



REPRESENTATIVE CATHY MUÑOZ

MEMORANDUM

To: Honorable Eric Feige, Co-chair
Honorable Dan Saddler, Co-chair
House Resources Committee

From: Christopher Clark, Aide
Rep. Cathy Muñoz

Date: March 11, 2014

Re: Sectional analysis of HB 325, spill response fund

Kindly note that a sectional analysis of a bill or resolution should not be considered an authoritative interpretation of the measure itself. The legislation is the best statement of its contents.

Section 1. The state oil and hazardous substance release prevention and response fund, Alaska Statute (AS) 43.55.200-.310, has two accounts: the response account and the prevention account. The response account pays for emergency responses to spills of oil or hazardous substances. It is funded by a one-cent surcharge on each barrel of oil. Under current law, the surcharge is suspended when the response account exceeds \$50 million. This section would amend AS 43.55.221(d) by increasing the response account's one-cent surcharge suspension limit from \$50,000,000 to \$75,000,000.

Section 2. Amends AS 43.55.221(e) to increase the response account's one-cent surcharge suspension limit from \$50,000,000 to \$75,000,000.

Section 3. The prevention account pays for operational costs, spill response drills, and other readiness activities within the Division of Spill Prevention and Response. It is funded by a four-cent surcharge on each barrel of oil. This section would amend AS 43.55.300(a) to increase the surcharge to seven-cents-a-barrel.

Section 4. Provides for an immediate effective date.