

**HOUSE BILL NO. 131**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 4/12/19

Referred:

**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(a) is amended to read:

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

10 **\* Sec. 2.** AS 37.05 is amended by adding a new section to read:

11 **Sec. 37.05.545. Appropriation limit.** (a) Unrestricted general fund  
12 appropriations made for a fiscal year may not exceed \$5,000,000,000 by more than the  
13 average change in inflation in the previous five fiscal years. In this subsection, the  
14 change in inflation shall be based on the Consumer Price Index for Anchorage,

1 Alaska.

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

4 (1) to the principal of the Alaska permanent fund;

5 (2) required to pay debt obligations of the state;

6 (3) to meet a state of disaster declared by the governor as prescribed by  
7 law; or

8 (4) of money to a state savings account or fund that requires a  
9 subsequent appropriation from that account or fund.

10 (c) In this section,

11 (1) "program receipts" has the meaning given in AS 37.05.146;

12 (2) "unrestricted general fund" means money deposited in the state  
13 treasury that has not been dedicated or designated for use by the Constitution of the  
14 State of Alaska or by law; "unrestricted general fund" does not include program  
15 receipts or reappropriations.

16 \* **Sec. 3.** AS 37.07.020 is amended by adding a new subsection to read:

17 (f) In addition to the budget and bills submitted under (a) of this section and  
18 the fiscal plan submitted under (b) of this section, the governor shall submit a report  
19 with a calculation of appropriations in the budget prepared under (a) of this section as  
20 applied to the appropriation limit under AS 37.05.545. The report under this  
21 subsection must be updated upon submission of the governor's supplemental  
22 appropriation bills and the governor's budget amendments under the time limits  
23 prescribed in AS 37.07.070.

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

25 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
26 read:

27 **APPLICABILITY.** AS 37.05.545, added by sec. 2 of this Act, and AS 37.07.020(f),  
28 added by sec. 3 of this Act, apply to appropriations that take effect in the fiscal year ending  
29 June 30, 2021.

30 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
31 read:

1           TRANSITION: CALCULATION OF APPROPRIATION LIMIT. Notwithstanding  
2 AS 37.05.545(a), added by sec. 2 of this Act, unrestricted general fund appropriations made  
3 for the fiscal year ending June 30, 2021, may not exceed \$5,000,000,000, excluding  
4 appropriations under AS 37.05.545(b), added by sec. 2 of this Act.

5       \* **Sec. 7.** This Act takes effect July 1, 2019.