

# BALLOT MEASURE NO. 1

## Budget Reserve Constitutional Amendment [HCS CSSSSJR 5 (Fin) am H]

### BALLOT LANGUAGE

This proposal would create the "Budget Reserve Fund" in the state treasury. Money the state receives from mineral revenue lawsuits or administrative actions would be deposited in the Fund, and invested at competitive rates. The Fund could be used when money available for appropriation in the year is less than the year before, but only to make up the shortfall. The legislature could only appropriate from the Fund for other purposes with a 3/4 vote. At the end of each year, the Fund would have to be paid back from money left in the treasury's general fund.

Should this constitutional amendment be adopted?

Yes  No

### VOTES CAST BY MEMBERS OF THE 16TH ALASKA LEGISLATURE ON FINAL PASSAGE

House: Yeas	38	Senate: Yeas	15
Nays	2	Nays	5

### LEGISLATIVE AFFAIRS AGENCY SUMMARY

This measure will amend the state constitution by creating the budget reserve fund. Money from certain mineral revenue sources received by the state from an administrative proceeding or litigation is placed in the fund. Income of the fund is kept in the fund.

Appropriations may be made from the fund if money available for a fiscal year is less than the amount appropriated for the prior year. When this occurs the amount that may be taken from the fund is limited. Only the money needed to make up the difference may be appropriated.

Money may also be appropriated from the reserve fund by special vote of the legislature. Three-fourths of the members of each house must approve. The amount that may be taken is unlimited when this vote is obtained.

Money that is appropriated from the reserve fund must be repaid. Surplus general fund money must be deposited in the reserve fund at the end of each year until the reserve fund is repaid.

### FULL TEXT OF PROPOSED LAW

\*Section 1. Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

SECTION 17: BUDGET RESERVE FUND. (a) There is

established as a separate fund in the State treasury the budget reserve fund. Except for money deposited into the permanent fund under Section 15 of this article, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a State or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund. Money in the budget reserve fund shall be invested so as to yield competitive market rates to the fund. Income of the fund shall be retained in the fund. Section 7 of this article does not apply to deposits made to the fund under this subsection. Money may be appropriated from the fund only as authorized under (b) or (c) of this section.

(b) If the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year, an appropriation may be made from the budget reserve fund. However, the amount appropriated from the fund under this subsection may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year.

(c) An appropriation from the budget reserve fund may be made for any public purpose upon affirmative vote of three-fourths of the members of each house of the legislature.

(d) If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. The legislature shall implement this subsection by law.

\*Section 2. The amendment proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws of the state.

### STATEMENT IN SUPPORT

Cut the budget.

Reduce state spending.

Get state spending under control.

Each year these battle cries are raised by Alaskans.

While elected officials say they listen and promise to do all they can, the simple fact is the Legislature's record shows it consistently spends most or all of the money available in the treasury. Alaska is confronted with an impending fiscal crisis of staggering proportions as a result of an inevitable "gap" between general fund revenues and current state spending levels. Present levels

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of state general fund expenditure simply cannot be sustained over the long term.

Ballot Measure Number 1 is the first step Alaskans can take to *effectively* control state spending.

The measure creates the Budget Reserve Fund in the Constitution. Revenues from mineral or oil and gas legal settlements and administrative proceedings will be deposited into the Budget Reserve. The Legislature will be able to spend money from the Budget Reserve only if:

- revenues are less than the amount appropriated the previous year, in which case money could be appropriated from the Budget Reserve in an amount not to exceed the shortfall; or
- three-fourths of the members of both the House and Senate vote to spend money from the Budget Reserve for a public purpose, such as a disaster.

The Legislature will be required to repay any money it appropriates from the Budget Reserve. If the next year revenues are insufficient the Legislature cannot afford to replenish the Budget Reserve, the "debt" will carry forward until it is repaid.

Legal settlements involving mineral or oil and gas revenues received after July 1, 1990, will be deposited into the Budget Reserve. As an example, if voters approve this ballot measure, \$216 million of the amount the state received in September from ARCO's settlement of royalty litigation will be deposited into this Budget Reserve. Should voters not approve this measure, these funds will be available to the legislature to spend next year. Approval of Ballot Measure Number 1 is the first step toward a long-term spending plan. With Alaska's revenues subject to the whims of the world oil market, trying to take steps which will provide some stability in Alaska's spending is especially difficult. If approved, the Budget Reserve Fund will help hold down spending by removing from the table the oil and gas revenue "windfalls" that result from pending litigation and tax disputes. At the very least, this ballot measure will establish a savings account that can help minimize the effects of a "boom" one year, and a "bust" the next.

While other major budget decisions will be necessary to close the future's fiscal gap, this Ballot Measure is a major step toward a long-term spending plan for the state. It is a step we urge Alaskans to support.

If approved by the voters, the Budget Reserve Fund will be a significant help in managing the transition to sustainable spending.

Senator Jan. Faiks  
Representative Kay Brown  
Representative Randy Phillips

## STATEMENT IN OPPOSITION

In sharp contrast to what its proponents have been telling us, the proposed budget reserve fund

- will *not* save any windfalls,
- does *not* require a  $\frac{3}{4}$  vote to gain access to it,

- *endorses* the legislature's bloated \$3 billion budget
- will result in *slower growth* of the Permanent Fund, and
- will *reduce the amount* of future PFD checks.

Your vote *against* Ballot Measure #1 will send a signal to the legislature that you do not approve of their excessive spending, and that you want the windfalls deposited into the Permanent Fund.

The most significant danger of this proposal is that it will establish a budget floor at \$3 billion, and allow it to increase every year. Under paragraph (b) of the proposed constitutional change, a simple majority in the legislature could "borrow" funds from the reserve, to make up any shortfall in revenues, *up to the amount appropriated in the previous year*. This year the legislature spent more than \$3 billion. Some of that was vetoed by the governor, but it is expected the legislature will restore the funding and add supplemental appropriations in January. In other words, *the total amount appropriated for FY 91 has not yet been determined*. A "yes" vote on this ballot measure amounts to rubber-stamping a blank check of at least \$3 billion!

How would the budget continue to increase? Legislative leaders can easily get a  $\frac{3}{4}$  vote out of their members by dangling capital project plums in front of them.

The appeal of this ballot measure is to save the "windfalls" of oil tax settlements, variously estimated at between \$2 billion and \$5 billion. This can easily be spent in three years.

Constitutionally, 25% of our oil income is dedicated to the Permanent Fund. And under state law, an additional 25% of income from certain leases is put into the Permanent Fund. In other words, as much as 50% of the windfalls should be deposited in the Permanent Fund, by law. The language in this constitutional amendment is unclear regarding the second 25%, and could be interpreted by big-spending legislators to rationalize putting only the constitutionally-dedicated 25% into the Permanent Fund, and leaving 75% for them to spend.

It would be better to save all of these anticipated windfalls, by putting 100% into the Permanent Fund. There, these funds will help the Permanent Fund produce greater annual income, for use as Permanent Fund Dividends to all Alaskans, or to fund necessary functions of state government. In the Permanent Fund, the windfalls would definitely be saved, and would not be accessible by big spenders in the legislature.

If you are one of the 65% of Alaskans who in opinion polls consistently ask the legislature to cut the budget, or if you believe the windfalls should *truly* be saved, you owe it to yourself not to be taken in by the proponents of Ballot Measure #1. Vote NO on the budget reserve amendment.

Representative Terry Martin

# BALLOT MEASURE NO. 2

## Initiative No. 88MARI Marijuana Law Amendments

### BALLOT LANGUAGE

(As it will appear on the November 6, 1990, General Election Ballot)

Under Alaska law it is currently legal for adults over 18 years old to possess under four ounces of marijuana in a home or other private place. The penalty for adults over 18 years old for possessing less than one ounce in public is a fine of up to \$100. This initiative would change Alaska's laws by making all such possession of marijuana criminal, with possible penalties of up to 90 days in jail and/or up to a \$1000 fine.

Should this initiative become law?

Yes

No

### LEGISLATIVE AFFAIRS AGENCY SUMMARY

This initiative amends the criminal laws on marijuana. The law now subjects a person who possesses less than an ounce of the drug in certain public places to a \$100 maximum fine. The maximum penalty for a transfer of less than one-half ounce where no money is involved is the same. If the initiative is enacted, the maximum penalty for those crimes will increase to a \$1,000 fine, 90 days in jail, or both.

It would also be illegal to possess up to four ounces in a private place. That is now legal. The maximum penalty would also be a \$1,000 fine, 90 days in jail, or both.

The initiative does not change marijuana laws that now have the same or more serious penalties.

### FULL TEXT OF PROPOSED LAW

*This initiative calls for the repeal of subsection (a) of AS 11. 71. 060, Misconduct involving a controlled substance in the sixth degree, and AS 11. 71. 070, Misconduct involving a controlled substance in the seventh degree. What follows is the full text of the wording which would replace AS 11. 71. 060(a) if the measure is passed by the voters. AS 11. 71. 070 would not be replaced.*

\* Section 1. AS 11. 71. 060(a) is repealed and reenacted to read:

(a) Except as authorized in AS 17. 30, a person commits the crime of misconduct involving a controlled

substance in the sixth degree if the person

(1) uses or displays any amount of a schedule VIA controlled substance or possesses one or more preparations, compounds, mixtures, or substances of an aggregate weight of less than one-half pound containing a scheduled VIA controlled substance; or

(2) refuses entry into a premise for an inspection authorized under AS 17. 30.

(b) Misconduct involving a controlled substance in the sixth degree is a class B misdemeanor.

\* Section 2. AS 11. 71. 070 is repealed.

### STATEMENT IN SUPPORT

A YES VOTE ON PROPOSITION 2 sends a clear message that marijuana is a dangerous drug. There are many myths circulating in Alaska about the hazards of smoking marijuana. It is time to separate the facts from the myths.

**Fact Number 1:** Marijuana is an addictive, dangerous drug. It has adverse effects on driving skills for as long as 24 hours after smoking the drug. Judgment, coordination and perception are all affected. Marijuana is not a benign substance. It is dangerous to users and society at large.

**Fact Number 2:** A YES vote on Proposition 2 sends a clear message to Alaska's youth — marijuana is a dangerous drug and possession is against the law. Alaska is the only state that allows an adult 4 ounces of marijuana for recreational use in the home. Under current law between 4 and 8 ounces is now a Class B Misdemeanor. Over 8 ounces the penalties are greater. A YES vote on Proposition 2 removes any misunderstanding of Alaska's position on the recreational use of marijuana.

**Fact Number 3:** A YES vote on Proposition 2 does not change the search and seizure laws for our police. Opponents claim a yes vote on Proposition 2 creates a police state and would allow police officers to break down your door without a warrant. THIS IS ABSOLUTELY NOT TRUE!

**Fact Number 4:** It is already against state law for young people under the age of 19 to use or possess marijuana. Proposition 2 applies the same law to parents and other adults. The May 1990, State of Alaska Adolescent Health Study reports that 22.6% of teenagers whose parents smoke marijuana said they smoke it as well. Only 5% of the teenagers whose parents do not smoke marijuana said they used the drug.

**Fact Number 5:** Proposition 2 does not impose mandatory jail sentences. Nor does it impose mandatory fines. Each judge will decide appropriate punishment: a fine, community service, treatment or

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a jail term. The myth that we will fill our jails with marijuana users is simply that — A MYTH!

**Fact Number 6:** Alaska's Constitution *does not protect* the use of marijuana. In *Ravin vs. State of Alaska*, the Supreme Court stated, ". . . Right to privacy in the home must yield when it interferes with the health, safety, right and privileges of others or with the public welfare. . . ."

**Fact Number 7:** Remember — 4 ounces is not a small amount of marijuana. More than 200 joints can be rolled with 4 ounces of marijuana.

WHAT MESSAGE WILL WE SEND OUR CHILDREN WHEN WE VOTE ON NOVEMBER 6?

A YES vote — Marijuana is a narcotic drug.  
THE CHOICE IS YOURS

Representative Alyce Hanley  
Alaskans for the Recriminalization  
of Marijuana  
6311 DeBarr Road, Suite 115  
Anchorage, Alaska 99504

## STATEMENT IN OPPOSITION

This initiative will allow government too much power to regulate what adults do in the privacy of their homes. Alaska's Constitution contains the strongest Privacy Clause of any state. Privacy rights must not be abandoned over emotional and factually inaccurate arguments.

Even one trace of marijuana will allow the State to confiscate your personal assets: firearms, cash, bank accounts, vehicles, and maybe your home. If you refuse police entry to ransack your home, you will be charged with a separate criminal violation, fined and jailed. A criminal record will follow you for a lifetime.

Alaska's jails are already filled beyond capacity. New prisons cost \$75 million. We can't afford to house the truly dangerous criminals, let alone large numbers of otherwise, law-abiding citizens. Nor can we bear the costs of more police and courts. Our dollars could be better spent on educational and rehabilitative programs.

It is *our* responsibility as parents and educators to teach our children right and wrong; passing a law is not a substitute. To exaggerate hazards of marijuana while ignoring dangers and abuse of alcohol and tobacco, drugs which have cost our society billions of dollars and millions of lives, does not send our children a clear message about the harms of substance abuse.

Initiative supporters say "Pass the initiative and crime will go down." Not true. They say "If you don't pass the initiative, there will be more cocaine and heroin use." False. They say "Pass the initiative and we'll put the drug pushers out of business." Wrong

again. They say "Pass the initiative and it won't cost you anything." Wrong, wrong again. Lying to our kids is not sending them the right moral message about marijuana or anything else. If we lie to them about marijuana, they won't believe us about the effects of truly harmful drugs.

Marijuana use has not increased since its home use was decriminalized. There is no proof that it causes the use of hard drugs. Almost half of adult Alaskans have used marijuana, while only small percentages have used hard drugs. Marijuana does not induce crime, create psychosis, or have toxic effects.

Smoking marijuana by children is already illegal; as it should be. Let's not confuse the issue. Is it fair to "send a message" to children by taking away basic rights of adults? The Right to Privacy, otherwise known as liberty, is a fundamental guarantee of our Constitution. It should only be limited for compelling reasons. Freedom-loving Alaskans, of all people understand this. Sending a message to children which is hypocritical, confusing, and based on falsehoods will have no positive effect. It is hardly a good reason to put people in jail and ruin their lives.

Prohibition did not stop alcohol use nor will it stop marijuana use. Costly government intrusion is not the answer. Do not destroy our Bill of Rights in a misdirected effort to find shortcut answers to complex problems. Vote NO if you think this government intrusion into your home is wrong!

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