



25th ALASKA STATE LEGISLATURE
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Fact Sheet for : Senate Bill 207
Sponsor: Senator Gene Therriault

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Short Title: Appropriations to Budget Reserve Fund

Summary:

- Requires that by February 1 of each year the Department of Revenue report the amount of tax revenue collected under AS 43.55.011(g) to the Legislature.
- Provides the Legislature with discretion to appropriate 50% of the amount collected to the Constitutional Budget Reserve Fund, a fund established by the voters in 1990 under Art. IX, Sec. 17 of the Alaska Constitution.

Benefits:

- Encourages the Legislature during this time of high oil prices to save half of the windfall profits and to repay its debt to the CBR.
- Encourages the Legislature to save the oil and gas tax revenue in the CBR, Alaska's "rainy day" account, for future years until the gas pipeline is producing new revenue.

Background:

- In eleven of the fiscal years since the CBR's inception in 1990 the Legislature has drawn on the CBR thereby creating a debt to the CBR pursuant to Art. IX, Sec. 17(b). Although the Legislature has repaid the fund \$140 million, the debt remaining is \$5.2 billion. The current debt to the fund exceeds its current balance of \$2.8 billion. In years of surplus the Legislature should save revenue in Alaska's rainy-day account.