

HOUSE BILL NO. 92

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE TILTON

Introduced: 1/30/17

Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the appropriation limit."**

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

3 * **Section 1.** AS 37.05.540(a) is amended to read:

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

9 * **Sec. 2.** AS 37.05.540(b) is amended to read:

10 (b) Except as provided in (f) of this section [FOR APPROPRIATIONS TO
11 THE PERMANENT FUND OR FOR ALASKA PERMANENT FUND DIVIDENDS,
12 APPROPRIATIONS TO THE BUDGET RESERVE FUND, APPROPRIATIONS OF
13 REVENUE BOND PROCEEDS, APPROPRIATIONS REQUIRED TO PAY THE
14 PRINCIPAL AND INTEREST ON GENERAL OBLIGATION BONDS, AND
15 APPROPRIATIONS OF MONEY RECEIVED FROM A NONSTATE SOURCE IN

1 TRUST FOR A SPECIFIC PURPOSE, INCLUDING REVENUE OF A PUBLIC
 2 ENTERPRISE OR PUBLIC CORPORATION OF THE STATE THAT ISSUES
 3 REVENUE BONDS, APPROPRIATIONS FROM THE MENTAL HEALTH TRUST
 4 SETTLEMENT INCOME ACCOUNT (AS 37.14.036), AND APPROPRIATIONS
 5 MADE TO THE MENTAL HEALTH TRUST FUND (AS 37.14.031)],
 6 appropriations from the treasury made in a fiscal year may not exceed appropriations
 7 made in the preceding fiscal year by more than [FIVE PERCENT PLUS] the average
 8 cumulative change, derived from federal and state indices, in population and
 9 inflation over the previous three years [SINCE THE BEGINNING OF THE
 10 PRECEDING FISCAL YEAR. FOR PURPOSES OF APPLYING THIS LIMIT, AN
 11 APPROPRIATION IS CONSIDERED TO BE MADE IN THE FISCAL YEAR IN
 12 WHICH IT IS ENACTED AND A REAPPROPRIATION REMAINS ATTRIBUTED
 13 TO THE FISCAL YEAR IN WHICH THE ORIGINAL APPROPRIATION IS
 14 ENACTED]. The determination of the change in population for purposes of this
 15 subsection shall be based on an annual estimate of population by the Department of
 16 Labor and Workforce Development. The determination of the change in inflation for
 17 purposes of this subsection shall be based on the consumer price index for all urban
 18 consumers for Anchorage prepared by the United States Bureau of Labor Statistics.
 19 [THE AMOUNT OF MONEY RECEIVED BY THE STATE THAT IS SUBJECT
 20 TO THE APPROPRIATION LIMIT INCLUDES THE BALANCE IN THE
 21 GENERAL FUND CARRIED FORWARD FROM THE PRECEDING FISCAL
 22 YEAR.]

23 * **Sec. 3.** AS 37.05.540 is amended by adding new subsections to read:

24 (f) If the unrestricted state revenue available for appropriation in a fiscal year
 25 is insufficient to cover the general fund appropriations from the treasury made for that
 26 fiscal year, appropriations for that fiscal year shall not exceed the appropriations made
 27 in the previous fiscal year.

28 (g) The limits under (b) and (f) of this section do not apply to appropriations
 29 to the Alaska permanent fund for Alaska permanent fund dividends, appropriations of
 30 revenue bond proceeds, appropriations required to pay the principal of and interest on
 31 general obligation bonds, and appropriations of money received from a non-state

1 source in trust for a specific purpose, including revenue of a public enterprise or public
2 corporation of the state that issues revenue bonds.

3 (h) No other appropriation in excess of the limit under this section may be
4 made except to meet a state of disaster declared by the governor as prescribed by law.

5 (i) The governor shall cause any unexpended and unappropriated balance in
6 the general fund to be invested so as to yield competitive market rates to the treasury.

7 * **Sec. 4.** AS 37.05.540(c) and 37.05.540(e) are repealed.