

HOUSE JOINT RESOLUTION NO. 401

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FOURTH SPECIAL SESSION

BY REPRESENTATIVE KAUFMAN

Introduced: 10/4/21

Referred: Judiciary, House Special Committee on Ways and Means, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to an**
2 **appropriation limit; and relating to the budget reserve fund.**

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

4 * **Section 1.** Article IX, sec. 16, Constitution of the State of Alaska, is amended to read:

5 **Section 16. Appropriation Limit.** Except for appropriations for Alaska
6 permanent fund dividends, appropriations to the Alaska permanent fund,
7 appropriations of revenue bond and general obligation bond proceeds,
8 appropriations required to pay the principal and interest on revenue bonds and
9 general obligation bonds, appropriations to a State account or fund that requires a
10 subsequent appropriation from that account or fund as prescribed by law,
11 appropriations to meet a state of disaster declared by the governor as prescribed
12 by law, and appropriations of money received from a non-State source in trust for a
13 specific purpose [, INCLUDING REVENUES OF A PUBLIC ENTERPRISE OR
14 PUBLIC CORPORATION OF THE STATE THAT ISSUES REVENUE BONDS],
15 appropriations from the treasury made for a fiscal year shall not exceed an amount
16 equal to a percentage of the average of the value of the real gross domestic

1 **product of the State reported by federal indices as prescribed by law for the five**
 2 **fiscal years immediately preceding the prior fiscal year. The percentage that**
 3 **applies to the calculation in this section shall be established by law except that the**
 4 **percentage shall be not more than fourteen percent. The value of the real gross**
 5 **domestic product in this section shall not include expenditures for government**
 6 **spending** [\$2,500,000,000 BY MORE THAN THE CUMULATIVE CHANGE,
 7 DERIVED FROM FEDERAL INDICES AS PRESCRIBED BY LAW, IN
 8 POPULATION AND INFLATION SINCE JULY 1, 1981. WITHIN THIS LIMIT,
 9 AT LEAST ONE-THIRD SHALL BE RESERVED FOR CAPITAL PROJECTS
 10 AND LOAN APPROPRIATIONS. THE LEGISLATURE MAY EXCEED THIS
 11 LIMIT IN BILLS FOR APPROPRIATIONS TO THE ALASKA PERMANENT
 12 FUND AND IN BILLS FOR APPROPRIATIONS FOR CAPITAL PROJECTS,
 13 WHETHER OF BOND PROCEEDS OR OTHERWISE, IF EACH BILL IS
 14 APPROVED BY THE GOVERNOR, OR PASSED BY AFFIRMATIVE VOTE OF
 15 THREE-FOURTHS OF THE MEMBERSHIP OF THE LEGISLATURE OVER A
 16 VETO OR ITEM VETO, OR BECOMES LAW WITHOUT SIGNATURE, AND IS
 17 ALSO APPROVED BY THE VOTERS AS PRESCRIBED BY LAW. EACH BILL
 18 FOR APPROPRIATIONS FOR CAPITAL PROJECTS IN EXCESS OF THE LIMIT
 19 SHALL BE CONFINED TO CAPITAL PROJECTS OF THE SAME TYPE, AND
 20 THE VOTERS SHALL, AS PROVIDED BY LAW, BE INFORMED OF THE COST
 21 OF OPERATIONS AND MAINTENANCE OF THE CAPITAL PROJECTS. NO
 22 OTHER APPROPRIATION IN EXCESS OF THIS LIMIT MAY BE MADE
 23 EXCEPT TO MEET A STATE OF DISASTER DECLARED BY THE GOVERNOR
 24 AS PRESCRIBED BY LAW. THE GOVERNOR SHALL CAUSE ANY
 25 UNEXPENDED AND UNAPPROPRIATED BALANCE TO BE INVESTED SO AS
 26 TO YIELD COMPETITIVE MARKET RATES TO THE TREASURY].

27 * **Sec. 2.** Article IX, sec. 17(b), Constitution of the State of Alaska, is amended to read:

28 (b) If the amount **in the general fund** available for appropriation for a fiscal
 29 year is less than the **appropriation limit under Section 16 of this article** [AMOUNT
 30 APPROPRIATED FOR THE PREVIOUS FISCAL YEAR], an appropriation may be
 31 made from the budget reserve fund. However, the amount appropriated from the fund

1 under this subsection [MAY NOT EXCEED THE AMOUNT NECESSARY], when
2 added to the amount in the general fund [OTHER FUNDS] available for
3 appropriation, may not exceed the appropriation limit under Section 16 of this
4 article. For purposes of this subsection, the amount in the general fund available
5 for appropriation does not include the exceptions to the appropriation limit set
6 forth in Section 16 of this article [TO PROVIDE FOR TOTAL APPROPRIATIONS
7 EQUAL TO THE AMOUNT OF APPROPRIATIONS MADE IN THE PREVIOUS
8 CALENDAR YEAR FOR THE PREVIOUS FISCAL YEAR].

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

11 **Section 30. Application of Appropriation Limit.** The 2022 amendment
12 limiting appropriation increases applies to appropriations made for the fiscal year
13 ending June 30, 2024, and thereafter.

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