



Alaska State Legislature Senate Majority News

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Senate Finance To Take First Step in Fiscal Plan *Expected to send appropriation limit to the floor*

(Juneau)— The Senate Finance Committee is expected to move out [Senate Joint Resolution 3](#) at its 9 a.m. meeting Monday morning. It is scheduled to be heard on the Senate floor pending referral.

SJR 3 limits the appropriations that may be made by the Legislature while allowing reasonable growth based on increases in population and inflation. The resolution also includes mechanisms to provide funding for emergencies and extraordinary circumstances.

“It’s very clear to me that the public expects a real spending limit to be part of our solution to Alaska’s fiscal dilemma,” said the primary sponsor of the resolution, Sen. Fred Dyson (R-Eagle River). “The Dittman poll released last week shows that nearly 70% of Alaskans support a spending limit.”

If approved by two-thirds of the Legislature and ratified by voters, SJR 3 would amend the Alaska State Constitution to limit the amount that can be appropriated in a fiscal year. Because Alaska’s current appropriation limit adopted in 1982 has proven ineffectual, the Finance Committee has consulted with national experts to develop an effective model that works for Alaska.

Among those who testified was Dr. Barry Poulson, professor of economics at the University of Colorado, who was instrumental in developing Colorado’s taxpayer bill of rights—considered by experts to be the most effective limit in the country. The Finance Committee also received input from the American Legislative Exchange Council (ALEC). Twenty-six other states have implemented some form of tax and expenditure limits. Poulson and ALEC are currently assisting several other states draft similar legislation.

In order to address concerns that the limit may not function as expected, a sunset provision was added to the Committee Substitute. The limit will expire in four years unless the Legislature takes the necessary action to renew it.

“We know that Alaska’s economic future is bright. The gasline will be coming on line somewhere in the next five to ten years. We must be prepared to responsibly react to the next big boom. If a reasonable and responsible spending limit had been in place before the Prudhoe Bay Boom, the Permanent Fund would now be worth more than \$100 billion,” Dyson said.

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