropriations to disburse for loans and are therefore not considered available funds.
- (3) **Capital Project and Debt Service Funds** - Capital project funds contain monies from bond proceeds and any remaining funds after projects are completed are transferred to the debt service fund for repayment of debt. These funds are therefore not considered available.

Note 2.

Although many funds have been identified as available for appropriation under section 17 (b), money in the funds may not be available if there are legal restrictions on the use of the money, such as a trust relationship created by the donation of assets by a third party.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for General Fund Available for Appropriation Under Section 17 (d)? (See Note 1.)
11100	<u>General Fund</u> The operating subfund of the General Fund.	Yes - Funds require further legislative appropriation before expenditures can be made.
11102	<u>AHFC Special Pledge Fund</u> Consists of state assets pledged as collateral for Alaska Housing Finance Corporation (AHFC) bonds. As the obligation is decreased each year the amount of the fund is reduced. Chapter 107, SLA 1971	No - Assets are pledged as collateral and not available.
11103	<u>Home Ownership Assistance Fund</u> Consists of money appropriated by the legislature to assist persons of lower and moderate income to purchase or construct single family homes. Not active at this time. AS 44.47.382	Not applicable as the fund is inactive and has a zero balance.
11104	<u>Low Cost and Low Income Multiple Family Housing Development Fund</u> Consists of appropriations by the legislature to make grants to municipalities, public, or private nonprofit corporations designated as tax exempt for the purpose of developing low cost, low income, multiple family housing. The fund was repealed by CH 4, FSSLA 1992, Sec 140. AS 44.47.635	Not applicable as the fund has been repealed and has a zero balance.
11110	<u>FICA Administration Fund</u> Consists of amounts collected from participating political subdivisions, together with money appropriated by the state for covering the state's share of administrative costs. AS 39.30.050	Not applicable as the fund is no longer used and has a zero balance.
11111	<u>Alaska Historical Commission Receipts Account</u> Consists of all monetary gifts, grants, bequests, royalties, and other income received by the Alaska Historical Commissions and is used for commission projects. AS 41.35.380	Yes - It appears that further appropriation is required to spend these funds. However, the legislature may appropriate from this account only for commission projects and there may be legal restrictions on the use of the money donated.
11112	<u>Alaska Surplus Property Fund</u> Designed to collect revenues from the users or purchasers of excess federal property that the state has acquired and to pay the administrative expenses incurred in managing this property. AS 37.05.500(a)(2), 44.68.110-.130	No - The legislation creating this special revolving fund does not state that an appropriation is required to spend from this fund. The legislation states that administrative costs and incidental expenses shall be paid from this special fund.
11116	<u>State Small Business Enterprise Fund</u> Consists of receipts from vending facilities on public property and is used to aid blind and severely handicapped licensees in operating vending machine facilities. AS 23.15.130	Yes - It appears that further appropriation is required to spend these funds. The legislation states that the fund shall be used to aid licensees in operating vending machine facilities.
11117	<u>Second Injury Fund</u> Consists of all amounts collected as civil penalties under AS 23.30.155(c) from the employer or insurance carrier of employees who suffer compensable injury and is paid for the benefit of persons entitled under chapter 30. AS 23.30.040	No - Payment of benefits from the fund does not require an appropriation. Benefits payments are made by the commissioner of labor in accordance with the orders and awards of the Alaska Workers' Compensation Board.
11118	<u>Randolph Sheppard Small Business Fund</u> Consists of receipts from vending facilities on federal properties and is used to aid only blind licensees in operating vending machine facilities.	No - The fund consists only of federal receipts which are to be used only to aid blind licensees.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria to: General Fund Available for Appropriation Under Section 17 (d)? (See Note 1.)
11119	<u>Sick/Disabled Fishermen's Fund</u> Consists of 60 percent of the money derived by the state from all commercial fishermen licenses and money appropriated by the legislature to pay for emergency treatment, transportation, medical care, and hospitalization of commercial fishermen. AS 23.35.060	No - Payment of benefits from the fund does not require an appropriation. The law allows the department of labor to adopt regulations necessary or advisable to protect the fund by limiting or suspending payments from the fund.
11120	<u>Donated Commodity Fee</u> Consists of monies from federal agencies and recipients of goods. It is intended to cover the cost of the distribution of federal surplus food to schools, child care institutions, non profit camps for children, charitable institutions for minors, nutrition programs for the elderly, and assistance to needy persons. USC 7 CFR Part 250	No - The fund consists only of federal receipts which are to be used only for costs of distribution of federal surplus food.
11121	<u>Real Estate Surety Fund</u> Consists of payments made by licensed real estate brokers and salesmen under AS 08.88.500 and may be appropriated for real estate educational purposes as provided by AS 08.88.091. AS 08.88.450	No - The Real Estate Commission has authority to pay claims for reimbursement out of this fund. Amounts in the fund in excess of \$250,000 may be appropriated for real estate educational purposes.
11122	<u>Oil and Hazardous Substance Release Prevention and Response Fund, Prevention Account</u> Consists of appropriations by the legislature of money from private donors; money recovered from parties responsible for cleanup of oil or a hazardous substance; and fines, penalties, or damages recovered under chapter 48. The fund is to be used for the containment and cleanup of oil or a hazardous substance; monitoring, assessing, investigating, and evaluating the release of threatened release of oil or a hazardous substance; and recovery of the cost to the state of the containment and cleanup of oil or a hazardous substance. AS 46.08.010(a)(1), AS 46.08.040(c)	Yes - It appears that further appropriation is required to spend these funds.
11123	<u>Railbelt Energy Fund</u> Consists of money appropriated to it by the legislature and is used to assist in meeting railbelt energy needs. AS 37.05.520	Yes - It appears that further appropriation is required to spend these funds.
11124	<u>Art in Public Places</u> Consists of one percent of the construction cost of buildings exempt from AS 35.27. The money is used to commission or purchase art for public state owned or leased buildings or facilities. AS 44.27.060	No - The Alaska State Council on the Arts may use the money in this fund to commission or purchase art.
11125	<u>Fuel Emergency Fund</u> This fund is used when the governor determines that a shortage of fuel is sufficiently severe to justify state assistance to make grants to a city or borough, or to a village or unincorporated community to purchase emergency supplies of fuel. AS 44.19.052	No - The governor may make grants from this fund to be used for purchasing emergency supplies of fuel.
11126	<u>FHWA - Airspace Leases Fund</u> In accordance with Section 156 of the United States Surface Transportation and Uniform Relocation Assistance Act of 1987. To account for revenues received from the sale, use or lease of right-of-way airspace. The revenues are available for appropriation by the legislature for highway projects. Section 156, Surface Transportation and Uniform Relocation Assistance Act of 1987.	Yes - This fund accounts for revenues received from the sale, use, or lease of right-of-way airspace, and which are available for appropriation for highway projects.
11127	<u>Railbelt Inertile Reserve</u> \$100,000,000 and the interest earned beginning on July 1, 1990 was appropriated from the Railbelt energy fund to this general fund, Railbelt inertile reserve. CH 208, Sec 159, SLA 1990	Yes - Funds may not be expended from this reserve until appropriated by the legislature. The reserve has a zero balance as of 6/30/94
11128	<u>Oil and Hazardous Substance Release Prevention and Response Fund</u> Fund consists of two accounts (subfunds 11122 and 11129). AS 46.08.010(a)	N/A

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for General Fund Available for Appropriation Under Section 17 (d)? (See Note 1.)
11129	<u>Oil and Hazardous Substance Release Prevention and Response Fund, Response Account</u> Response account funds to be used to respond to a release or threatened release of hazardous substance. AS 46.08.010(a)(2), AS 46.08.045	No. Further appropriation is not required for expenditures.
11130	<u>Public Access Fund</u> The fund is used to provide public access to state waters for recreational purposes. The fund has not been activated. AS 38.05.874	Not applicable as fund is inactive and has a zero balance.
11133	<u>State Insurance Catastrophe Reserve</u> Allows for an allocation of lapsed appropriation balances to the account at the end of the fiscal year. This is accomplished by a transfer of fund equity from the unreserved/undesignated fund balance. The fund has a not to exceed amount of \$5,000,000. AS 37.05.289	No - Assets of the fund may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgements arising under the program. It does not specify in the legislation that a further appropriation is required to do this.
11134	<u>Employee Assistance and Training Program Account</u> Chapter 95 SLA 1989 established a two year pilot project to finance and award grants to employment assistance and training entities. Chapter 95, SLA 1989	No. Fiduciary trust relationship.
11135	<u>Health and Life Insurance Fund</u> The fund consists of employer and employee contributions, appropriations from the legislature, and interest earned on investment. AS 39.30.095	Not applicable as fund is inactive and has a zero balance.
11138	<u>Storage Tank Assistance Fund</u> The fund consists of money appropriated to it by the legislature. The receipts of the fund may be used for tank tightness tests, site assessments, grants and loans. AS 46.03.410	No - The commissioner of environmental conservation may use money in the fund without further appropriation.
11137	<u>Alaska Marine Highway Vessel Replacement Fund</u> The fund consists of money appropriated to it by the Legislature. The legislature may appropriate money from the fund for refurbishment of existing state ferry vessels, acquisition of additional state ferry vessels, or replacement of retired or outmoded state ferry vessels. AS 37.05.550	Yes - It appears that further appropriation is required to spend these funds.
11138	<u>Alaska Debt Retirement Fund</u> Was established to help meet the general fund debt obligations of the state and its political subdivisions, to fund lease-purchases, and to finance capital projects with money remaining after debt obligations are paid. The fund consists of all money appropriated to it by the legislature. AS 37.15.011	Yes - It appears that further appropriation is required to spend these funds.
11139	<u>Oil and Hazardous Substance Release Mitigation, Prevention Account</u> The legislature may annually appropriate the balance of this fund to the Oil and Hazardous Substance Release Response Fund(11122). The fund is maintained for accounting purposes only. AS 46.08.020	Yes - It appears that further appropriation is required to spend these funds.
11141	<u>Exxon Valdez Administration Settlement Fund</u> This fund was not created by Alaska statute, but was established at the request of the Department of Revenue to account for monies the Attorney General believes were erroneously recorded in the constitutional budget reserve fund, until legislative action was taken.	Not applicable as the fund is no longer used and has a zero balance.
11142	<u>Education Facilities Maintenance and Construction Fund</u> Established by Chapter 78 SLA 1993. Effective immediately but was funded by Chapter 83 SLA 1993 effective July 17, 1993. The Department of Education is the custodian. The source of funds are Legislative appropriations to the fund. Money in the fund may be appropriated to finance the design, construction, and maintenance of public school facilities; and for maintenance of University of Alaska facilities. AS 37.05.560	Yes - It appears that further appropriation is required to spend these funds.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for General Fund Available for Appropriation Under Section 17 (d)7 (See Note 1.)
11143	<p><u>School Construction Grant Fund</u> Established by Chapter 5 SLA 1990 sec. 5. Effective immediately but was funded by Chapter 83 SLA 1993 effective July 17, 1993. Department of Education is the custodian. The source of funds are Legislative appropriations to the fund, and proceeds from the sale of bonds. The fund shall be used to make grants for the costs of school construction. AS 14.11.005</p>	No - It appears that further appropriation is not required as this fund consists of legislative appropriations for school construction which are deposited into this fund.
11144	<p><u>Major Maintenance Grant Fund</u> Established by Chapter 78 SLA 1993. Effective immediately but was funded by Chapter 83 SLA 1993 effective July 17, 1993. The Department of Education is the custodian. The source of funds are Legislative appropriations to the fund. The fund shall be used to make grants for the costs of school major maintenance. AS 14.11.007</p>	No - It appears that further appropriation is not required as this fund consists of legislative appropriations for school major maintenance which are deposited into this fund.
11145	<p><u>Fund for the Improvement of School Performance</u> Established by Chapter 173 SLA 1990 sec 2. Effective in FY 91 but is funded for the first time by Chapter 4 SLA 1993 sec 53 which was effective June 1, 1993. The Department of Education is the custodian. The source of funds are Legislative appropriations to the fund. The fund shall be used to make grants to school districts for the purpose of improving school performance. AS 14.03.125</p>	No - Further appropriation is not required to spend these funds.
11146	<p><u>Municipal Capital Project Matching Grant Fund</u> Established by Chapter 80 SLA 1993, effective July 6, 1993. However, it was funded by Ch 79 SLA 1993 sec 15, which was effective June 28, 1993, so the fund was established in FY 93. The Department of Administration is the custodian. The source of funds are Legislative appropriations to the fund. The money in the fund shall be held in custody for each municipality. AS 37.06.010</p>	Yes - It appears that further appropriation is required to spend these funds.
11147	<p><u>Unincorporated Community Capital Project Matching Grant Fund</u> Established by Chapter 80 SLA 1993, effective July 6, 1993. However, it was funded by Ch 79 SLA 1993 sec 15, which was effective June 28, 1993, so the fund was established in FY 93. The Department of Community and Regional Affairs is the custodian. The source of funds are Legislative appropriations to the fund. The money in the fund shall be held in custody for each unincorporated community. AS 37.06.020</p>	Yes - It appears that further appropriation is required to spend these funds.
11148	<p><u>Southeast Energy Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of money transferred to it under AS 42.45.050, which is monthly transfers (subject to appropriation) of 40% of the balance in the Four Dam Pool fund. The fund is used to make grants to utilities participating in the power transmission intertie between the Swan Lake and Tyea Lake hydroelectric projects, for power projects. AS 42.45.040</p>	No - Further appropriation is not required to spend these funds.
11149	<p><u>Four Dam Pool Transfer Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of repayments of principal and income that would have been deposited in the former power development revolving loan fund under AS 44.83.500. Subject to appropriation, the balance of the fund will be transferred each month as follows: 40% to the Power Cost Equalization and Rural Electric Capitalization Fund; 40% to the Southeast Energy Fund, and 20% to the Power Project Fund. AS 42.45.080</p>	Yes - It appears that further appropriation is required to spend these funds.

Fund Number	Name/Description/Authority	Does Fund Meet Criteria for General Fund Available for Appropriation Under Section 17 (d)? (See Note 1.)
11150	<u>Power Cost Equalization & Rural Electric Capitalization Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of money transferred to it under AS 42.45.050, which is monthly transfers (subject to appropriation) of 40% of the balance in the Four Dam Pool fund. The fund is used to make grants to eligible utilities to improve the performance of the utility. AS 42.45.100	We are not able to readily determine whether the PCE/REC fund is available for appropriation.
11151	<u>Electrical Service Extension Fund</u> Established by Chapter 18 SLA 1993, effective August 11, 1993. The Department of Community and Regional Affairs is the custodian. The fund consists of money appropriated to it by the legislature. The purpose of the fund is to make grants to electric utilities to pay for costs of site preparation and construction for the extension of electrical service to private residences and small businesses not currently served by an electric utility, and for making improvements to existing utilities. AS 42.45.200	No - Further appropriation is not required to spend these funds.
11152	<u>Mitigation Accounts</u> See subfunds 11139 and 11153.	N/A
11153	<u>Oil and Hazardous Substance Release Mitigation, Response Account</u> Proceeds of levy established by AS 43.55.231.	Yes - it appears that further appropriation is required to spend these funds.
12135	<u>Alaska Marine Highway Fund</u> To enable the Alaska marine highway system to manage and operate in a manner that will enhance performance and accountability by allowing the system to account for and spend its generated revenue. AS 19.65.050	Yes - it appears that further appropriation is required to spend these funds.
21636	<u>Alaska Grain Reserve</u> The fund balance of the Alaska Grain Reserve is not reserved or designated. All assets of the fund were transferred to the General Fund effective January 1, 1988, as per AS 03.12. The fund is maintained for accounting purposes only. AS 03.12	Not applicable as the fund is no longer used and has a zero balance.

Note 1.

The criteria used to determine if a subfund of the general fund meets the meaning of the terms "general fund available for appropriation" as used in Article IX, section 17(d), of the Alaska Constitution, was determined by an evaluation of the examples used in the Supreme Court of Alaska Case Nos. S-6294, S-6304, May 27, 1994. The specific question asked was whether or not the funds required further legislative appropriation before expenditures can be made against them. If the answer is "yes," the funds are available for appropriation. If the answer is "no," the funds are not available for appropriation.

Note 2.

The actual dollar amount available for appropriation on June 30, 1994, for each of these subfunds of the general fund which meet the criteria of availability in Note 1 has not been computed.

Note 3.

We are not able to readily determine whether the Science and Technology Endowment fund, which is held by the Alaska Permanent Fund Corporation, is considered available for appropriation in accordance with Article IX, Section 17(d), of the Alaska Constitution.

BALLOT MEASURE NO. 1

Budget Reserve Constitutional Amendment

[HCS CSSSSJR 5 (Fin) am H]

BALLOT LANGUAGE

This proposal would create the "Budget Reserve Fund" in the state treasury. Money the state receives from mineral revenue lawsuits or administrative actions would be deposited in the Fund, and invested at competitive rates. The Fund could be used when money available for appropriation in the year is less than the year before, but only to make up the shortfall. The legislature could only appropriate from the Fund for other purposes with a 3/4 vote. At the end of each year, the Fund would have to be paid back from money left in the treasury's general fund.

Should this constitutional amendment be adopted?

Yes No

VOTES CAST BY MEMBERS OF THE 16TH ALASKA LEGISLATURE ON FINAL PASSAGE

House: Yeas	38	Senate: Yeas	15
Nays	2	Nays	5

LEGISLATIVE AFFAIRS AGENCY SUMMARY

This measure will amend the state constitution by creating the budget reserve fund. Money from certain mineral revenue sources received by the state from an administrative proceeding or litigation is placed in the fund. Income of the fund is kept in the fund.

Appropriations may be made from the fund if money available for a fiscal year is less than the amount appropriated for the prior year. When this occurs the amount that may be taken from the fund is limited. Only the money needed to make up the difference may be appropriated.

Money may also be appropriated from the reserve fund by special vote of the legislature. Three-fourths of the members of each house must approve. The amount that may be taken is unlimited when this vote is obtained.

Money that is appropriated from the reserve fund must be repaid. Surplus general fund money must be deposited in the reserve fund at the end of each year until the reserve fund is repaid.

FULL TEXT OF PROPOSED LAW

*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.

(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.

*Section 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.

STATEMENT IN SUPPORT

Cut the budget.

Reduce state spending.

Get state spending under control.

Each year these battle cries are raised by Alaskans. While elected officials say they listen and promise to do all they can, the simple fact is the Legislature's record shows it consistently spends most or all of the money available in the treasury. Alaska is confronted with an impending fiscal crisis of staggering proportions as a result of an inevitable "gap" between general fund revenues and current state spending levels. Present levels

BALLOT MEASURE NO. 1

of state general fund expenditure simply cannot be sustained over the long term.

Ballot Measure Number 1 is the first step Alaskans can take to *effectively* control state spending.

The measure creates the Budget Reserve Fund in the Constitution. Revenues from mineral or oil and gas legal settlements and administrative proceedings will be deposited into the Budget Reserve. The Legislature will be able to spend money from the Budget Reserve only if:

- revenues are less than the amount appropriated the previous year, in which case money could be appropriated from the Budget Reserve in an amount not to exceed the shortfall; or
- three-fourths of the members of both the House and Senate vote to spend money from the Budget Reserve for a public purpose, such as a disaster.

The Legislature will be required to repay any money it appropriates from the Budget Reserve. If the next year revenues are insufficient the Legislature cannot afford to replenish the Budget Reserve, the "debt" will carry forward until it is repaid.

Legal settlements involving mineral or oil and gas revenues received after July 1, 1990, will be deposited into the Budget Reserve. As an example, if voters approve this ballot measure, \$216 million of the amount the state received in September from ARCO's settlement of royalty litigation will be deposited into this Budget Reserve. Should voters not approve this measure, these funds will be available to the legislature to spend next year. Approval of Ballot Measure Number 1 is the first step toward a long-term spending plan. With Alaska's revenues subject to the whims of the world oil market, trying to take steps which will provide some stability in Alaska's spending is especially difficult. If approved, the Budget Reserve Fund will help hold down spending by removing from the table the oil and gas revenue "windfalls" that result from pending litigation and tax disputes. At the very least, this ballot measure will establish a savings account that can help minimize the effects of a "boom" one year, and a "bust" the next.

While other major budget decisions will be necessary to close the future's fiscal gap, this Ballot Measure is a major step toward a long-term spending plan for the state. It is a step we urge Alaskans to support.

If approved by the voters, the Budget Reserve Fund will be a significant help in managing the transition to sustainable spending.

Senator Jan. Falls
Representative Kay Brown
Representative Randy Phillips

STATEMENT IN OPPOSITION

In sharp contrast to what its proponents have been telling us, the proposed budget reserve fund

- will *not* save any windfalls,
- does *not* require a $\frac{3}{4}$ vote to gain access to it,

- *endorses* the legislature's bloated \$3 billion budget
- will result in *slower growth* of the Permanent Fund, and
- will *reduce* the amount of future PFD checks.

Your vote *against* Ballot Measure #1 will send a signal to the legislature that you do not approve of their excessive spending, and that you want the windfalls deposited into the Permanent Fund.

The most significant danger of this proposal is that it will establish a budget floor at \$3 billion, and allow it to increase every year. Under paragraph (b) of the proposed constitutional change, a simple majority in the legislature could "borrow" funds from the reserve, to make up any shortfall in revenues, *up to the amount appropriated in the previous year*. This year the legislature spent more than \$3 billion. Some of that was vetoed by the governor, but it is expected the legislature will restore the funding and add supplemental appropriations in January. In other words, *the total amount appropriated for FY 91 has not yet been determined. A "yes" vote on this ballot measure amounts to rubber-stamping a blank check of at least \$3 billion!*

How would the budget continue to increase? Legislative leaders can easily get a $\frac{3}{4}$ vote out of their members by dangling capital project plums in front of them.

The appeal of this ballot measure is to save the "windfalls" of oil tax settlements, variously estimated at between \$2 billion and \$5 billion. This can easily be spent in three years.

Constitutionally, 25% of our oil income is dedicated to the Permanent Fund. And under state law, an additional 25% of income from certain leases is put into the Permanent Fund. In other words, as much as 50% of the windfalls should be deposited in the Permanent Fund, by law. The language in this constitutional amendment is unclear regarding the second 25%, and could be interpreted by big-spending legislators to rationalize putting only the constitutionally-dedicated 25% into the Permanent Fund, and leaving 75% for them to spend.

It would be better to *save* all of these anticipated windfalls, by putting 100% into the Permanent Fund. There, these funds will help the Permanent Fund produce greater annual income, for use as Permanent Fund Dividends to all Alaskans, or to fund necessary functions of state government. In the Permanent Fund, the windfalls would definitely be saved, and would not be accessible by big spenders in the legislature.

If you are one of the 65% of Alaskans who in opinion polls consistently ask the legislature to cut the budget, or if you believe the windfalls should *truly* be saved, you owe it to yourself not to be taken in by the proponents of Ballot Measure #1. Vote NO on the budget reserve amendment.

Representative Terry Marun

MEMORANDUM

State Budget Reserve Fund
State of Alaska

Office of the Governor
Division of Policy

TO: Doug Baily
Attorney General

DATE: May 22, 1990

and Hugh Malone
Commissioner, Revenue

FROM: *MARY*
Mary Halloran
Director, Policy

PHONE: 465-3568

SUBJECT: SJR 5: Budget Reserve Fund

FILE NO:

The purpose of this memorandum is to establish an administrative record and clarify the provisions of the final version of Senate Joint Resolution Number 5, proposing a constitutional amendment to establish a budget reserve fund. The resolution was approved by the Legislature on May 8, 1990, and will place a proposal to establish a constitutionally-protected Budget Reserve Fund before the voters at the November, 1990 election. (See attached copy of HCS CSSS SJR 5 - Finance, am H.)

You will find little formal legislative history on this proposal, so I thought it prudent to establish some administrative history for the record and to guide further administrative action. The final version of SJR5 was drafted by this Division (Jack Fagnoli and myself) on April 26-29, aided, at various moments, by the Department of Law (Bruce Bothelho, Jim Baldwin, and Jeff Bush), and then put in good drafting form by Tam Cook and Jack Chenowith at the Legal Division of Legislative Affairs on May 1 after the initial draft and accompanying explanation were provided to Representative Kay Brown.

That draft was only slightly modified by subsequent legislative action. The House Finance Committee acted on HJR 66, and converted it from a spending limit/budget reserve fund combination to a budget reserve fund only. That version, read across on May 4, was adopted intact as a House floor amendment to SJR 5 on May 8, and subsequently approved by both bodies. I kept all the internal drafts, and will provide them to the Dept. of Law if you believe it advisable. Doug.

To further examine formal legislative history, if that should be necessary at some point, you need to consider four different joint resolutions under consideration by the legislature this session: SJR 5, HJR 66, HJR 52, and HJR 81. You will find, however, the vast proportion of the testimony on the provisions of the spending limit proposals and little discussion of the budget reserve fund.

A description of SJR5, by subsection, follows.

§ 17(a):

"There is established as a separate fund in the State treasury the budget reserve fund." (Page 2, Lines 2-3)

This permanently establishes the Budget Reserve Fund as a separate fund in the State treasury. The Budget Reserve Fund would be constitutionally protected, not subject to statutory changes.

"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." (Page 2, Lines 3-11)

All "settlement", "litigation" and "back tax" income received by the State after 7/1/90 pertaining to the mineral sources identified above are to be deposited into the Budget Reserve Fund, except for revenue deposits already constitutionally dedicated to the Permanent Fund. This provision "takes off the table" all windfall income deriving from these non-recurring revenue sources. The language does not cover windfall income from non-mineral revenue sources, such as any litigation proceeds from the Exxon Valdez oil spill, disputed receipts from AHFC, and overdue loan payments to the Student Loan Corporation. The language "administrative proceeding" is meant to cover the Department of Revenue's current attempts to

recover mineral revenues which were not paid in a timely manner and are now in the internal appeal process, the so-called "back taxes." As of April 30, 1990, the total in appeal was slightly over \$3 billion. The underlying purpose is to reduce incentives to immediately spend surplus revenue, and to enhance budget stability by minimizing year-to-year surges in overall spending levels.

"Money in the budget reserve fund shall be invested so as to yield competitive market rates to the fund." (Page 2, Lines 11-13)

This provision is intended to ensure that a reasonable rate of return is earned on Budget Reserve Fund investments, and that the Fund's balance is not used for subsidized loans.

"Income of the fund shall be retained in the fund." (Page 2, Line 13)

This provision makes explicit the retention of Fund earnings within the principal of the Fund.

"Section 7 of this article does not apply to deposits made to the fund under this subsection." (Page 2, Lines 13-15)

This language exempts deposits to the Budget Reserve Fund made under subsection (a) of the resolution, including deposits of retained earnings, from the prohibition of dedicated funds contained in Article IX, Section 7, of the Alaska Constitution.

"Money may be appropriated from the fund only as authorized under (b) or (c) of this section." (Page 2, Lines 15-16)

Outlays from the Budget Reserve Fund are limited to appropriations made under subsections (b) and (c) of the resolution.

§ 17(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." (Page 2, Lines 17-19)

If the total amount of money available for appropriation for a fiscal year - - including all revenue sources, such as permanent fund earnings, federal funds and other restricted funds - - is less than the total amount appropriated for the prior fiscal year, an appropriation from the Budget Reserve Fund is allowed.

Since appropriations for annual budgets are generally made prospectively, before actual revenue receipts are known for the fiscal year being budgeted, there is a risk that actual receipts during that year may be greater than anticipated, thus causing some portion of any Budget Reserve Fund appropriation for that year to exceed the "ceiling" of the prior fiscal year's appropriation amount. In such a case, the presumption is that the "excess portion" of the Budget Reserve Fund appropriation is invalid and remains within the Budget Reserve Fund. In practice, what we would expect to happen, is that the Legislature would make contingent appropriations from the Budget Reserve Fund, i.e. appropriations contingent upon the actual revenues received.

"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." (Page 2, Lines 19-24)

This provision limits the allowable maximum size of an appropriation from the Budget Reserve Fund. Note, however, that the allowable maximum size is subject to a different limit from the one which triggers the opportunity for such an appropriation. In short, whereas an appropriation can be made whenever revenue for a fiscal year is less than "the amount appropriated for the previous fiscal year" (Page 2, Line 18), the sum of any Budget Reserve Fund

appropriation and other available revenue may not exceed the amount appropriated for the previous fiscal year net of supplemental appropriations for that previous fiscal year. This is the practical effect of the phrase "in the previous calendar year" (Page 2, Line 23).

The phrase "in the previous calendar year" was inserted by the House Finance Committee specifically to preclude strategems whereby a supplemental appropriation to the current fiscal year, e.g., FY 90, could be made in order to increase the allowable size of a Budget Reserve Fund appropriation for the fiscal year being budgeted, e.g., FY 91.

The meaning and intent of the phrase "in the previous calendar year" is clear, if the assumption is made that the Budget Reserve Fund appropriation is being made during a legislative session for the fiscal year whose main budget is being appropriated. If, however, one assumes that the Budget Reserve Fund appropriation is being made as a supplemental appropriation for the current fiscal year (e.g., FY 90), the phrase "in the previous calendar year" can be interpreted to produce a non-sensical result - - e.g., that the sum of FY 90 revenue and an FY 90 supplemental appropriation from the Budget Reserve Fund can not exceed the total amount appropriated during the preceding calendar year for FY 89, which in this case would simply be the amount of the FY 89 supplemental appropriation.

Though this problem of interpretation may exist in the current wording of B(b), it is clear that the intent of the phrase "in the previous calendar year" in Line 23 is solely to preclude the budget strategems discussed earlier, rather than to create a non-sensical result.

B 17(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." (Page 2, Lines 25-27)

The intent of this provision is to allow Budget Reserve Fund appropriations to be made for any reason, regardless of year-to-year fluctuations in revenue or appropriation levels, so long as a strong

legislative consensus or "super-majority" exists in each house of the legislature.

β 17(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." (Page 2, Line 28 - Page 3, Line 2)

The intent of this provision is to ensure that, following any appropriation from the Budget Reserve Fund, the Fund is replenished as quickly as revenue levels allow, out of any fiscal year-end balances (e.g., as identified in the State's Annual Financial Report), whether from one or several fiscal years, and without any appropriations being required. This provision was requested specifically by Governor Cowper.

A potential ambiguity may arise from the use of the word "succeeding" in Line 1 on Page 3, as it may be construed to mean that replenishment of the Budget Reserve Fund does not begin until the end of the first positive-balance fiscal year that "succeeds" the fiscal year for which the Budget Reserve Fund appropriation was made, rather than beginning at the close of the same fiscal year for which the Fund appropriation was made (should a revenue balance materialize by that year's end).

Though this interpretation can be made, the intent of β(d) was not to create such a loophole, but to ensure that replenishment of the Budget Reserve Fund begin as soon as positive balances materialize, and proceed to completion as soon as such balances allow. In this context, the word "succeeding" is intended to refer to the requirement that, if the first positive year-end balance that arises is not sufficient to fully replenish the Budget Reserve Fund for appropriations made out of it, the positive balances of "succeeding" (i.e., successive) fiscal years shall also be used, until replenishment is complete.

Page 7

**"The legislature shall implement this subsection by law."
(Page 3, Lines 2-3)**

Because a number of provisions in the resolution (including the tracking of appropriations, replenishment of the Budget Reserve Fund, and the determination of positive year-end revenue balances) will require specific implementation procedures, the intent of this provision is to stipulate that clarifying statutory provisions are recognized as necessary and are anticipated.

If you have any questions, or would like additional information, please don't hesitate to contact me or Jack Fagnoli of my staff at 465-3568.

Attachment: HCSCSSS SJR 5 - Finance, am H

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 165-3991
Fax: (907) 163-3351

March 5, 1991

MEMORANDUM

TO: Senator Arliss Sturgulewski

FROM: Tom Chester *TC*
Legislative Analyst

RE: Fiscal and Budgetary Impact of Senate Bills 29 and 30
Research Request 91.121

Sent To You By
Legislative Research Agency

You asked for an analysis of the fiscal and budgetary impact of Senate Bills 29 and 30, including estimates of the FY 91 balances of the constitutional and statutory budget reserve funds. You also requested information regarding the legal consequences of both funds existing concurrently.

To answer your questions we contacted staff from five state agencies. Tam Cook, director of Legislative Legal Services, provided information regarding the legal issues of having both funds in existence simultaneously. Nancy Slagel, an analyst with the Division of Legislative Finance, provided information regarding the FY 90 and FY 91 general fund balances to be carried forward to the next fiscal year. She also provided estimates of funds eligible for appropriation to the constitutional and statutory budget reserve funds. Jack Fagnoli, of the governor's Office of Management and Budget (OMB), identified funds due the constitutional budget reserve fund. Charles Logsdon and Vincent Wright, both of the Department of Revenue, provided updated FY 91 revenue estimates. We also contacted James Baldwin, of the Attorney General's Office, to find out when the AG's opinion, requested by the Department of Revenue, regarding transfers to the constitutional budget reserve fund would be ready.

Bill Summaries

Senate Bill 29 appropriates to the constitutional budget reserve fund the FY 91 year end budgetary "carryforward", i.e., the fiscal year end general fund balance available for appropriation as reported by the Department of Administration in their FY 91 Annual Financial Report. In addition, any funds in the statutory budget reserve fund at the time SB 30 is adopted are appropriated to the constitutional budget reserve fund. Senate Bill 29 takes effect when the statutory budget reserve fund is repealed, and the repeal is accomplished by SB 30.

Senator Sturgulewski
March 5, 1991
Page 2

FY 91 Budgetary Implications of SB 29 and SB 30

Senate Bill 29 appropriates to the constitutional budget reserve fund the general fund balance available for appropriation as reported in the Department of Administration's FY 91 Annual Financial Report. The general fund balance available for appropriation is often referred to as the "carryforward" (and used so in this memorandum) and is so identified in the Legislative Finance Division document appended as Attachment A.

Table 1 provides details necessary for estimating the FY 91 carryforward. The carryforward is based upon the governor's budget proposal made public on January 24, 1991 and the Department of Revenue's January estimate of FY 91 general fund unrestricted revenues.

Mr. Joseph Thomas, state accountant with the Department of Administration, believes that the Annual Financial Report for FY 91 will be available in October or November of 1991 but could be as late as December or January. Mr. Thomas also mentioned that the department's calculation of the carryforward will not be available until shortly before the Annual Financial Report is issued.

If the bill is taken literally, in that the amount appropriated is as reported in the Annual Financial Report of the Department of Administration for FY 91, then the appropriation would not occur until the 1992 legislative session.

TABLE 1
FY 91 Balance Sheet
General Fund
Based on ANS Price of \$23.02 per Barrel
(in millions of dollars)

FY 90 Carryforward	300.1
FY 91 Revenues	3,165.0
Railbelt Energy Fund	127.2
FY 91 Adjustments to Revenue	<u>84.7</u>
FY 91 AVAILABLE	3,677.0
FY 91 Expenditures	(2,964.0)
Due Constitutional Budget Reserve Fund[1]	(275.2)
FY 91 Carryforward/Due Statutory Budget Reserve Fund and Available for Appropriation to the Constitutional Budget Reserve Fund Under SB 29	437.8

[1] Amount is due to five oil settlements occurring since July 1, 1990. These settlements include 74.5 percent of the \$287 million ARCO royalty settlement and the following amounts in tax case settlements: Mobil - \$32.7 million, Exxon - \$28.1 million, Freeport - \$0.2 million, and Marathon - \$0.4 million. These amounts total (after rounding) 275.2 million.

Source: *The Fiscal Year 1992 Budget: A legislative overview of the Governor's request*, Legislative Finance Division, p. 4. Appended as Attachment A is Page 4 of this report.

The revenue projection used in Table 1 (\$3,165 million) is based on a fiscal year average price for Alaska North Slope (ANS) crude oil of \$23.02 per barrel (see Attachment A). This fiscal year average for the price of oil was presented to the legislature this January by Charles Logsdon, chief petroleum economist with the Department of Revenue. In January the fiscal year-to-date average price (from June 1 to mid-January) for ANS crude oil was approximately \$26.30 per barrel and falling.

For the first seven months of the fiscal year, the actual average price for ANS crude oil was approximately \$26.30 per barrel. If the price of ANS crude oil for the entire fiscal year is to average \$23.02 (as in the Department of Revenue's January forecast) then it is necessary for the price of ANS crude oil

to average approximately \$18.50 per barrel for the remaining five months of the fiscal year. (Appendix B presents the details of this computation.)

Unfortunately the price of oil appears to have dropped lower than \$18.50 per barrel. On February 20, 1991, for example, the spot market price for ANS crude oil was \$15.23 per barrel. On February 19, 1991 the price was \$14.77 per barrel.

Table 2 presents the same information as Table 1 except it assumes that the average price of ANS crude oil between February and June is not \$18.50 per barrel but \$15.50 per barrel. This agency is not predicting that the price of oil between February and June will average \$15.50 per barrel: Table 2 is presented merely to illustrate the budgetary consequences of the ANS crude oil price remaining near its current level between February and June of this year.

TABLE 2
FY 91 Balance Sheet
General Fund
Based on ANS Price of \$21.80 per Barrel
(in millions of dollars)

FY 90 Carryforward	300.1
FY 91 Revenues [1]	2,998.6
Railbelt Energy Fund	127.2
FY 91 Adjustments to Revenue	<u>84.7</u>
FY 91 AVAILABLE	3,510.6
FY 91 Expenditures	2,964.0
Due Constitutional Budget Reserve Fund	(275.2)
FY 91 Carryforward/Due Statutory Budget Reserve Fund and Available for Appropriation to the Constitutional Budget Reserve Fund Under SB 29	271.4

[1] Based upon average daily price of 26.30 for first seven months of fiscal year 91 and an average daily price of \$15.50 for the last five months of fiscal year 91. See Appendix B.

Source: *The Fiscal Year 1992 Budget: A Legislative Overview of the Governor's Request*, p. 4, Legislative Finance Division. Revenue estimate adapted by Legislative Research Agency (as described in Attachment B).

Budget Reserve Balances

Currently, the statutory budget reserve fund has a balance of \$3 million. The projected FY 91 balance of the statutory budget reserve fund under the two revenue scenarios is \$440.8 (437.8 + 3.0) and \$274.4 (271.4 + 3.0) respectively. Senate Bill 29 proposes to transfer the FY 91 ending balance of the statutory budget reserve fund to the constitutional budget reserve fund. Senate Bill 29 also requires that any funds in the statutory budget reserve fund at the time SB 29 is adopted be transferred to the constitutional budget reserve fund. Table 3 provides the balances of the constitutional budget reserve fund based upon the forgoing information.

TABLE 3
FY 91 Constitutional Budget Reserve Fund
Ending Balances Given Adoption of SB 29 and SB 30
(millions of dollars)

	Table 1 (\$23.02/barrel oil)	Table 2 (\$21.80/barrel oil)
Constitutional Budget Reserve Fund	275.2	275.2
Statutory Budget Reserve FY 91 Starting Balance	3.0	3.0
Statutory Budget Reserve Appropriation to Constitutional Budget Reserve Fund (FY 91 carryforward)	437.8	271.4
Balance	716.0	549.6

CAVEATS

Senate Bill 29 states that the "unexpended and unobligated balance" of the statutory budget reserve fund is transferred to the constitutional budget reserve fund. The OMB staff believes that before this session is completed, all statutory budget reserve funds may be appropriated. If all available funds are appropriated during the current session, the balance of the constitutional budget reserve fund is \$275.2 million.

Also, the Department of Revenue has raised some issues as to whether all \$275.2 million "owed" the constitutional budget reserve fund can be legally transferred from the treasury to the reserve fund. Jim Baldwin of the Attorney General's Office is preparing an opinion regarding which funds may be transferred. The opinion is due for release soon (not available as of March 4, 1991). William Floerchinger, deputy commissioner, Department of Revenue, has stated that no funds will be transferred until the AG's opinion is released.

Senator Sturgulewski
March 5, 1991
Page 6

Existence of Both Budget Reserve Funds

In the opinion of Tam Cook no legal issues arise because both funds exist simultaneously. Ms. Cook believes, however, that the name of the statutory budget reserve fund should be changed to assure that people do not confuse the two funds.

I hope this information is useful to you. If I can be of further help, please call.

Attachments

HOUSE BILL NO. 35
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES MARTIN, Therriault

Introduced: 1/11/93

Referred: State Affairs, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to deposits to the budget reserve fund."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 37.25 is amended by adding a new section to read:

4 Sec. 37.25.050. DEPOSITS TO THE BUDGET RESERVE FUND. Each year
5 the Department of Administration shall determine the amount appropriated from the
6 budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) that remains
7 unpaid. The department shall also determine the amount of money in the general fund
8 that was available for appropriation at the end of the preceding fiscal year. Based
9 upon these determinations the department shall, by November 1 of each year, deposit
10 into the budget reserve fund that amount of available general fund money required to
11 be repaid under art. IX, sec. 17(d), Constitution of the State of Alaska.

May 16, 1992

And so, Amendment No. 1 was not adopted.
Amendment No. 2 by R. Phillips:

Page 30, after line 21:

Insert a new section to read:

"The sum of \$92,500,000 is appropriated from the general fund to the budget reserve fund established under art. IX, sec. 17, Constitution of the State of Alaska."

Representative R. Phillips moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative MacLean objected.

The Speaker cautioned a member against making improper remarks.

The House recessed for a Majority Caucus to a call of the Chair at 1:06 a.m.

May 16, 1992

HOUSE JOURNAL
AFTER RECESS

4399

The House was called back to order at 1:59 a.m.

CSSB 483(2d-FIN) am

HJRNL920516 DOCUMENT= 2 OF 2 PAGE = 8 OF 20

Representative Gruenberg moved and asked unanimous consent that Amendment No. 2 be tabled.

Representative Taylor objected.

Representative Taylor moved and asked unanimous consent to amend the motion to table Amendment No. 2 to a time certain, five minutes later.

The Speaker ruled the motion out of order.

Representative R. Phillips appealed the ruling of the Chair.

The question being: "Shall the decision of the Chair be the will of the body?" The roll was taken with the following result:

CSSB 483(2d FIN) am

Motion to Amend Tabling Motion

Out of Order

Appeal ruling of the Chair

Yeas: 27 Boyer, Brown, Bruckman, Carney,
Choquette, Davidson, B.Davis,
C.Davis, Donley, Ellis, Finkelstein,
Foster, Gruenberg, Grussendorf,
Hudson, Ivan, Jacko, Koponen,

Kubina, Larson, Lincoln, Mackie,
MacLean, Moyer, Navarre, Parnell,
Ulmer

Nays: 13 Baker, Barnes, Gonzales,
Hanley, Leman, Martin, M.A.Miller,
M.W.Miller, G.Phillips, R.Phillips,
Sharp, Taylor, Zawacki

Excused: 0

Absent: 0

And so, the decision of the Chair was the will of the body.

4400

HOUSE JOURNAL

May 16, 1992

CSSB 483(2d-FIN) am

The question being: "Shall Amendment No. 2 be tabled?" The roll was taken with the following result:

CSSB 483(2d FIN) am

Second Reading

Amendment No. 2

Table

Yeas: 26 Boyer, Brown, Bruckman, Carney,
Choquette, Davidson, B.Davis,

C.Davis, Donley, Ellis, Finkelstein,
 Foster, Gruenberg, Hudson, Ivan,
 Jacko, Koponen, Kubina, Larson,
 Lincoln, Mackie, MacLean, Moyer,
 Navarre, Parnell, Ulmer
 Nays: 14 Baker, Barnes, Gonzales,
 Grussendorf, Hanley, Leman, Martin,
 M.A.Miller, M.W.Miller, G.Phillips,
 R.Phillips, Sharp, Taylor, Zawacki
 Excused: 0
 Absent: 0

And so, Amendment No. 2 was tabled.
 Representative Gruenberg rose to a point of order regarding
 the relevance of the debate.
 The Speaker cautioned the member to proceed in order.
 Representative Gruenberg moved and asked unanimous consent
 that CSSB 483(2d FIN) am be considered engrossed and
 advanced to third reading.
 Representative Taylor objected and withdrew the objection.
 Representative Barnes rose to a point of order regarding the

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relevance of the debate.
 The Speaker cautioned the member to proceed in order.
 CSSB 483(2d FIN) am was read the third time.
 May 16, 1992 HOUSE JOURNAL 4401
 CSSB 483(2d-FIN) am
 The question being: "Shall CSSB 483(2d FIN) am pass the
 House?" The roll was taken with the following result:
 CSSB 483(2d FIN) am
 Third Reading
 Final Passage

Yeas: 27 Boyer, Bruckman; Carney,
 Davidson, B.Davis, C.Davis, Donley,
 Ellis, Finkelstein, Foster,
 Gruenberg, Grussendorf, Hudson,
 Ivan, Jacko, Koponen, Kubina,
 Larson, Lincoln, Mackie, MacLean,
 Moyer, Navarre, Parnell, G.Phillips,
 Sharp, Ulmer
 Nays: 13 Baker, Barnes, Brown,
 Choquette, Gonzales, Hanley, Leman,

Martin, M.A.Miller, M.W.Miller,
 R.Phillips, Taylor, Zawacki

Excused: 0
 Absent: 0

And so, CSSB 483(2d FIN) am passed the House.
 Representative Gruenberg moved and asked unanimous consent
 that the roll call on the passage of the bill be considered
 the roll call on the effective date clause. There being no
 objection, it was so ordered.

~~Representative Gruenberg moved and asked unanimous consent~~
 that the following House Letter of Intent by Representative
 Gruenberg, Grussendorf, Donley, Ulmer, Brown, Navarre,
 Kubina, Larson, C.Davis, Ellis, Parnell, Moyer, Barne,
 Bruckman, Carney, Davidson, B.Davis, Finkelstein, Hudson,
 Ivan, Jacko, Leman, Lincoln, Mackie and R.Phillips be
 adopted:

House Letter of Intent
 for

CSSB 483 (2d FINANCE) am

~~It is the intent of the House that all money deposited to~~

the constitutional budget reserve remain in the constitutional budget reserve, unless appropriated by the legislature.

Future monies obtained from administrative settlements and the deposit of those monies into the general fund or the constitutional budget reserve fund shall be reviewed by legislative legal counsel.

4402

HOUSE JOURNAL

May 16, 1992

CSSB 483(2d-FIN) am

It is the intent of the House that court action be initiated to contest the attorney general's opinion on this subject.* There being no objection, it was so ordered.

CSSB 483(2d FIN) am was signed by the Speaker and the Chief Clerk and returned to the Senate.

UNFINISHED BUSINESS

CSHB 596(FIN) am

Representative Gruenberg moved and asked unanimous consent that the House consider the Senate message (page 4391) on the following at this time:

CS FOR HOUSE BILL NO. 596 (FINANCE) am

Introduced: 1/9/89
Referred: State Affairs and Finance

6-0161A

1 IN THE SENATE

BY FAIKS, JONES, ELIASON,
FISCHER, DUNCAN

2

SENATE JOINT RESOLUTION NO. 5

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

Proposing amendments to the Constitution

6

of the State of Alaska amending provisions

7

relating to the Alaska permanent

8

fund; establishing temporary provisions

9

relating to dedicated funds, the Alaska

10

permanent fund, the expenditure limit

11

and the budget stabilization fund; and

12

suspending the operation of provisions

13

relating to dedicated funds, the Alaska

14

permanent fund, and the appropriation

15

limit.

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

17 * Section 1. Article IX, sec. 15, Constitution of the State of Alaska.

18 is amended to read:

19 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per

20 cent of all mineral lease rentals, royalties, royalty sale proceeds,

21 federal mineral revenue sharing payments and bonuses received by the

22 State shall be placed in a permanent fund. The fund is established as

23 a trust on behalf of all the residents of the State and its principal

24 shall be invested in accordance with the prudent investor rule in [

25 THE PRINCIPAL OF WHICH SHALL BE USED ONLY FOR THOSE] income-producing

26 investments specifically designated by law as eligible for permanent

27 fund investments. All income from the permanent fund shall be depos-

28 ited in the general fund unless otherwise provided by law.

29 * Sec. 2. Article XV, Constitution of the State of Alaska, is am

1 residents as provided by law;

2 (2) thirty percent to be added to the principal of the
3 permanent fund to help offset the effect of inflation and increase the
4 principal; and

5 (3) thirty percent to the budget stabilization fund estab-
6 lished under Section 32 of this article.

7 SECTION 31. EXPENDITURE LIMIT. (a) The operation of Section 16
8 of Article IX is suspended from July 1, 1991, through June 30, 1996,
9 and this section applies in lieu of Section 16 of Article IX.

10 (b) Except for appropriations to the permanent fund or for
11 Alaska permanent fund dividends, appropriations to the budget stabili-
12 zation fund, appropriations by the legislature to meet a State natural
13 disaster declared by the governor as prescribed by law, appropriations
14 of revenue bond proceeds, and appropriations of money received from a
15 non-State source in trust for a specific purpose, including revenues
16 of a public enterprise or public corporation of the State that issues
17 revenue bonds, appropriations from the treasury made for fiscal year
18 1996 may not exceed a basic services budget level of \$1,400,000,000.
19 The legislature shall by law establish an expenditure limit for each
20 fiscal year calculated to achieve the basic services budget level
21 required under this section for fiscal year 1996.

22 (c) During a fiscal year the legislature may exceed the expendi-
23 ture limit under (b) of this section if each bill that exceeds the
24 limit is passed by affirmative vote of three-fourths of the membership
25 of each house of the legislature or, notwithstanding Sections 1 and 14
26 of Article II and Article XI, is approved by the voters as prescribed
27 by law. The voters shall, for each bill for appropriations for capi-
28 tal projects, be informed as provided by law of the cost of operations
29 and maintenance of each capital project.

1 (2) twenty percent of the balance of the budget stabiliza-
2 tion fund.

3 (e) Notwithstanding the expenditure limit in Section 31 of this
4 article, additional amounts may be appropriated from the budget stabi-
5 lization fund to meet a State disaster declared by the governor as
6 prescribed by law.

7 SECTION 33. REPEAL. Sections 29 - 32 of Article XV are repealed
8 July 1, 1996.

9 * Sec. 3. The amendments proposed by this resolution shall be placed
10 before the voters of the state at the next general election in conformity
11 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
12 tion laws of the state.

Introduced: 2/2/89
Referred: State Affairs, Judiciary
and Finance

6-0161J

1 IN THE SENATE

BY FAIKS, JONES, ELIASON,
FISCHER, AND DUNCAN

2

SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 5

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

Proposing amendments to the Constitution of the State of Alaska amending provisions relating to the Alaska permanent fund; establishing temporary provisions relating to dedicated funds, the Alaska permanent fund, the expenditure limit, and the budget stabilization fund; and suspending the operation of provisions relating to dedicated funds, the Alaska permanent fund, and the appropriation limit.

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

17 * Section 1. Article IX, sec. 15, Constitution of the State of Alaska,
18 is amended to read:

19 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per
20 cent of all mineral lease rentals, royalties, royalty sale proceeds,
21 federal mineral revenue sharing payments and bonuses received by the
22 State shall be placed in a permanent fund. The fund is established as
23 a trust on behalf of all the residents of the State and its principal
24 shall be invested in accordance with the prudent investor rule in [,
25 THE PRINCIPAL OF WHICH SHALL BE USED ONLY FOR THOSE] income-producing
26 investments specifically designated by law as eligible for permanent
27 fund investments. All income from the permanent fund shall be depos-
28 ited in the general fund unless otherwise provided by law.

29 * Sec. 2. Article XV, Constitution of the State of Alaska, is amended

1 (3) twenty percent to the budget stabilization fund estab-
2 lished under Section 32 of this article.

3 SECTION 31. EXPENDITURE LIMIT. (a) The operation of Section 16
4 of Article IX is suspended from July 1, 1991, through June 30, 1996,
5 and this section applies in lieu of Section 16 of Article IX.

6 (b) Except for appropriations to the permanent fund or for
7 Alaska permanent fund dividends, appropriations to the budget stabili-
8 zation fund, appropriations by the legislature to meet a State natural
9 disaster declared by the governor as prescribed by law, appropriations
10 of revenue bond proceeds, and appropriations of money received from a
11 non-State source in trust for a specific purpose, including revenues
12 of a public enterprise or public corporation of the State that issues
13 revenue bonds, appropriations from the treasury made for fiscal year
14 1996 may not exceed a basic services budget level of \$1,400,000,000.
15 The legislature shall by law establish an expenditure limit for each
16 fiscal year calculated to achieve the basic services budget level
17 required under this section for fiscal year 1996.

18 (c) During a fiscal year the legislature may exceed the expendi-
19 ture limit under (b) of this section if each bill that exceeds the
20 limit is passed by affirmative vote of three-fourths of the membership
21 of each house of the legislature or, notwithstanding Sections 1 and 14
22 of Article II and Article XI, is approved by the voters as prescribed
23 by law. The voters shall, for each bill for appropriations for capi-
24 tal projects, be informed as provided by law of the cost of operations
25 and maintenance of each capital project.

26 (d) Fifty percent of the money received by the State that is
27 subject to the expenditure limit under (b) of this section and that
28 exceeds that limit but is not appropriated under (c) of this section
29 shall be deposited in the principal of the permanent fund and the

1 stabilization fund to meet a State disaster declared by the governor
2 as prescribed by law.

3 SECTION 33. REPEAL. Sections 29 - 32 of Article XV are repealed
4 July 1, 1996.

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

Offered: 3/20/89
Referred: Judiciary and Finance

6-0161D

Original sponsors: Faiks, Jones,
Eliason, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 5 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska amending provi-
7 sions relating to the Alaska permanent
8 fund; establishing temporary provisions
9 relating to dedicated funds, the Alaska
10 permanent fund, the expenditure limit,
11 and the budget stabilization fund; and
12 suspending the operation of provisions
13 relating to dedicated funds, the Alaska
14 permanent fund, and the appropriation
15 limit.

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

17 * Section 1. Article IX, sec. 15, Constitution of the State of Alaska,
18 is amended to read:

19 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per
20 cent of all mineral lease rentals, royalties, royalty sale proceeds,
21 federal mineral revenue sharing payments and bonuses received by the
22 State shall be placed in a permanent fund. The fund is established as
23 a trust on behalf of all the residents of the State and its principal
24 shall be invested in accordance with the prudent investor rule in [,
25 THE PRINCIPAL OF WHICH SHALL BE USED ONLY FOR THOSE] income-producing
26 investments specifically designated by law as eligible for permanent
27 fund investments. All income from the permanent fund shall be depos-
28 ited in the general fund unless otherwise provided by law.

29 * Sec. 2. Article XV, Constitution of the State of Alaska, is amended

1 (3) twenty percent to the budget stabilization fund estab-
2 lished under Section 32 of this article.

3 SECTION 31. EXPENDITURE LIMIT. (a) The operation of Section 16
4 of Article IX is suspended from July 1, 1991, through June 30, 1996,
5 and this section applies in lieu of Section 16 of Article IX.

6 (b) Except for appropriations to the permanent fund or for
7 Alaska permanent fund dividends, appropriations to the budget stabili-
8 zation fund, appropriations by the legislature to meet a State natural
9 disaster declared by the governor as prescribed by law, appropriations
10 of revenue bond proceeds, and appropriations of money received from a
11 non-State source in trust for a specific purpose, including revenues
12 of a public enterprise or public corporation of the State that issues
13 revenue bonds, appropriations from the treasury made for a fiscal year
14 may not exceed appropriations made for the preceding fiscal year
15 adjusted, as prescribed by law, for the change in population and
16 inflation since the beginning of the preceding fiscal year.

17 (c) During a fiscal year the legislature may exceed the expendi-
18 ture limit under (b) of this section if each bill that exceeds the
19 limit is passed by affirmative vote of two-thirds of the membership of
20 each house of the legislature or, notwithstanding Sections 1 and 14 of
21 Article II and Article XI, is approved by the voters as prescribed by
22 law. The voters shall, for each bill for appropriations for capital
23 projects, be informed as provided by law of the cost of operations and
24 maintenance of each capital project.

25 (d) Fifty percent of the money received by the State during a
26 fiscal year that is subject to the expenditure limit under (b) of this
27 section and that exceeds that limit but is not appropriated under (c)
28 of this section shall be deposited in the principal of the permanent
29 fund and the remaining fifty percent shall be deposited in the budget

1 prescribed by law.

2 SECTION 33. REPEAL. Sections 29 - 32 of Article XV are repealed
3 July 1, 1996.

4 * Sec. 3. 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 elec-
7 tion laws of the state.

Offered: 4/26/89
Referred: Finance

Original sponsors: Faiks, Jones,
Eliason, et al.

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 5 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska establishing
7 temporary provisions relating to dedi-
8 cated funds, the Alaska permanent fund,
9 the expenditure limit, and the budget
10 stabilization fund; and suspending the
11 operation of provisions relating to
12 dedicated funds, the Alaska permanent
13 fund, and the appropriation limit.

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

15 * Section 1. Article XV, Constitution of the State of Alaska, is amend-
16 ed by adding new sections to read:

17 SECTION 29. DEDICATED FUNDS. (a) The operation of Section 7 of
18 Article IX is suspended from July 1, 1991, through June 30, 1996. and
19 this section applies in lieu of Section 7 of Article IX.

20 (b) The proceeds of any state tax or license shall not be dedi-
21 cated to any special purpose, except as provided in Sections 30 and 32
22 of this article or when required by the federal government for state
23 participation in federal programs. This provision shall not prohibit
24 the continuance of any dedication for special purposes existing upon
25 the date of ratification of Section 7 of Article IX by the people of
26 Alaska.

27 SECTION 30. ALASKA PERMANENT FUND. (a) The operation of Sec-
28 tion 15 of Article IX is suspended from July 1, 1991, through June 30,
29 1996. and this section applies in lieu of Section 15 of Article IX.

1 (c) During a fiscal year the legislature may exceed the expendi-
2 ture limit under (b) of this section if each bill that exceeds the
3 limit is passed by affirmative vote of two-thirds of the membership of
4 each house of the legislature or, notwithstanding Sections 1 and 14 of
5 Article II and Article XI, is approved by the voters as prescribed by
6 law. The voters shall, for each bill for appropriations for capital
7 projects submitted to them under this subsection, be informed as
8 provided by law of the cost of operations and maintenance of each
9 capital project.

10 (d) The money received by the State during a fiscal year that is
11 subject to the expenditure limit under (b) of this section, that does
12 not exceed that limit, and that is not appropriated under (b) of this
13 section shall be deposited in the principal of the permanent fund.

14 (e) Fifty percent of the money received by the State during a
15 fiscal year that is subject to the expenditure limit under (b) of this
16 section, that exceeds that limit, and that is not appropriated under
17 (c) of this section shall be deposited in the principal of the perma-
18 nent fund. The remaining fifty percent shall be deposited in the
19 budget stabilization fund.

20 SECTION 32. BUDGET STABILIZATION FUND. (a) This section ap-
21 plies from July 1, 1991, through June 30, 1996.

22 (b) Income of the permanent fund shall be deposited in the
23 budget stabilization fund in accordance with Section 30(c) of this
24 article. Fifty percent of the money received by the State that is
25 subject to the expenditure limit under Section 31(b) of this article,
26 exceeds that limit, and is not appropriated under Section 31(c) of
27 this article shall be deposited in the budget stabilization fund.
28 Additional appropriations may be made to the budget stabilization
29 fund.

Offered: 2/14/90
Referred: Rules

5TH VERSION
6-01611

Original sponsor(s): SEN. FAIKS, Jones, Eliason, Fischer, Kelly, Uehling

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 5 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska establishing
7 temporary provisions relating to dedi-
8 cated funds, the expenditure limit, and
9 the budget reserve fund; and suspending
10 the operation of provisions relating to
11 dedicated funds and the appropriation
12 limit.

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

14 * Section 1. Article XV. Constitution of the State of Alaska, is amend-
15 ed by adding new sections to read:

16 SECTION 29. DEDICATED FUNDS. (a) The operation of Section 7 of
17 Article IX is suspended from July 1, 1991, through June 30, 1996, and
18 this section applies in lieu of Section 7 of Article IX.

19 (b) The proceeds of any State tax or license shall not be dedi-
20 cated to any special purpose, except as provided in Section 15 of
21 Article IX and Sections 30 and 31 of this article or when required by
22 the federal government for State participation in federal programs.
23 This provision shall not prohibit the continuance of any dedication
24 for special purposes existing upon the date of ratification of Sec-
25 tion 7 of Article IX by the people of Alaska.

26 SECTION 30. EXPENDITURE LIMIT. (a) The operation of Section 16
27 of Article IX is suspended from July 1, 1991, through June 30, 1996,
28 and this section applies in lieu of Section 16 of Article IX.

29 (b) Except for appropriations to the permanent fund or for

1 expenditure limit under (b) of this section, that exceeds that limit,
2 and that is not appropriated under (c) of this section shall be depos-
3 ited in the budget reserve fund.

4 (e) Except for money deposited into the permanent fund under
5 Section 15 of Article IX, all money received by the State as a result
6 of the termination through settlement or otherwise, of litigation in
7 State or federal court involving mineral lease rentals, royalties,
8 royalty sale proceeds, and federal mineral revenue sharing payments
9 and bonuses shall be deposited in the budget reserve fund.

10 SECTION 31. BUDGET RESERVE FUND. (a) This section applies from
11 July 1, 1991, through June 30, 1996.

12 (b) In addition to deposits made to the budget reserve fund
13 under Section 30(d) and (e) of this article, appropriations may be
14 made to the fund at any time.

15 (c) Money in the budget reserve fund shall be invested so as to
16 yield competitive market rates to the fund. Income from investment of
17 the fund shall be retained in the fund.

18 (d) Except as provided in (e) of this section, money may be
19 appropriated from the budget reserve fund only if the legislature
20 determines that the money received by the State in a fiscal year and
21 subject to the expenditure limit is less than the maximum amount that
22 may be appropriated under Section 30(b) of this article. However, the
23 amount appropriated from the budget reserve fund during a fiscal year
24 may not exceed the lesser of

25 (1) the amount that, when added to money received by the
26 State during that fiscal year and subject to the expenditure limit,
27 equals the maximum amount that may be appropriated under Section 30(b)
28 of this article; or

29 (2) twenty-five percent of the balance of the budget

Amended: 2/27/90
Offered: 2/14/90
Referred: Rules

Original sponsor(s): SEN. FAIKS, Jones, Eliason, Fischer, Kelly, Uehling

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance) am (fld S)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska establishing
7 temporary provisions relating to dedi-
8 cated funds, the expenditure limit, and
9 the budget reserve fund; and suspending
10 the operation of provisions relating to
11 dedicated funds and the appropriation
12 limit.

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

14 * Section 1. Article XV, Constitution of the State of Alaska, is amend-
15 ed by adding new sections to read:

16 SECTION 29. DEDICATED FUNDS. (a) The operation of Section 7 of
17 Article IX is suspended from July 1, 1991, through June 30, 1996, and
18 this section applies in lieu of Section 7 of Article IX.

19 (b) The proceeds of any State tax or license shall not be dedi-
20 cated to any special purpose, except as provided in Section 15 of
21 Article IX and Sections 30 and 31 of this article or when required by
22 the federal government for State participation in federal programs.
23 This provision shall not prohibit the continuance of any dedication
24 for special purposes existing upon the date of ratification of Sec-
25 tion 7 of Article IX by the people of Alaska.

26 SECTION 30. EXPENDITURE LIMIT. (a) The operation of Section 16
27 of Article IX is suspended from July 1, 1991, through June 30, 1996,
28 and this section applies in lieu of Section 16 of Article IX.

29 (b) Except for appropriations to the permanent fund or for

1 royalty sale proceeds, and federal mineral revenue sharing payments
2 and bonuses shall be deposited in the budget reserve fund.

3 SECTION 31. BUDGET RESERVE FUND. (a) This section applies from
4 July 1, 1991, through June 30, 1996.

5 (b) In addition to deposits made to the budget reserve fund
6 under Section 30(d) and (e) of this article, appropriations may be
7 made to the fund at any time.

8 (c) Money in the budget reserve fund shall be invested so as to
9 yield competitive market rates to the fund. Income from investment of
10 the fund shall be retained in the fund.

11 (d) Except as provided in (e) of this section, money may be
12 appropriated from the budget reserve fund only if the legislature
13 determines that the money received by the State in a fiscal year and
14 subject to the expenditure limit is less than the maximum amount that
15 may be appropriated under Section 30(b) of this article. However, the
16 amount appropriated from the budget reserve fund during a fiscal year
17 may not exceed the lesser of

18 (1) the amount that, when added to money received by the
19 State during that fiscal year and subject to the expenditure limit,
20 equals the maximum amount that may be appropriated under Section 30(b)
21 of this article; or

22 (2) twenty-five percent of the balance of the budget re-
23 serve fund.

24 (e) An appropriation from the budget reserve fund may be made
25 upon affirmative vote of two-thirds of the membership of each house of
26 the legislature to meet a disaster emergency declared by the governor
27 as prescribed by law. An appropriation from the budget reserve fund
28 to the principal of the permanent fund may be made at any time.

29 SECTION 32. REPEAL. Sections 29 - 31 of Article XV are repealed

Amended: 2/27/90
Offered: 2/14/90
Referred: Rules

6-01611

7TH VERSE

Original sponsor(s): SEN. FAIKS, Jones, Eliason, Fischer, Kelly, Uehling

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska establishing
7 temporary provisions relating to dedi-
8 cated funds, the expenditure limit, and
9 the budget reserve fund; and suspending
10 the operation of provisions relating to
11 dedicated funds and the appropriation
12 limit.

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

14 * Section 1. Article XV, Constitution of the State of Alaska, is amend-
15 ed by adding new sections to read:

16 SECTION 29. DEDICATED FUNDS. (a) The operation of Section 7 of
17 Article IX is suspended from July 1, 1991, through June 30, 1996, and
18 this section applies in lieu of Section 7 of Article IX.

19 (b) The proceeds of any State tax or license shall not be dedi-
20 cated to any special purpose, except as provided in Section 15 of
21 Article IX and Sections 30 and 31 of this article or when required by
22 the federal government for State participation in federal programs.
23 This provision shall not prohibit the continuance of any dedication
24 for special purposes existing upon the date of ratification of Sec-
25 tion 7 of Article IX by the people of Alaska.

26 SECTION 30. EXPENDITURE LIMIT. (a) The operation of Section 16
27 of Article IX is suspended from July 1, 1991, through June 30, 1996,
28 and this section applies in lieu of Section 16 of Article IX.

29 (b) Except for appropriations to the permanent fund or for

1 Alaska permanent fund dividends, appropriations to meet a disaster
2 emergency declared by the governor as prescribed by law, appropria-
3 tions to the budget reserve fund, appropriations of revenue derived
4 from a tax that has been approved by a vote of the taxpayers, appro-
5 priations of money received from a State source required for State
6 participation in a federally mandated aid program for low income
7 persons to the extent the appropriations exceed amounts appropriated
8 during fiscal year 1991 for the same purposes, appropriations of
9 general obligation and revenue bond proceeds, appropriations required
10 to pay the principal and interest on general obligation and revenue
11 bonds issued by the State, appropriations of money received from a
12 non-State source in trust for a specific purpose, appropriations of
13 revenue of a public authority or corporation of the State that issues
14 revenue bonds, and appropriations of revenue of a State program under
15 which revenue bonds are issued, appropriations from the general fund
16 made for

17 (1) fiscal year 1992 may not exceed \$2,300,000,000;

18 (2) fiscal years 1993 - 1996 may not exceed an amount equal
19 to five percent less than the amount appropriated during the prior
20 fiscal year that was subject to the limit under this subsection.

21 (c) During a fiscal year the legislature may exceed the expendi-
22 ture limit under (b) of this section if each bill that exceeds the
23 limit is passed by affirmative vote of two-thirds of the membership of
24 each house of the legislature.

25 (d) Except as provided in (e) of this section, all money re-
26 ceived by the State during a fiscal year that is subject to the expen-
27 diture limit under (b) of this section, that exceeds that limit, and
28 that is not appropriated under (c) of this section shall be deposited
29 in the budget reserve fund.

1 (e) Except for money deposited into the permanent fund under
2 Section 15 of Article IX, all money received by the State as a result
3 of the termination through settlement or otherwise, of litigation in
4 State or federal court involving mineral lease rentals, royalties,
5 royalty sale proceeds, and federal mineral revenue sharing payments
6 and bonuses shall be deposited in the budget reserve fund.

7 SECTION 31. BUDGET RESERVE FUND. (a) This section applies from
8 July 1, 1991, through June 30, 1996.

9 (b) In addition to deposits made to the budget reserve fund
10 under Section 30(d) and (e) of this article, appropriations may be
11 made to the fund at any time.

12 (c) Money in the budget reserve fund shall be invested so as to
13 yield competitive market rates to the fund. Income from investment of
14 the fund shall be retained in the fund.

15 (d) Except as provided in (e) of this section, money may be
16 appropriated from the budget reserve fund only if the legislature
17 determines that the money received by the State in a fiscal year and
18 subject to the expenditure limit is less than the maximum amount that
19 may be appropriated under Section 30(b) of this article. However, the
20 amount appropriated from the budget reserve fund during a fiscal year
21 may not exceed the lesser of

22 (1) the amount that, when added to money received by the
23 State during that fiscal year and subject to the expenditure limit,
24 equals the maximum amount that may be appropriated under Section 30(b)
25 of this article; or

26 (2) twenty-five percent of the balance of the budget re-
27 serve fund.

28 (e) An appropriation from the budget reserve fund may be made
29 upon affirmative vote of two-thirds of the membership of each house of

1 the legislature to meet a disaster emergency declared by the governor
2 as prescribed by law. An appropriation from the budget reserve fund
3 to the principal of the permanent fund may be made at any time.

4 SECTION 32. REPEAL. Sections 29 - 31 of Article XV are repealed
5 July 1, 1996.

6 * Sec. 2. The amendment 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 elec-
9 tion laws of the state.

04/05/89	1065	(S)	REFERRED TO FINANCE
03/28/90	3088	(S)	MOTION BY HALFORD TO PLACE ON NEXT
03/28/90	3088	(S)	CALENDAR UNDER UNIFORM RULE 18
03/28/90	3089	(S)	MOTION FAILED Y3 N16 X1

SJR 2

Proposing an amendment to the Constitution of the State of Alaska creating dedicated funds from fuel taxes on aircraft, watercraft, and motor vehicles, and from related sources.

PRIME SPONSOR: JONES

CURRENT STATUS: WITHDRAWN BY SPONSOR STATUS DATE: 01/09/89

JRN-DATE	JRN-PG		ACTION
12/30/88		(S)	PREFILE RELEASED
01/09/89	9	(S)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	9	(S)	TRANSPORTATION, THEN FINANCE
01/09/89	54	(S)	WITHDRAWN BY SPONSOR

SJR 3

CSSJR 3(JUD)

Proposing an amendment to the Constitution of the State of Alaska relating to repeal of regulations by the legislature.

PRIME SPONSOR: COGHILL

CO-SPONSORS: KELLY, KERTTULA, STURGULEWSKI, PEARCE, FRANK, FAIKS, ELIASON, FISCHER, HALFORD, JONES, UEHLING, BINKLEY, ADAMS, RODEY, POURCHOT, ZHAROFF, FAHRENKAMP

CURRENT STATUS: (H) JUD STATUS DATE: 94/21/89

JRN-DATE	JRN-PG		ACTION
12/30/88		(S)	PREFILE RELEASED
01/09/89	9	(S)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	9	(S)	STATE AFFAIRS, THEN JUDICIARY
01/16/89	118	(S)	CO-SPONSOR ADDED: FAIKS
03/03/89	625	(S)	CO-SPONSORS ADDED: ELIASON, FISCHER, HALFORD, JONES, UEHLING
03/03/89	625	(S)	HALFORD, JONES, UEHLING
03/06/89	648	(S)	CO-SPONSOR ADDED: BINKLEY
03/08/89	688	(S)	CO-SPONSORS ADDED: ADAMS, RODEY
03/20/89	859	(S)	STA RPT CS 4DP SAME TITLE
03/20/89	859	(S)	FN TO SJR PUBLISHED (ELECT)
03/29/89	967	(S)	FN TO STA CS PUBLISHED (ELECT)
03/20/89	870	(S)	CO-SPONSOR ADDED: POURCHOT
03/29/89	967	(S)	JUD RPT CS 3DP SAME TITLE
04/08/89	1128	(S)	FN TO JUD CS PUBLISHED (ELECT)
03/29/89	967	(S)	FIN REFERRAL ADDED
04/04/89	1043	(S)	FIN RPT SDP (JUD)CS W/STA FN
04/04/89	1055	(S)	CO-SPONSOR ADDED: ZHAROFF
04/05/89	1066	(S)	FIN LETTER OF INTENT
04/08/89	1130	(S)	RULES TO CALENDAR
04/08/89	1134	(S)	READ THE SECOND TIME
04/08/89	1135	(S)	JUD CS ADOPTED UNAN CONSENT
04/08/89	1135	(S)	ADVANCED TO THIRD READING UNAN CONSENT
04/08/89	1135	(S)	READ THE THIRD TIME CSSJR 3(JUD)
04/08/89	1135	(S)	CO-SPONSOR ADDED: FAHRENKAMP

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04/06/89	1135	(S)	(S) ADOPTED FIN LETTER OF INTENT
04/08/89	1135	(S)	PASSED Y15 N1 X4
04/08/89	1141	(S)	TRANSMITTED TO (H)
04/10/89	953	(H)	READ THE FIRST TIME - REFERRAL(S)
04/10/89	953	(H)	STATE AFFAIRS, JUDICIARY
04/21/89	1163	(H)	STA RPT 6DP INR
04/21/89	1163	(H)	-SENATE LETTER OF INTENT WITH STA REPORT
04/21/89	1163	(H)	-ZERO FISCAL NOTE (LAA) 4/21/89
04/21/89	1163	(H)	-PREVIOUS SENATE FN (ELECT) 3/29/89
04/21/89	1163	(H)	REFERRED TO JUDICIARY

SJR 4

Proposing an amendment to the Constitution of the State of Alaska relating to the individual right to keep and bear arms.

PRIME SPONSOR: RODEY

CO-SPONSORS: KELLY, STURGULEWSKI, SZYMANSKI, FISCHER, HALFORD, KERTTULA, PEARCE, FRANK, FAIKS, COGHILL, JONES, ELIASON

CURRENT STATUS: (H) JUD STATUS DATE: 04/28/90

JRN-DATE	JRN-PG		ACTION
01/06/89		(S)	PREFILE RELEASED
01/09/89	9	(S)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	9	(S)	JUDICIARY
01/16/89	118	(S)	CO-SPONSOR ADDED: FAIKS
02/03/89	292	(S)	JUD RPT SDP
02/03/89	292	(S)	FN PUBLISHED (ELECT)
02/03/89	292	(S)	FIN REFERRAL ADDED
02/03/89	292	(S)	REFERRED TO FINANCE
02/09/89	380	(S)	FIN WAIVED PUBLICATION NOTICE
02/22/89	487	(S)	CO-SPONSOR ADDED: COGHILL
04/21/90	3501	(S)	FIN RPT 1DP 5NR
04/21/90	3501	(S)	UPDATED FN PUBLISHED (ELECTIONS)
04/26/90	3615	(S)	RULES TO CALENDAR 4/26/90
04/26/90	3626	(S)	READ THE SECOND TIME
04/26/90	3627	(S)	ADVANCED TO THIRD READING UNAN CONSENT
04/26/90	3627	(S)	READ THE THIRD TIME SJR 4
04/26/90	3627	(S)	CO-SPONSORS ADDED: JONES, ELIASON
04/26/90	3627	(S)	PASSED Y18 N2
04/26/90	3627	(S)	POURCHOT NOTICE OF RECONSIDERATION
04/27/90	3663	(S)	RECONSIDERATION NOT TAKEN UP
04/27/90	3664	(S)	TRANSMITTED TO (H)
04/28/90	3669	(H)	READ THE FIRST TIME - REFERRAL(S)
04/28/90	3669	(H)	JUDICIARY
05/07/90	4166	(H)	DISCHARGE FROM JUDICIARY FLD Y15 N22 X3

SJR 5

HCS CSSSSJR 5(FIN) AM H

Proposing an amendment to the Constitution of the State of Alaska relating to the budget reserve fund; depositing into the budget reserve fund, except for money deposited into the permanent fund, 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

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of litigation in 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; allowing an appropriation from the fund only if the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year or upon the affirmative vote of three-fourths of the members of each house of the legislature.

PRIME SPONSOR: FAIKS

CO-SPONSORS: JONES, ELIASON, FISCHER, KELLY, UEHLING

CURRENT STATUS: LEGIS RESOLVE 129 STATUS DATE: 07/23/90

JRN-DATE	JRN-PG	ACTION
01/06/89		(S) PREFILE RELEASED
01/09/89	10	(S) READ THE FIRST TIME - REFERRAL(S)
01/09/89	10	(S) STATE AFFAIRS, THEN FINANCE
01/11/89	77	(S) JUD REFERRAL ADDED
02/02/89	277	(S) SPONSOR SUBSTITUTE INTRODUCED - REFERRALS
02/02/89	277	(S) STATE AFFAIRS, THEN JUDICIARY, FINANCE
03/20/89	859	(S) STA RPT CS 2DP 2NR SAME TITLE
03/20/89	860	(S) FN TO SSSJR PUBLISHED (ELECT)
04/27/89	1469	(S) FN TO CS PUBLISHED (ELECT)
04/26/89	1435	(S) JUD RPT CS 2DP 3NR NEW TITLE
04/26/89	1435	(S) FN TO CS PUBLISHED (ELECT)
01/31/90	2286	(S) PUBLICATION NOTICE WAIVED
02/02/90	2315	(S) CO-SPONSOR WITHDRAWN: DUNCAN
02/02/90	2315	(S) CO-SPONSOR ADDED: KELLY, UEHLING
02/14/90	2448	(S) FIN RPT CS 3DP 2DNP NEW TITLE
02/14/90	2448	(S) FN TO CS PUBLISHED (ELECT)
02/27/90	2606	(S) RULES TO CALENDAR 2/27/90
02/27/90	2615	(S) READ THE SECOND TIME
02/27/90	2615	(S) FIN CS ADOPTED UNAN CONSENT
02/27/90	2615	(S) AM NO 1 MOVED BY FAIKS
02/27/90	2616	(S) AM NO 1 ADOPTED Y13 N7
02/27/90	2616	(S) AM NO 2 MOVED BY FAIKS
02/27/90	2616	(S) AM NO 2 ADOPTED Y11 N9
02/27/90	2616	(S) AM NO 3 MOVED BY FAHRENKAMP
02/27/90	2617	(S) AM NO 3 FAILED Y9 N11
02/27/90	2617	(S) AM NO 4 MOVED BY FAHRENKAMP
02/27/90	2617	(S) AM NO 4 FAILED Y10 N10
02/27/90	2618	(S) AM NO 5 MOVED BY FAHRENKAMP
02/27/90	2618	(S) AM NO 5 FAILED Y8 N12
02/27/90	2619	(S) AM NO 6 MOVED BY FAHRENKAMP
02/27/90	2619	(S) AM NO 6 FAILED Y9 N11
02/27/90	2619	(S) AM NO 7 MOVED BY POURCHOT
02/27/90	2620	(S) AM NO 7 ADOPTED Y13 N6 A1
02/27/90	2620	(S) AM NO 8 MOVED BY HALFORD
02/27/90	2620	(S) AM NO 8 ADOPTED Y14 N5 A1
02/27/90	2621	(S) AM NO 9 MOVED BY ZHAROFF
02/27/90	2621	(S) AM TO AM 9 MOVED BY FRANK
02/27/90	2621	(S) AM TO AM 9 FAILED Y9 N11
02/27/90	2622	(S) AM NO 9 FAILED Y6 N14
02/27/90	2622	(S) AM NO 10 MOVED BY KERTTULA
02/27/90	2622	(S) AM NO 10 FAILED Y10 N10
02/27/90	2622	(S) AM NO 11 MOVED BY DUNCAN

02/27/90	2623	(S)	AM NO 11 FAILED Y7 N13
02/27/90	2623	(S)	ADVANCED TO THIRD READING UNAN CONSENT
02/27/90	2623	(S)	READ THE THIRD TIME CSSSSJR 5(FIN) AM
02/27/90	2623	(S)	PASSED Y15 N5
02/27/90	2623	(S)	KERTTULA NOTICE OF RECONSIDERATION
02/28/90	2644	(S)	RECON TAKEN UP - IN THIRD READING
02/28/90	2644	(S)	HIELD ON RECONSIDERATION TO 3/6/90
03/06/90	2734	(S)	RETURN TO SECOND FOR AM 12 UNAN CONSENT
03/06/90	2734	(S)	AM NO 12 MOVED BY POURCHOT
03/06/90	2734	(S)	AM NO 12 FAILED Y6 N14
03/06/90	2735	(S)	AUTOMATICALLY IN THIRD READING
03/06/90	2735	(S)	RETURN TO SECOND FOR AM 13 UNAN CONSENT
03/06/90	2735	(S)	AM NO 13 MOVED BY POURCHOT
03/06/90	2735	(S)	AM NO 13 FAILED Y7 N13
03/06/90	2735	(S)	AUTOMATICALLY IN THIRD READING
03/06/90	2735	(S)	RECONSIDERATION FAILED Y13 N7
03/06/90	2735	(S)	RESCINDED PREVIOUS ACTION UNAN CONSENT
03/06/90	2735	(S)	RETURN TO RUL COMMITTEE
04/18/90	3434	(S)	RULES TO SUPPLEMENTAL CAL 1 4/18
04/18/90	3435	(S)	THIRD READING ON RECONSIDERATION
04/18/90	3435	(S)	RETURN TO SECOND FOR AM 14 UNAN CONSENT
04/18/90	3435	(S)	AM NO 14 MOVED BY BINKLEY
04/18/90	3435	(S)	AM NO 14 FAILED Y10 N10
04/18/90	3435	(S)	AUTOMATICALLY IN THIRD READING
04/18/90	3436	(S)	MOTION; RETURN TO SECOND FOR AM 15
04/18/90	3436	(S)	AM NO 15 MOVED BY FAIKS
04/18/90	3436	(S)	AM NO 15 ADOPTED Y18 N2
04/18/90	3436	(S)	RETURN TO 2ND TO RESCIND AM 14 UNAN CONS
04/18/90	3437	(S)	RESCINDED IN FAILURE TO ADOPT Y11 N9
04/18/90	3437	(S)	AM NO 14 MOVED BY HALFORD
04/18/90	3437	(S)	AM NO 14 ADOPTED Y12 N8
04/18/90	3437	(S)	AUTOMATICALLY IN THIRD READING
04/18/90	3437	(S)	RETURN TO 2ND TO RESCIND ACTION AM 12
04/18/90	3437	(S)	MOVED TO RESCIND IN FAILING TO ADOPT 12
04/18/90	3438	(S)	FAILED TO RESCIND ACTION AM 12 Y9 N11
04/18/90	3438	(S)	AUTOMATICALLY IN THIRD READING
04/18/90	3438	(S)	RETURN TO 2ND TO RESCIND ACTION AM 3
04/18/90	3438	(S)	MOVED TO RESCIND IN FAILING TO ADOPT 3
04/18/90	3438	(S)	FAILED TO RESCIND Y9 N11
04/18/90	3439	(S)	AUTOMATICALLY IN THIRD READING
04/18/90	3439	(S)	RETURN TO 2ND TO RESCIND ACTION AM 4
04/18/90	3439	(S)	MOVED TO RESCIND IN FAILING TO ADOPT 4
04/18/90	3439	(S)	RESCINDED IN FAILURE TO ADOPT Y11 N9
04/18/90	3439	(S)	AM NO 4 MOVED BY FAHRENKAMP
04/18/90	3440	(S)	AM NO 4 FAILED Y8 N12
04/18/90	3440	(S)	AUTOMATICALLY IN THIRD READING
04/18/90	3440	(S)	RETURN TO 2ND TO RESCIND ACTION AM 5
04/18/90	3440	(S)	MOVED TO RESCIND IN FAILING TO ADOPT 5
04/18/90	3440	(S)	FAILED TO RESCIND ACTION Y8 N12
04/18/90	3440	(S)	AUTOMATICALLY IN THIRD READING
04/18/90	3440	(S)	RETURN TO 2ND TO RESCIND ACTION AM 6
04/18/90	3440	(S)	MOVED TO RESCIND IN FAILING TO ADOPT 6
04/18/90	3441	(S)	FAILED TO RESCIND ACTION Y9 N11
04/18/90	3441	(S)	AUTOMATICALLY IN THIRD READING
04/18/90	3441	(S)	PASSED ON RECONSIDERATION Y15 N5
04/18/90	3443	(S)	TRANSMITTED TO (H)
04/19/90	3328	(H)	READ THE FIRST TIME - REFERRAL(S)
04/19/90	3328	(H)	FINANCE
05/04/90	3886	(H)	FIN RPT HCS(FIN)NEW TLE SDP 2DNP INR 1AM
05/04/90	3886	(H)	-PREVIOUS SEN FN (ELECT) 2/14/90
05/08/90		(H)	RULES TO CALENDAR 5/8/90
05/08/90	4227	(H)	READ THE SECOND TIME
05/08/90	4227	(H)	FIN HCS ADOPTED UNAN CONSENT

05/08/90 4228 (H) AMENDMENT NO 1 BY ULMER
 05/08/90 4229 (H) AM NO 1 FAILED Y11 N29
 05/08/90 4229 (H) AMENDMENT NO 2 BY ULMER
 05/08/90 4230 (H) AM NO 2 FAILED Y16 N24
 05/08/90 4230 (H) AMENDMENT NO 3 BY ULMER
 05/08/90 4231 (H) AM NO 3 ADOPTED Y22 N18
 05/08/90 4231 (H) AMENDMENT NO 4 BY BOYER
 05/08/90 4231 (H) AM NO 4 ADOPTED UNAN CONSENT
 05/08/90 4231 (H) AMENDMENT NO 5 BY BROWN
 05/08/90 4231 (H) AM NO 5 ADOPTED UNAN CONSENT
 05/08/90 4232 (H) AMENDMENT NO 6 BY PHILLIPS
 05/08/90 4234 (H) AM NO 6 FAILED Y20 N20
 05/08/90 4236 (H) AMENDMENT NO 7 BY ULMER
 05/08/90 4236 (H) AM NO 7 FAILED Y7 N30 X3
 05/08/90 4236 (H) AMENDMENT NO 8 BY RIEGER
 05/08/90 4237 (H) AM NO 8 FAILED Y16 N21 X3
 05/08/90 4237 (H) AMENDMENT NO 9 BY BARNES
 05/08/90 4238 (H) AM NO 9 ADOPTED Y24 N13 X3
 05/08/90 4238 (H) ADVANCE TO THIRD READING FLD Y11 N26 X3
 05/08/90 4239 (H) MOTION TO RESCIND ACTION ON AM 6
 05/08/90 4239 (H) POSTPONE RESCIND MOTION TEMP Y17 N20 X3
 05/08/90 4241 (H) RESCIND MOTION WITHDRAWN BY SPONSOR
 05/08/90 4241 (H) AMENDMENT NO 10 BY PHILLIPS
 05/08/90 4242 (H) AM TO AM 10 BY RIEGER (TITLE AM)
 05/08/90 4243 (H) AM TO AM 10 ADOPTED UNAN CONSENT
 05/08/90 4243 (H) AM NO 10AM ADOPTED Y39 N1
 05/08/90 4243 (H) ... CHANGES TITLE OF LEGISLATION
 05/08/90 4243 (H) ADVANCED TO THIRD READING UNAN CONSENT
 05/08/90 4244 (H) READ THE THIRD TIME HCS C555JRS(FIN)AM
 05/08/90 4244 (H) PASSED Y38 N2
 05/08/90 4359 (H) TRANSMITTED TO (S) AS AMENDED
 05/08/90 4359 (H) ENGROSSMENT OF LEGISLATION WAIVED
 05/08/90 4241 (S) CONCUR AM OF (H) Y15 N5
 05/08/90 4295 (S) RESCIND ACTION CONCURRING MOT. WITHDRAWN
 05/08/90 4297 (S) RESCIND MOTION NOT TAKEN UP
 06/01/90 4349 (S) 2:35 PM 5/24/90 TRANSMITTED TO GOVERNOR
 07/27/90 4517 (S) SIGNED BY GOVERNOR 7/23 LEG RESOLVE 129

SJR 6

HCS C55JR 6(RES)

Relating to the interception of Alaska
salmon and steelhead on the high seas.

PRIME SPONSOR: BINKLEY

CO-SPONSORS: STURGULEWSKI, KELLY, RODEY, ADAMS, KERTTULA, DUNCAN, UEHLING, JONES,
COGHILL, ELIASON, FAIKS, HALFORD, FISCHER, SZYMANSKI, PEARCE, POURCHOT

CURRENT STATUS: LEGIS RESOLVE 10 STATUS DATE: 03/30/89

JRN-DATE	JRN-PG	ACTION
01/09/89	10 (S)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	10 (S)	SALMON INTERCEPTION, THEN RESOURCES
01/11/89	78 (S)	CO-SPONSOR ADDED: UEHLING
01/19/89	157 (S)	SAL REFERRAL WAIVED
01/20/89	170 (S)	CO-SPONSOR ADDED: JONES, COGHILL
01/20/89	170 (S)	ELIASON, FAIKS, HALFORD,
01/20/89	170 (S)	FISCHER, SZYMANSKI
01/26/89	208 (S)	RES RPT CS 5DP NEW TITLE
01/26/89	209 (S)	ZERO FN PUBLISHED (F&G)
01/27/89	220 (S)	RULES TO CALENDAR
01/27/89	227 (S)	CO-SPONSOR ADDED: PEARCE, POURCHOT
01/27/89	226 (S)	READ THE SECOND TIME

01/27/89	226 (S)	RES CS ADOPTED UNAN CONSENT
01/27/89	226 (S)	ADVANCED TO THIRD READING UNAN CONSENT
01/27/89	226 (S)	READ THE THIRD TIME C55JR 6(RES)
01/27/89	226 (S)	PASSED Y19 N- X1
01/27/89	228 (S)	TRANSMITTED TO (H)
01/30/89	204 (H)	READ THE FIRST TIME - REFERRAL(S)
01/30/89	204 (H)	RESOURCES
03/15/89	625 (H)	RES RPT HCS(RES) 6DP 1HR
03/15/89	626 (H)	PREVIOUS SENATE ZERO FN (F&G) 1/26/89
03/20/89	692 (H)	RULES TO CALENDAR 3/20/89
03/20/89	692 (H)	READ THE SECOND TIME
03/20/89	693 (H)	RES HCS ADOPTED UNAN CONSENT
03/20/89	693 (H)	ADVANCED TO THIRD READING UNAN CONSENT
03/20/89	693 (H)	READ THE THIRD TIME HCS C55JR 6(RES)
03/20/89	693 (H)	PASSED Y36 N- X3 A1
03/20/89	696 (H)	TRANSMITTED TO (S) AS AMENDED
03/21/89	879 (S)	CONCURRENCE MOVED AND WITHDRAWN
03/21/89	879 (S)	HELD TO 3/22/89
03/22/89	894 (S)	CONCUR AM OF (H) Y17 N- A3
03/29/89	972 (S)	1:15 PM 3/29/89 TRANSMITTED TO GOVERNOR
03/31/89	996 (S)	SIGNED BY GOVERNOR 3/30 LEGIS RESOLVE 10

SJR 7

Relating to making state facilities and
national parks in Alaska accessible to
elderly and handicapped persons.

PRIME SPONSOR: FAIKS

CO-SPONSORS: KELLY, RODEY, KERTTULA, STURGULEWSKI

CURRENT STATUS: (S) HES

STATUS DATE: 01/09/89

JRN-DATE	JRN-PG	ACTION
01/09/89	10 (S)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	10 (S)	HEALTH, EDUCATION, AND SOCIAL SERVICES

SJR 8

SJR 8 AM

Urging a change under the Internal
Revenue Code in the tax treatment of the
transfer of real property subject to a
mortgage that is a recourse loan when
the indebtedness on the property is
discharged through foreclosure, repos-
session, or surrender of the property.

PRIME SPONSOR: HALFORD

CO-SPONSORS: PEARCE, FAIKS

CURRENT STATUS: (H) FIN

STATUS DATE: 05/03/89

JRN-DATE	JRN-PG	ACTION
01/09/89	10 (S)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	10 (S)	LABOR AND COMMERCE
01/16/89	118 (S)	CO-SPONSOR ADDED: FAIKS
02/23/89	495 (S)	L&C RPT 4DP
02/23/89	495 (S)	ZERO FN PUBLISHED (REV)
02/28/89	554 (S)	RULES TO CALENDAR
02/28/89	558 (S)	READ THE SECOND TIME
02/28/89	558 (S)	ADVANCED TO THIRD READING UNAN CONSENT

Original sponsor(s): SEN. FAIKS, Jones, Eliason, Fischer, Kelly, Uehling

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECCND SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska relating to an
7 appropriation limit and to the budget
8 reserve fund; and providing for an
9 effective date.

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

11 * Section 1. Article IX, Constitution of the State of Alaska, is amend-
12 ed by adding a new section to read:

13 SECTION 17. BUDGET RESERVE FUND. (a) The budget reserve fund
14 is established as a separate fund in the State treasury. The legisla-
15 ture may appropriate money to the budget reserve fund. Money in the
16 fund shall be invested so as to yield competitive market rates to the
17 fund. Notwithstanding Section 7 of this article, income from invest-
18 ment of the fund shall be retained in the fund and money may be appro-
19 priated from the fund only as authorized under (b) of this section.

20 (b) Money received by the State that is subject to the appro-
21 priation limit under Section 29 of Article XV and that exceeds that
22 appropriation limit shall be deposited in the budget reserve fund.
23 Deposits under this subsection are not subject to the prohibition on
24 dedicated funds under Section 7 of this article. If the legislature
25 determines that the money subject to the appropriation limit received
26 by the State in a fiscal year is less than the amount that may be
27 appropriated under Section 29 of Article XV, up to two-thirds of the
28 budget reserve fund balance may be appropriated to the general fund.
29 However, the amount appropriated from the budget reserve fund when

1 added to the money subject to the appropriation limit may not exceed
2 the amount that may be appropriated under Section 29 of Article XV for
3 that fiscal year. Notwithstanding the appropriation limit in this
4 subsection and in Section 29 of Article XV, additional amounts may be
5 appropriated from the budget reserve fund by affirmative vote of
6 three-fourths of the membership of each house of the legislature.

7 * Sec. 2. Article IX, sec. 17(b), Constitution of the State of Alaska,
8 is repealed and readopted to read:

9 (b) If the amount available for appropriation for a fiscal year
10 is less than the amount appropriated for the previous fiscal year, an
11 appropriation may be made from the budget reserve fund for that fiscal
12 year. However, the amount appropriated may not exceed the amount
13 necessary, when added to other funds available for appropriation, to
14 provide for total appropriations equal to the amount of appropriations
15 made in the previous calendar year for the previous fiscal year.
16 Additional amounts may be appropriated from the budget reserve fund by
17 affirmative vote of three-fourths of the membership of each house of
18 the legislature.

19 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended
20 by adding a new section to read:

21 SECTION 29. APPROPRIATION LIMIT. (a) Appropriations from the
22 treasury made for each of fiscal years 1992, 1993, 1994, and 1995
23 shall not exceed \$2,200,000,000. This subsection does not apply to
24 appropriations to the permanent fund or for permanent fund dividends
25 to State residents, appropriations to the budget reserve fund, appro-
26 priations required to pay the principal and interest on general obli-
27 gation bonds issued by the State, appropriations of general obligation
28 and revenue bond proceeds, appropriations required to pay principal
29 and interest on revenue bonds of a public enterprise or public

1 corporation of the State, appropriations of money received from a
2 State source required for State participation in a federal entitlement
3 program for low income persons, appropriations of money received from
4 a non-State source in trust for a specific purpose, appropriations
5 required to comply with the terms of a settlement agreement or judg-
6 ment in carrying out the trust responsibilities of the State under the
7 Alaska Mental Health Enabling Act of 1956, appropriations of money
8 derived from a fishery enhancement tax that has been approved by vote
9 of the affected taxpayers, and appropriations to meet a state of
10 disaster declared by the governor as prescribed by law.

11 (b) If the rate of inflation since the beginning of a fiscal
12 year is greater than five percent, an appropriation for the next
13 fiscal year of up to the amount necessary to offset the effect of the
14 cumulative inflation that exceeds a compound rate of five percent per
15 annum since July 1, 1991, may be made during the regular session held
16 during that fiscal year upon affirmative vote of two-thirds of the
17 membership of each house of the legislature. The appropriation is not
18 subject to the limit established in (a) of this section. For purposes
19 of applying this subsection, the rate of inflation shall be based on
20 the Consumer Price Index for all urban consumers for Anchorage pre-
21 pared by the United States Bureau of Labor Statistics.

22 * Sec. 4. Section 16 of art. IX and secs. 26, 27, and 28 of art. XV,
23 Constitution of the State of Alaska, are repealed.

24 * Sec. 5. Section 29 of art. XV, Constitution of the State of Alaska,
25 is repealed.

26 * Sec. 6. Sections 1, 3, and 4 of this resolution take effect July 1,
27 1991.

28 * Sec. 7. Sections 2 and 5 of this resolution take effect July 1, 1995.

29 * Sec. 8. The amendments proposed by this resolution shall be placed

1 before the voters of the state at the next general election in conformity
2 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
3 tion laws of the state.

Amended: 5/8/90
Offered: 5/4/90
Referred: Rules

FINAL
6-0161N

9TH VERSION

Original sponsor(s): SEN. FAIKS, Jones, Eliason, Fischer, Kelly, Uehling

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance) am H
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 the budget reserve fund; depositing into
8 the budget reserve fund, except for
9 money deposited into the permanent fund,
10 all money received by the state after
11 July 1, 1990, as a result of the ter-
12 mination, through settlement or other-
13 wise, of an administrative proceeding or
14 of litigation in state or federal court
15 involving mineral lease bonuses, ren-
16 tals, royalties, royalty sale proceeds,
17 federal mineral revenue sharing payments
18 or bonuses, or involving taxes imposed
19 on mineral income, production, or prop-
20 erty; allowing an appropriation from the
21 fund only if the amount available for
22 appropriation for a fiscal year is less
23 than the amount appropriated for the
24 previous fiscal year or upon the affir-
25 mative vote of three-fourths of the
26 members of each house of the legisla-
27 ture.

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

29 * Section 1. Article IX, Constitution of the State of Alaska, is

1 amended by adding a new section to read:

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

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

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

28 (d) If an appropriation is made from the budget reserve fund,
29 until the amount appropriated is repaid, the amount of money in the

1 general fund available for appropriation at the end of each succeeding
2 fiscal year shall be deposited in the budget reserve fund. The legis-
3 lature shall implement this subsection by law.

4 * Sec. 2. The amendment 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 elec-
7 tion laws of the state.

HB 463

CS FOR HOUSE BILL NO. 463 (Finance)
"An Act making, amending, and repealing capital and operating appropriations; and providing for an effective date."

Recommending do pass (5): Hoffman and Larson (Co-chairmen), Swackhammer, Brown, Koponen

Recommending do not pass (2): Barnes, Phillips

No recommendation (2): Ulmer, Rieger

HB 463 appears on today's calendar.

CSSSSJR 5(Fin)am

The Finance Committee has considered:

CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 5 (Finance) amended
Proposing an amendment to the Constitution of the State of Alaska establishing temporary provisions relating to dedicated funds, the expenditure limit, and the budget reserve fund; and suspending the operation of provisions relating to dedicated funds and the appropriation limit.

and recommends it be replaced with the following committee substitute:

HOUSE CS FOR CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 5 (Finance)
Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit and to the budget reserve fund; and providing for an effective date.

Recommending do pass (5): Larson (Co-chairman), Shultz, Phillips, Swackhammer, Brown

Recommending do not pass (2): Koponen, Ulmer

Amend (1): Rieger

No recommendation (1): Barnes

The following previously published note applies to HCS CSSSSJR 5(Fin) (February 14, 1990):

Senate fiscal note, Division of Elections

CSSSSJR 5(Fin)am was referred to the Rules Committee for placement on the calendar.

CSSB 11(Fin)

The Finance Committee has considered:

CS FOR SENATE BILL NO. 11 (Finance)
"An Act authorizing compensation for members of the state Local Boundary Commission; and providing for an effective date."

Recommending do pass (5): Larson and Hoffman (Co-chairmen), Swackhammer, Brown, Koponen

No recommendation (2): Phillips, Rieger

The following previously published note applies (March 29, 1990):

Senate fiscal note, Department of Community & Regional Affairs

CSSB 11(Fin) was referred to the Rules Committee for placement on the calendar.

CSSB 50(Rls)

The Finance Committee has considered:

CS FOR SENATE BILL NO. 50 (Rules)
"An Act relating to persons who are handicapped or mentally ill; and providing for an effective date."

Recommending do pass (6): Larson and Hoffman (Co-chairmen), Swackhammer, Brown, Koponen, Phillips

No recommendation (1): Rieger

The following previously published note applies (March 16, 1990):

Senate zero fiscal note, Senate Finance Committee

CSSB 50(Rls) was referred to the Rules Committee for placement on the calendar.

CSSSSB 72(Fin)am

The Finance Committee has considered:

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 72 (Finance) amended
"An Act relating to registration and endorsements for contractors; prohibiting the use of state money in relation to certain residential work unless the work is performed by a general contractor who has a residential contractor endorsement; and providing for an effective date."

The House Pages received a standing ovation from the members for their hard work this session.

The citations were referred to the Chief Clerk for transmittal to the Senate.

THIRD READING OF SENATE BILLS

(continued)

HCS CSSB 431(HESS)

Representative Navarre moved and asked unanimous consent to take up HCS CSSB 431(HESS), which had been temporarily postponed (page 4216). There being no objection, it was so ordered.

The following, which was advanced to third reading from the May 7, 1990, calendar (page 4143), was read the third time:

HOUSE CS FOR CS FOR SENATE BILL NO. 431 (HESS)
"An Act relating to health facility payment rates."

The question being: "Shall HCS CSSB 431(HESS) pass the House?" The roll was taken with the following result:

HCS CSSB 431(HESS)

Yeas: 36 Barnes, Boucher, Boyer, Brown, Collins, Cotten, Davidson, Davis, C., Finkelstein, Foster, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Hoffman, Hudson, Jacko, Koponen, Kubina, Larson, Lesan, MacLean, Martin, Menard, Miller, Navarre, Pettyjohn, Phillips, Rieger, Sharp, Swackhammer, Taylor, Ulmer, Wallis, Zawacki

Nays: 0

Excused: 0

Absent: 4 Davis, M., Donley, Ellis, Shultz

And so, HCS CSSB 431(HESS) passed the House and was referred to the Chief Clerk for engrossment.

Representative Navarre moved and asked unanimous consent that the House revert to Second Reading of Senate Resolutions to take up CSSSSJR 5(Fin)am. There being no objection, it was so ordered.

SECOND READING OF SENATE RESOLUTIONS

CSSSJR 5(Fin)am

Representative Pettyjohn placed a call of the House.

The following was read the second time:

CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance) amended
Proposing an amendment to the Constitution of the State of Alaska establishing temporary provisions relating to dedicated funds, the expenditure limit, and the budget reserve fund; and suspending the operation of provisions relating to dedicated funds and the appropriation limit.

with the:

FIN RPT HCS(FIN)NEW TLE SDP 2DNP 1NR 1AM p. 1886
-PREVIOUS SEN FN (ELECT) 2/14/90 p. 1886

Representative Navarre moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original resolution:

HOUSE CS FOR CS FOR SS FOR SENATE JOINT RESOLUTION NO. 5 (Finance)
Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit to the budget reserve fund; and providing for an effective date.

Representative Pettyjohn lifted the call.

There being no objection, HCS CSSSSJR 5(Fin) was adopted in lieu of the original resolution.

HCS CSSSSJR 5(Fin)l

Representative Taylor placed a call of the House.

HCS CSSSSJR 5(Fin)

Amendment No. 1 by Ulmer:

Page 2, line 28, after "proceeds":

Insert "appropriations to pay the principal and interest on general obligation bonds issued by a municipality prior to 1990 for construction of elementary or secondary schools,"

UNFINISHED BUSINESSCSHJR 74(Jud)am(fld-H)

Representative Jacko moved and asked unanimous consent that the House rescind its action in failing to pass the following resolution (page 4096):

CS FOR HOUSE JOINT RESOLUTION NO. 74 (Judiciary) amended (fld H)
Proposing an amendment to the Constitution of the State of Alaska relating to subsistence uses of fish and wildlife and other renewable natural resources; and providing for an effective date for the amendment.

Objection was heard.

The question being: "Shall the House rescind its action in failing to pass CSHJR 74(Jud)am(fld H)?" The roll was taken with the following result:

CSHJR 74(Jud)am(fld H) RESCIND

Yeas: 24 Boucher, Brown, Cotten, Davidson, Davis, M., Donley, Ellis, Finkelstein, Foster, Goll, Gruenberg, Grussendorf, Hoffman, Jacko, Koponen, Kubina, Larson, MacLean, Menard, Navarre, Shultz, Swackhammer, Ulmer, Wallis

Nays: 16 Barnes, Boyer, Collins, Davis, C., Furnace, Hanley, Hudson, Leman, Martin, Miller, Pettyjohn, Phillips, Rieger, Sharp, Taylor, Zawacki

Excused: 0

Absent: 0

And so, the motion was not adopted.

SECOND READING OF SENATE RESOLUTIONS

(continued)

HCS CSSSSJR 5(Fin)

Amendment No. 1 was before the House.

Representative Ulmer moved and asked unanimous consent that Amendment No. 1 be adopted.

Representative Rieger objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN) AM1

Yeas: 11 Boyer, Davis, M., Hoffman, Jacko, Koponen, Kubina, Larson, MacLean, Menard, Ulmer, Wallis

Nays: 29 Barnes, Boucher, Brown, Collins, Cotten, Davidson, Davis, C., Donley, Ellis, Finkelstein, Foster, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Hudson, Leman, Martin, Miller, Navarre, Pettyjohn, Phillips, Rieger, Sharp, Shultz, Swackhammer, Taylor, Zawacki

Excused: 0

Absent: 0

And so, Amendment No. 1 was not adopted.

Amendment No. 2 by Ulmer:

Page 2, line 25, after "fund":

Insert "appropriations for a benefit program calculated on a formula basis if the amount required to fully fund the program for the fiscal year is greater than the amount required for the previous fiscal year due to an increase in population,"

HCS CSSSSJR 5(Fin)

Representative Ulmer moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative Rieger objected.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN) AM2

Yeas:	16	Boyer, Davidson, Davis, M., Ellis, Finkelstein, Gruenberg, Grussendorf, Hoffman, Jacko, Koponen, Kubina, Larson, MacLean, Menard, Ulmer, Wallis
Nays:	24	Barnes, Boucher, Brown, Collins, Cottan, Davis, C., Donley, Foster, Furnace, Goll, Hanley, Hudson, Leman, Martin, Miller, Navarre, Pettyjohn, Phillips, Rieger, Sharp, Shultz, Swackhammer, Taylor, Zawacki
Excused:	0	
Absent:	0	

And so, Amendment No. 2 was not adopted.

Amendment No. 3 by Ulmer:

Page 2, lines 6 and 17:

Delete "three-fourths"
Insert "two-thirds"

Representative Ulmer moved and asked unanimous consent that Amendment No. 3 be adopted.

Representative Rieger objected.

The question being: "Shall Amendment No. 3 be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(Fin)

HCS CSSSSJR 5(FIN) AM3

Yeas:	22	Barnes, Boyer, Brown, Cotten, Davidson, Davis, M., Ellis, Finkelstein, Foster, Gruenberg, Grussendorf, Hoffman, Jacko, Koponen, Kubina, Larson, MacLean, Menard, Navarre, Swackhammer, Ulmer, Wallis
Nays:	18	Boucher, Collins, Davis, C., Donley, Furnace, Goll, Hanley, Hudson, Leman, Martin, Miller, Pettyjohn, Phillips, Rieger, Sharp, Shultz, Taylor, Zawacki
Excused:	0	
Absent:	0	

And so, Amendment No. 3 was adopted.

HCS CSSSSJR 5(Fin)amH

Amendment No. 4 by Boyer and Koponen:

Page 3, line 4, after "for a specific purpose,":

Insert "appropriations of earnings from endowment funds authorized by law which benefit postsecondary education or the application of scientific research,"

Representative Boyer moved and asked unanimous consent that Amendment No. 4 be adopted. Representative Collins objected and withdrew the objection. There being no further objection, it was so ordered.

Amendment No. 5 by Brown:

Page 3, line 11:

Delete "the rate of" and "since the beginning of"
Insert before "a fiscal", "during"

Page 3, line 13, after "effect":

Insert "on that next fiscal year"

Representative Brown moved and asked unanimous consent that Amendment No. 5 be adopted. Representative Phillips objected and withdrew the objection. There being no further objection, it was so ordered.

HCS C555JR 5(Fin)amH

Amendment No. 6 by Phillips:

Page 1, line 6 (title amendment):

Delete "an"

Page 1, lines 7 - 9 (title amendment):

Delete all material.

Insert "state financial matters."

Page 1, line 10, through page 4, line 3:

Delete all material.

Insert the following material:

"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 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.

(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 a previous calendar year for the previous fiscal year.

HCS C555JR 5(Fin)amH

(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 the legislature in joint session.

(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.

SECTION 18. CAPITAL PROJECTS AND LOAN APPROPRIATIONS. Except as provided in Section 16 of this article, not less than ten percent of all money appropriated for each fiscal year shall be reserved for capital projects and loan appropriations.

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

SECTION 29. EXPENDITURE LIMIT. (a) The operation of Section 16 of Article IX is suspended from July 1, 1991, through June 30, 1996, and this section applies in lieu of Section 16 of Article IX.

(b) Except for appropriations to the permanent fund or for Alaska permanent fund dividends, appropriations to the budget reserve fund, appropriations of revenue derived from a tax that has been approved by a vote of the taxpayers, appropriations of general obligation and revenue bond proceeds, appropriations required to pay the principal and interest on general obligation and revenue bonds issued by the State, appropriations of money received from a non-State source in trust for a specific purpose, appropriations of earnings from endowment funds established by law, for postsecondary education or scientific research, appropriations of revenue of a public authority or corporation of the State that issues revenue bonds, and appropriations of revenue of a State program under which revenue bonds are issued, appropriations from the general fund made for fiscal years 1992 - 1996 may not exceed \$2,300,000,000.

(c) During a fiscal year the legislature may exceed the expenditure limit under (b) of this section if each bill that exceeds the limit is passed by affirmative vote of two-thirds of the membership of each house of the legislature.

(d) If the rate of inflation since the beginning of a fiscal year is greater than six percent, an appropriation for that fiscal year of up to the amount necessary to offset the effect of the rate of inflation that exceeds six percent may be made. The

HCS CSSSSJR 5(Fin)amH

appropriation is not subject to the limit established in (b) of this section. For purposes of applying this subsection, the rate of inflation shall be based on the Consumer Price Index for all urban consumers for Anchorage prepared by the United States Bureau of Labor Statistics.

(e) All money received by the State during a fiscal year that is subject to the expenditure limit under (b) of this section, that exceeds that limit, and that is not appropriated under (c) or (d) of this section shall be deposited in the budget reserve fund. Section 7 of Article IX does not apply to deposits made under this subsection.

SECTION 10. REPEAL. Section 29 of this article is repealed July 1, 1996.

* 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."

Representative Phillips moved and asked unanimous consent that Amendment No. 6 be adopted.

Representative Gruenberg objected.

The question being: "Shall Amendment No. 6 be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH ANG

Yeas: 20 Barnes, Boucher, Boyer, Collins, Davis, C., Finkelstein, Furnace, Hanley, Hudson, Leman, Martin, Menard, Miller, Pettyjohn, Phillips, Rieger, Sharp, Shultz, Taylor, Zawacki

Nays: 20 Brown, Cotten, Davidson, Davis, M., Donley, Ellis, Foster, Goll, Gruenberg, Grussendorf, Hoffman, Jacko, Koponen, Kubina, Larson, MacLean, Navarre, Swackhammer, Ulmer, Wallis

Excused: 0

HCS CSSSSJR 5(Fin)amH

Absent: 0

Larson changed from "yea" to "nay".

And so, Amendment No. 6 was not adopted.

The House reverted to:

REPORTS OF SPECIAL COMMITTEESCSHB 220(Fin)am

The Conference Committee with limited powers of free conference considering CSHB 220(Fin)am and SCS CSHB 220(Fin) requests additional limited powers of free conference on the following specific point:

1. Clarification of the definition of person.

The Speaker granted further limited powers of free conference as requested.

(Limited powers of free conference had been previously granted on page 4202.)

The Chief Clerk was instructed to so notify the Senate.

Representative Taylor announced a Minority Caucus upon a motion to recess.

Representative Navarre moved and asked unanimous consent that the House recess until 3:00 p.m. There being no objection, the House recessed at 2:08 p.m.

AFTER RECESS

The House was called back to order at 3:16 p.m.

Representative Navarre moved and asked unanimous consent that Representatives Hoffman, Larson and Rieger be excused from a call of the House as needed to attend meetings of the Conference Committee on CSHB 500(Fin)am (operating budget). There being no objection, it was so ordered.

SECOND READING OF SENATE RESOLUTIONS

(Continued)

HCS CSSSSJR 5(Fin)amH

HCS CSSSSJR 5(Fin)amH was before the House.

Amendment No. 7 by Ulmer:

Page 3, line 9, after "taxpayers,":

Insert "appropriations for capital projects and loan appropriations,"

Representative Ulmer moved and asked unanimous consent that Amendment No. 7 be adopted.

Representative Barnes objected.

The question being: "Shall Amendment No. 7 be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH AM7Yeas: 7 Boyer, Davidson, Grussendorf,
Jacko, Koponen, MacLean, UlmerNays: 30 Barnes, Boucher, Brown, Collins,
Cotten, Davis, C., Davis, M.,
Donley, Ellis, Finkelstein,
Foster, Furnace, Goll, Gruenberg,
Hanley, Hudson, Kubina, Leman,
Martin, Menard, Miller, Navarre,
Pettyjohn, Phillips, Sharp,
Shultz, Swackhammer, Taylor,
Wallis, Zawacki

Excused: 3 Hoffman, Larson, Rieger

Absent: 0

And so, Amendment No. 7 was not adopted.

Amendment No. 8 by Rieger:

Page 3, line 2:

Delete "federal"
Insert "federally mandated"HCS CSSSSJR 5(Fin)amH

Page 3, line 3, after "persons":

Insert "to the extent the appropriations exceed amounts appropriated in 1991 for the same purpose"

Representative Swackhammer moved and asked unanimous consent that Amendment No. 8 be adopted.

Representative Brown objected.

The question being: "Shall Amendment No. 8 be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH AM8Yeas: 16 Barnes, Collins, Davis, C.,
Foster, Furnace, Hanley, Leman,
Miller, Pettyjohn, Phillips,
Sharp, Shultz, Swackhammer,
Taylor, Wallis, ZawackiNays: 21 Boucher, Boyer, Brown, Cotten,
Davidson, Davis, M., Donley,
Ellis, Finkelstein, Goll,
Gruenberg, Grussendorf, Hudson,
Jacko, Koponen, Kubina, MacLean,
Martin, Menard, Navarre, Ulmer

Excused: 3 Hoffman, Larson, Rieger

Absent: 0

And so, Amendment No. 8 was not adopted.

Amendment No. 9 by Barnes:

Page 4, following line 4:

Insert a new section to read:

"CAPITAL PROJECTS AND LOAN APPROPRIATIONS.
Except as provided in Section 16 of this
article, not less than 10 percent of all
money appropriated each fiscal year shall be
reserved for capital projects and loan
appropriations."

Representative Barnes moved and asked unanimous consent that Amendment No. 9 be adopted.

HCS CSSSSJR 5(FIN)AMH

Objection was heard.

The question being: "Shall Amendment No. 9 be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH AM9

Yeas: 24 Barnes, Boucher, Collins,
Davidson, Davis, C., Donia,
Foster, Furnace, Grussendorf,
Hanley, Koponen, Leman, MacLean,
Martin, Menard, Miller, Navarre,
Pettyjohn, Phillips, Sharp,
Shultz, Taylor, Wallis, Zawacki

Nays: 13 Boyer, Brown, Cotten, Davis, M.,
Ellis, Finkelstein, Goll,
Gruenberg, Hudson, Jacko, Kubina,
Swackhammer, Ulmer

Excused: 3 Hoffman, Larson, Rieger

Absent: 0

And so, Amendment No. 9 was adopted.

Representative Navarre moved and asked unanimous consent that HCS CSSSSJR 5(FIN)AMH be considered engrossed, advanced to third reading, and placed on final passage.

Representative Collins objected.

Representative Phillips moved and asked unanimous consent that the House rescind its action in failing to adopt Amendment No. 6.

The Speaker ruled the motion was out of order because another motion was before the body.

The question being: "Shall HCS CSSSSJR 5(FIN)AMH be advanced to third reading on the same day?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH

HCS CSSSSJR 5(FIN)AMH ADVANCE

Yeas: 11 Boucher, Boyer, Brown, Cotten,
Donley, Finkelstein, Gruenberg,
Kubina, Menard, Navarre,
Swackhammer

Nays: 26 Barnes, Collins, Davidson,
Davis, C., Davis, M., Ellis,
Foster, Furnace, Goll,
Grussendorf, Hanley, Hudson,
Jacko, Koponen, Leman, MacLean,
Martin, Miller, Pettyjohn,
Phillips, Sharp, Shultz, Taylor,
Ulmer, Wallis, Zawacki

Excused: 3 Hoffman, Larson, Rieger

Absent: 0

And so, the motion failed.

Representative Phillips moved and asked unanimous consent that the House rescind its action in failing to adopt Amendment No. 6.

Representative Navarre moved and asked unanimous consent that the motion to rescind be temporarily postponed.

Objection was heard.

The question being: "Shall the motion to rescind be temporarily postponed?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH POSTPONE

Yeas: 17 Boyer, Brown, Cotten, Davis, M.,
Donley, Ellis, Finkelstein,
Foster, Gruenberg, Jacko, Koponen,
Kubina, Menard, Navarre,
Swackhammer, Ulmer, Wallis

Nays: 20 Barnes, Boucher, Collins,
Davidson, Davis, C., Furnace,
Goll, Grussendorf, Hanley, Hudson,
Leman, MacLean, Martin, Miller,
Pettyjohn, Phillips, Sharp,
Shultz, Taylor, Zawacki

HCS CSSSSJR 5(Fin)amH

Excused: 3 Hoffman, Larson, Rieger

Absent: 0

And so, the motion failed.

The House advanced to:

ANNOUNCEMENTS

Conference Committee on HB 220	Capitol, Beltz Rm.	4:15 p.m., 5/8
Minority Caucus	Capitol, Butrovich Rm.	Upon recess

The House recessed at 4:10 p.m. with a call of the House limiting members to the second floor of the Capitol.

AFTER RECESS

The House was called back to order at 4:55 p.m.

The call was satisfied.

UNFINISHED BUSINESSCSSSSB 359(Fin)(title-am)

The Speaker waived the Finance Committee referral on the following at the request of Representative Larson (Co-chairman):

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 359 (Finance)(title am)
 "An Act concerning the exercise of authority and recovery of damages by the state and its municipalities and villages in matters relating to environmental conservation; relating to state assistance to municipalities and villages for expenses for prevention and abatement of environmental degradation; authorizing the commissioner of community and regional affairs to make grants from the oil and hazardous substance release response fund to assist in costs relating to a disaster emergency; and providing for an effective date."

CSSSSB 359(Fin)(title-am)

CSSSSB 359(Fin)(title am) was sent to the Rules Committee for placement on the calendar.

THIRD READING OF SENATE RESOLUTIONS

(continued)

HCS CSSSSJR 5(Fin)amH

The motion to rescind action in failing to adopt Amendment No. 6 to HCS CSSSSJR 5(Fin)amH was before the House.

Representative Phillips withdrew the motion to rescind.

Amendment No. 10 by Phillips and Cotten:

Page 1, line 5, through page 4, line 3 (title amendment):

Delete all material and insert:

"Proposing an amendment to the Constitution of the State of Alaska relating to the budget reserve fund; depositing into the budget reserve fund, except for money deposited into the permanent fund, 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 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; allowing an appropriation from the fund only if the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year or upon the affirmative vote of two-thirds of the members of each house of the legislature.

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 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

HCS CSSSSJR 5(Fin)amH

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.

(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."

Representative Phillips moved and asked unanimous consent that Amendment No. 10 be adopted.

Representative Navarre objected.

Amendment to Amendment No. 10 by Rieger (title amendment):

Next to last line of title:

Delete "two-thirds"
Insert "three-fourths"

(to conform title with Section 17(c))

HCS CSSSSJR 5(Fin)amH

Representative Rieger moved and asked unanimous consent that the title amendment be adopted. There being no objection, it was so ordered.

The question being: "Shall Amendment No. 10 as amended be adopted?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH AM 10AM

Yeas: 39 Barnes, Boucher, Boyer, Brown, Collins, Cotten, Davidson, Davis, C., Davis, M., Donley, Ellis, Finkelstein, Foster, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Hoffman, Hudson, Jacko, Koponon, Kubina, Larson, Leman, MacLean, Martin, Menard, Miller, Pettyjohn, Phillips, Rieger, Sharp, Shultz, Swackhammer, Taylor, Ulmer, Wallis, Zawacki

Nays: 1 Navarre

Excused: 0

Absent: 0

And so, Amendment No. 10 as amended was adopted, and the new title appears below:

Proposing an amendment to the Constitution of the State of Alaska relating to the budget reserve fund; depositing into the budget reserve fund, except for money deposited into the permanent fund, 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 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; allowing an appropriation from the fund only if the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year or upon the affirmative vote of three-fourths of the members of each house of the legislature.

Representative Navarre moved and asked unanimous consent that HCS CSSSSJR 5(Fin)amH be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

HCS CSSSSJR 5(Fin)amH

HCS CSSSSJR 5(Fin)amH was read the third time.

The question being: "Shall HCS CSSSSJR 5(Fin)amH pass the House?" The roll was taken with the following result:

HCS CSSSSJR 5(FIN)AMH

Yeas: 38 Barnes, Boucher, Boyer, Brown,
Collins, Cotten, Davis, C.,
Davis, M., Donley, Ellis,
Finkelstein, Foster, Furnace,
Goll, Gruenberg, Grussendorf,
Hanley, Hoffman, Hudson, Jacko,
Koponen, Kubina, Larson, Leman,
Martin, Menard, Miller, Navarre,
Pettyjohn, Phillips, Rieger,
Sharp, Shultz, Swackhammer,
Taylor, Ulmer, Wallis, Zawacki

Nays: 2 Davidson, MacLean

Excused: 0

Absent: 0

And so, HCS CSSSSJR 5(Fin)amH passed the House and was referred to the Chief Clerk for engrossment.

SCR 59

The following measure on the calendar was not in the possession of the House, and not available for consideration:

SENATE CONCURRENT RESOLUTION NO. 59
Suspending Uniform Rules 41(b), 24(c), and 35 of the Alaska State Legislature concerning House Bill No. 124, relating to sale of merchandise by the Department of Fish and Game, fish and game licenses, and involuntary transfer of entry permits.

UNFINISHED BUSINESSHCS CSSB 398(HESS)

Representative Navarre moved and asked unanimous consent that the House adopt the House Health, Education & Social Services Committee Letter of Intent on HCS CSSB 398(HESS) (page 4215).

There being no objection, it was so ordered.

HCS CSSB 398(HESS)

The letter of intent was transmitted to the Senate.

The House recessed at 5:49 p.m. with a call of the House limiting members to the 2nd floor of the Capitol.

AFTER RECESS

The House was called back to order at 6:00 p.m.

MESSAGES FROM THE SENATECSHB 220(Fin)am

Messages dated May 8, 1990, were received stating the President had granted limited powers of free conference to the Senate members of the Conference Committee considering CSHB 220(Fin)am and SCS CSHB 220(Fin).

The specific points for which limited powers were granted appear on pages 4202 and 4235.

The Speaker had previously granted the limited powers of free conference as requested (pages 4203 and 4235).

CSHB 580(Fin)am

A message dated May 8, 1990, was read stating the Senate has passed CSHB 580(Fin)am with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 580 (Finance)
"An Act establishing the Alaska State Investment Corporation; relating to management and investment of funds of the teachers' retirement system, University of Alaska fund for money from the sale or lease of land granted by Congress, judicial retirement system, Alaska National Guard and Alaska Naval Militia retirement system, public school trust fund, Alaska children's trust fund, group health and life benefits fund, supplemental employee benefits program, public employees' retirement system, public employees' deferred contribution program; requiring that certain accounting records be maintained in accordance with generally accepted accounting principles; and providing for an effective date."

CSSSSB 359(Fin)(Title-am)

CSSSSB 359(Fin)(title am) was sent to the Rules Committee for placement on the calendar.

THIRD READING OF SENATE RESOLUTIONS

(continued)

HCS CSSSSJR 5(Fin)amH

The motion to rescind action in failing to adopt Amendment No. 6 to HCS CSSSSJR 5(Fin)amH was before the House.

Representative Phillips withdrew the motion to rescind.

Amendment No. 10 by Phillips and Cotten:

Page 1, line 5, through page 4, line 3 (title amendment):

Delete all material and insert:

"Proposing an amendment to the Constitution of the State of Alaska relating to the budget reserve fund: depositing into the budget reserve fund, except for money deposited into the permanent fund, 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 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: allowing an appropriation from the fund only if the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year or upon the affirmative vote of two-thirds of the members of each house of the legislature.

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 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

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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.

(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."

Representative Phillips moved and asked unanimous consent that Amendment No. 10 be adopted.

Representative Navarre objected.

Amendment to Amendment No. 10 by Rieger (title amendment):

Next to last line of title:

Delete "two-thirds"
Insert "three-fourths"

(to conform title with Section 17(c))

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Representative Rieger moved and asked unanimous consent that the title amendment be adopted. There being no objection, it was so ordered.

The question being: "Shall Amendment No. 10 as amended be adopted?" The roll was taken with the following result:

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Yeas: 39 Barnes, Boucher, Boyer, Brown, Collins, Cotten, Davidson, Davis, C., Davis, M., Donley, Ellis, Finkelstein, Foster, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Hoffman, Hudson, Jacko, Koponen, Kubina, Larson, Lewan, MacLean, Martin, Menard, Miller, Pettyjohn, Phillips, Rieger, Sharp, Shultz, Swackhammer, Taylor, Ulmer, Wallis, Zawacki

Nays: 1 Navarre

Excused: 0

Absent: 0

And so, Amendment No. 10 as amended was adopted, and the new title appears below:

Proposing an amendment to the Constitution of the State of Alaska relating to the budget reserve fund; depositing into the budget reserve fund, except for money deposited into the permanent fund, 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 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; allowing an appropriation from the fund only if the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year or upon the affirmative vote of three-fourths of the members of each house of the legislature.

Representative Navarre moved and asked unanimous consent that HCS C555JR 5(Fin)AMH be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

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HCS CSSSSJR 5(Fin)AMH was read the third time. /

The question being: "Shall HCS CSSSSJR 5(Fin)AMH pass the House?" The roll was taken with the following result:

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Yeas:	18	Barnes, Boucher, Boyer, Brown, Collins, Cotten, Davis, C., Davis, M., Donley, Ellis, Finkelstein, Foster, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Hoffman, Hudson, Jacko, Koponen, Kubina, Larson, Leman, Martin, Menard, Miller, Navarre, Pettyjohn, Phillips, Rieger, Sharp, Shultz, Swackhammer, Taylor, Uizer, Wallis, Zawacki
Nays:	2	Davidson, MacLean
Excused:	0	
Absent:	0	

And so, HCS CSSSSJR 5(Fin)AMH passed the House and was / referred to the Chief Clerk for engrossment.

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The following measure on the calendar was not in the / possession of the House, and not available for / consideration:

SENATE CONCURRENT RESOLUTION NO. 59
Suspending Uniform Rules 41(b), 24(c), and 35 of
the Alaska State Legislature concerning House Bill
No. 124, relating to sale of merchandise by the
Department of Fish and Game, fish and game
licenses, and involuntary transfer of entry
permits.

UNFINISHED BUSINESSHCS CSSB 198(HESS)

Representative Navarre moved and asked unanimous consent / that the House adopt the House Health, Education & Social / Services Committee Letter of Intent on HCS CSSB 198(HESS) / (page 4215).

There being no objection, it was so ordered.