

CS FOR HOUSE BILL NO. 38(W&M)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

Offered: 4/20/23

Referred: Finance

Sponsor(s): REPRESENTATIVES STAPP, D.Johnson, Sumner, Tomaszewski

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an appropriation limit; relating to the budget responsibilities of the**
2 **governor; and providing for an effective date."**

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

4 * **Section 1.** AS 37.05.540(b) is amended to read:

5 (b) Except for appropriations to the permanent fund or for Alaska permanent
6 fund dividends, appropriations to the budget reserve fund, appropriations of revenue
7 **bond and general obligation** bond proceeds, appropriations required to pay the
8 principal **of** and interest on **revenue bonds and** general obligation bonds,
9 **appropriations to a state account or fund that requires a subsequent**
10 **appropriation from that account or fund as prescribed by law, appropriations to**
11 **meet a state of disaster declared by the governor as prescribed by law,** [AND]
12 appropriations of money received from a nonstate source in trust for a specific
13 purpose, including revenue of a public enterprise or public corporation of the state that
14 issues revenue bonds, appropriations from the mental health trust settlement income

1 account (AS 37.14.036), and appropriations made to the mental health trust fund
 2 (AS 37.14.031), appropriations from the treasury made for [IN] a fiscal year may not
 3 exceed an amount equal to 11 percent of the average of the value of the real gross
 4 domestic product of the state as estimated by the state government as prescribed
 5 by law, expressed in current dollars, for the five calendar years immediately
 6 preceding the previous fiscal year. The value of the real gross domestic product
 7 in this section may not include expenditures for government spending
 8 [APPROPRIATIONS MADE IN THE PRECEDING FISCAL YEAR BY MORE
 9 THAN FIVE PERCENT PLUS THE CHANGE IN POPULATION AND
 10 INFLATION SINCE THE BEGINNING OF THE PRECEDING FISCAL YEAR].
 11 For purposes of applying this limit, an appropriation is considered to be made in the
 12 fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal
 13 year in which the original appropriation is enacted. [THE DETERMINATION OF
 14 THE CHANGE IN POPULATION FOR PURPOSES OF THIS SUBSECTION
 15 SHALL BE BASED ON AN ANNUAL ESTIMATE OF POPULATION BY THE
 16 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. THE
 17 DETERMINATION OF THE CHANGE IN INFLATION FOR PURPOSES OF THIS
 18 SUBSECTION SHALL BE BASED ON THE CONSUMER PRICE INDEX FOR
 19 ALL URBAN CONSUMERS FOR ANCHORAGE PREPARED BY THE UNITED
 20 STATES BUREAU OF LABOR STATISTICS.] The amount of money received by
 21 the state that is subject to the appropriation limit includes the balance in the general
 22 fund carried forward from the preceding fiscal year.

23 * **Sec. 2.** AS 37.07.020 is amended by adding a new subsection to read:

24 (f) In addition to the budget and bills submitted under (a) of this section and
 25 the capital improvements program and fiscal plan submitted under (b) of this section,
 26 the governor shall submit a report with a calculation of appropriations provided in the
 27 budget prepared under (a) of this section as applied to the appropriation limit under
 28 AS 37.05.540. The governor shall update the report upon submission of the governor's
 29 supplemental appropriation bills and the governor's budget amendments in accordance
 30 with the time limits prescribed in AS 37.07.070.

31 * **Sec. 3.** AS 37.05.540(e) is repealed.

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

3 CONDITIONAL EFFECT. This Act is contingent on enactment into law of an
4 amendment to art. IX, sec. 16, Constitution of the State of Alaska, changing the appropriation
5 limit to provide that

6 (1) appropriations from the treasury made for a fiscal year may not exceed an
7 amount equal to a percentage of the average of the value of the real gross domestic product of
8 the state as estimated by the state government as prescribed by law, expressed in current
9 dollars, for the five calendar years immediately preceding the previous fiscal year; and

10 (2) general obligation bond proceeds, appropriations required to pay the
11 principal of and interest on revenue bonds, appropriations to a state account or fund that
12 requires a subsequent appropriation from that account or fund as prescribed by law, and
13 appropriations to meet a state of disaster declared by the governor as prescribed by law must
14 be excluded when calculating the appropriation limit.

15 * **Sec. 5.** This Act takes effect July 1, 2024.