

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 20(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 4/17/24

Referred: Finance

Sponsor(s): SENATOR KAUFMAN

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

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

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

24 (h) 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 federal bureau responsible for economic analysis according to
9 federal law, expressed in current dollars, for the five calendar years immediately preceding
10 the previous fiscal year;

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

17 (3) appropriations for Alaska permanent fund dividends must be included
18 when calculating the limit.

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