

**HOUSE BILL NO. 369**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTIETH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVE LEDOUX**

**Introduced: 2/21/18**  
**Referred:**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to an appropriation limit; and providing for an effective date."**

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

3 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 LEGISLATIVE INTENT. It is the intent of the legislature that the legislature  
6 reevaluate the statutory appropriation limit under AS 37.05.545, enacted by sec. 3 of this Act,  
7 three years after the effective date of sec. 3 of this Act.

8 \* **Sec. 2.** AS 37.05.540(a) is amended to read:

9 (a) There is established as a separate fund in the state treasury the budget  
10 reserve fund. The budget reserve fund consists of appropriations to the fund.  
11 [MONEY RECEIVED BY THE STATE THAT IS SUBJECT TO THE  
12 APPROPRIATION LIMIT UNDER (b) OF THIS SECTION AND THAT EXCEEDS  
13 THAT LIMIT, MAY BE APPROPRIATED TO THE BUDGET RESERVE FUND.]

14 \* **Sec. 3.** AS 37.05 is amended by adding a new section to read:

15 **Sec. 37.05.545. Appropriation limit.** (a) Unrestricted general fund

1 appropriations made for a fiscal year may not exceed \$4,100,000,000 by more than the  
 2 cumulative change in inflation since January 1, 2018, derived from federal indices.  
 3 The determination of the change in inflation for purposes of this subsection shall be  
 4 based on the Consumer Price Index for all urban consumers for Anchorage prepared  
 5 by the United States Bureau of Labor Statistics.

6 (b) The appropriation limit in (a) of this section does not apply to an  
 7 appropriation

8 (1) to the Alaska permanent fund;

9 (2) for payment of permanent fund dividends;

10 (3) required to pay debt obligations of the state;

11 (4) for a capital project; or

12 (5) to meet a state of disaster declared by the governor under  
 13 AS 26.23.020.

14 (c) A designated general fund appropriation is subject to the appropriation  
 15 limit under (a) of this section if the

16 (1) appropriation replaced unrestricted general funds with designated  
 17 general funds, as compared to the appropriations for the operating expenditures of  
 18 state government for fiscal year 2019, enacted on or before July 1, 2018; and

19 (2) unrestricted general funds that are replaced with designated general  
 20 funds are not due to increased designated general fund revenue.

21 (d) In this section,

22 (1) "capital project" has the meaning given in AS 37.07.120;

23 (2) "designated general fund" means money deposited in the state  
 24 treasury that has been dedicated or designated for use by the Constitution of the State  
 25 of Alaska or by law;

26 (3) "unrestricted general fund" means money deposited in the state  
 27 treasury that has not been dedicated or designated for use by the Constitution of the  
 28 State of Alaska or by law; "unrestricted general fund" does not include program  
 29 receipts, as described in AS 37.05.146, or reappropriations.

30 \* **Sec. 4.** AS 37.05.540(b), 37.05.540(c), and 37.05.540(e) are repealed.

31 \* **Sec. 5.** This Act takes effect July 1, 2018.