

CS FOR HOUSE BILL NO. 173()**IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTIETH LEGISLATURE - SECOND SESSION****BY****Offered:**
Referred:**Sponsor(s): REPRESENTATIVES JOSEPHSON, Tarr****A BILL****FOR AN ACT ENTITLED**

1 **"An Act establishing the Alaska Climate Change Response Commission; relating to the**
2 **powers and duties of the Alaska Climate Change Response Commission; establishing the**
3 **climate change response fund; establishing a surcharge on oil produced in the state; and**
4 **providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 43.55.201(b) is amended to read:

7 (b) The surcharge imposed by (a) of this section is in addition to the tax
8 imposed by AS 43.55.011 and is due on the last day of the month on oil produced
9 from each lease or property during the preceding month. The surcharge is in addition
10 to the surcharges [SURCHARGE] imposed by AS 43.55.300 - 43.55.310.

11 * **Sec. 2.** AS 43.55.300(a) is amended to read:

12 (a) Every producer of oil shall pay a surcharge of
13 (1) \$.04 per barrel of oil produced from each lease or property in the
14 state, less any oil the ownership or right to which is exempt from taxation; and

(2) \$.01 per barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation.

* Sec. 3. AS 43.55.300(b) is amended to read:

(b) The surcharges [SURCHARGE] imposed by (a) of this section are [IS] in addition to the tax imposed by AS 43.55.011 and are [IS] due on the last day of the month on oil produced from each lease or property during the preceding month. The surcharges are [SURCHARGE IS] in addition to the surcharge imposed by AS 43.55.201 - 43.55.231.

* Sec. 4. AS 43.55.310 is amended to read:

Sec. 43.55.310. Use of revenue derived from surcharges [SURCHARGE].

The legislature may appropriate the annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge levied under

(1) AS 43.55.300(a)(1) [AS 43.55.300] to the oil and hazardous substance release prevention account in the oil and hazardous substance release prevention and response fund established by AS 46.08.010;

(2) AS 43.55.300(a)(2) for expenditures on climate change research, education, and adaptation strategies.

* **Sec. 5.** AS 43.55.310, as amended by sec. 4 of this Act, is amended to read:

Sec. 43.55.310. Use of revenue derived from surcharges. The legislature may appropriate the annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge levied under

(1) AS 43.55.300(a)(1) to the oil and hazardous substance release prevention account in the oil and hazardous substance release prevention and response fund established by AS 46.08.010;

(2) AS 43.55.300(a)(2) to the climate change response fund established by AS 44.19.666 [FOR EXPENDITURES ON CLIMATE CHANGE RESEARCH, EDUCATION, AND ADAPTATION STRATEGIES].

* Sec. 6. AS 43.55.900(24) is amended to read:

(24) "surcharge" means

(A) when used in AS 43.55.201 - 43.55.299, the surcharge levied by AS 43.55.201;

(B) when used in AS 43.55.300 - 43.55.310, the surcharges [CHARGE] levied by AS 43.55.300;

* Sec. 7. AS 44.19 is amended by adding new sections to read:

Sec. 44.19.650. Establishment of commission; composition. (a) The Alaska Climate Change Response Commission is established in the Office of the Governor.

(b) The commission consists of 11 members as follows:

(1) the commissioner of fish and game;

(2) the commissioner of environmental conservation;

(3) the commissioner of natural resources;

(4) the commissioner of commerce, community, and economic

(5) the commissioner of transportation and public facilities;

(6) the director of the division in the Department of Commerce, and Economic Development responsible for community and regional

(7) five members appointed by the governor who are mayors or members of an assembly or council of a municipality from each of the following general regions:

(A) Southeast;

(B) Southcentral;

(C) Southwest;

(D) Interior; and

(E) Far North.

(c) Members appointed under (b)(7) of this section

(1) serve staggered terms of three years, until reappointed or replaced;

(2) serve at the pleasure of the governor; and

(3) may be reappointed.

(d) The commission shall, by majority vote of the membership, elect co-chairs. One co-chair shall be a member appointed under (b)(7) of this section, and one

1 co-chair shall be a member designated under (b)(1) - (6) of this section.

2 (e) If a member appointed under (b)(7) of this section no longer meets the
3 qualifications prescribed in (b)(7) of this section, or, if a vacancy exists among those
4 members for any reason other than the expiration of a member's term, the governor
5 shall, within 30 days after the occurrence of the vacancy, make an appointment,
6 effective immediately, for the unexpired portion of the term. An appointment by the
7 governor made under this subsection to fill an unexpired term must comply with the
8 requirements of (b)(7) of this section.

9 **Sec. 44.19.652. Compensation.** Members of the commission serve without
10 compensation but are entitled to per diem and travel expenses authorized for boards
11 and commissions under AS 39.20.180.

12 **Sec. 44.19.654. Meetings.** Three members appointed under
13 AS 44.19.650(b)(7) and three members designated under AS 44.19.650(b)(1) - (6)
14 constitute a quorum for conducting business and exercising the powers of the
15 commission. The commission shall meet at least quarterly, at the call of the chair, at
16 the request of the majority of the members, or at a regularly scheduled time as
17 determined by a majority of the members. The commission shall keep a record of its
18 proceedings and make these records available for public inspection.

19 **Sec. 44.19.656. Alternate members.** (a) Each member of the commission
20 shall have a permanent alternate to serve at meetings of the commission as follows:

21 (1) for a member appointed under AS 44.19.650(b)(7), the governor
22 shall appoint a permanent alternate who, at the time of appointment and throughout
23 the period of service as a permanent alternate, is the mayor or a member of the
24 assembly or council of a municipality within the region from which the permanent
25 member was appointed; in appointing a permanent alternate under this paragraph, the
26 governor shall consider the recommendations of the member appointed under
27 AS 44.19.650(b)(7);

28 (2) for a member designated under AS 44.19.650(b)(1) - (5), a deputy
29 commissioner of the relevant department or the director of a division of the
30 department; and

31 (3) for a member designated under AS 44.19.650(b)(6), the member's

designee within that office.

(b) A member of the commission who is unable to attend a meeting shall advise the permanent alternate who may attend the meeting and act in the place of the member.

Sec. 44.19.658. Executive director. The commission may employ an executive director who serves at the pleasure of the commission. The executive director may not be a member of the commission. The executive director may contract with or employ personnel or consultants that the executive director considers necessary to carry out the powers and duties of the commission. The executive director is in the exempt service under AS 39.25 (State Personnel Act).

Sec. 44.19.660. Powers of the commission. The commission may

(1) apply for and accept grants, contributions, and appropriations, including application for and acceptance of federal, international, or private funds that may become available for financing infrastructure adaptation, renewable energy technology, community relocation, food and transportation security, education and research, or other needs related to climate change;

(2) contract for necessary services;

(3) consult and cooperate with

(A) public or private persons, organizations, and groups interested in, affected by, or concerned with climate change effects and response;

(B) climate scientists holding PhDs who are affiliated with an academic or nonprofit institution; and

(C) agents and officials in the different regions of the state and federal and state agencies concerned with or having jurisdiction over climate change effects and response;

(4) establish the duties of the executive director of the commission;

(5) assess fees for grant writing and other assistance; and

(6) take any reasonable action necessary to carry out the provisions of
- 44.19.670.

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Sec. 44.19.662. Duties of the commission. The commission shall

(1) advise the Office of the Governor on the preparation and implementation of a statewide climate change strategy that includes identification of areas in the state that are particularly vulnerable to the effects of climate change and options for assistance to the communities in those areas;

(2) provide grant writing and general assistance to governmental and nongovernmental entities in the state on climate change response issues, prioritizing assistance to rural governments, nonprofits serving rural areas, and tribal organizations;

(3) develop a program for the distribution of funds in the climate change response fund to assist local governments to respond to climate change effects;

(4) establish continuing coordination among state agencies to facilitate the development and implementation of the climate change response strategy;

(5) coordinate with the University of Alaska in efforts to seek out grants or other aid for climate change education and research;

(6) inform the public of available assistance for responding to climate change effects, including an outreach program to rural governments, nonprofits serving rural areas, and tribal organizations;

(7) advance the implementation of technology that provides for renewable energy, local food systems, and adaptive infrastructure in the state by recommending legislation and policies to incentivize its development;

(8) monitor and report on the effects of climate change on existing infrastructure, ecosystems, geophysical features, and communities in the state;

(9) identify opportunities to reduce greenhouse gas emissions from in-state sources, including the expanded use of alternative fuels, energy conservation, energy efficiency, renewable energy, land use management, and transportation planning; and

(10) recommend legislative and administrative action to implement the climate change response strategy.

Sec. 44.19.664. Fees. The commission shall adopt regulations under AS 44.62 to establish fees for grant writing or other assistance provided by the commission. The fees must be based on a sliding scale formula that takes into account the client's need.

1 Governmental and tribal entities may not be charged a fee.

2 **Sec. 44.19.666. Climate change response fund.** The climate change response
3 fund is established in the state general fund. The fund consists of money appropriated
4 to the fund by the legislature from the surcharge under AS 43.55.300(a)(2) and other
5 sources. The commission shall administer the fund and use the fund for the purposes
6 of the commission, without further appropriation. Appropriations to the fund do not
7 lapse.

8 **Sec. 44.19.668. Annual report and recommendations.** The commission shall
9 submit to the governor and the legislature an annual report of the activities of the
10 commission for the previous calendar year that includes any recommendations for
11 legislative and administrative action. The commission shall submit a report provided
12 under this section not later than February 1 of each year. The commission shall deliver
13 the report to the senate secretary and the chief clerk of the house of representatives and
14 notify the legislature that the report is available.

15 **Sec. 44.19.670. Definition.** In AS 44.19.650 - 44.19.670, "commission" means
16 the Alaska Climate Change Response Commission.

17 * **Sec. 8.** AS 46.08.020(a) is amended to read:

18 (a) The legislature may appropriate from the following sources to the
19 prevention account in the fund:

20 (1) the annual estimated balance of the account maintained under
21 AS 37.05.142 for deposits into the general fund of the proceeds of the oil conservation
22 surcharge levied by AS 43.55.300(a)(1) [AS 43.55.300];

23 (2) money received from other state sources, from federal or other
24 sources, or from a private donor;

25 (3) money recovered or otherwise received from parties responsible for
26 the containment and cleanup of oil or a hazardous substance at a specific site, but
27 excluding money

28 (A) from performance bonds and other forms of financial
29 responsibility held in escrow pending satisfactory performance of a privately
30 financed response action; and

31 (B) described in AS 46.08.025(a)(3);

(4) fines, penalties, or damages recovered under AS 46.08.005 - 46.08.080 or other law for costs incurred by the state as a result of the release or threatened release of oil or a hazardous substance; and

(5) the interest earned on the balance of the accounts maintained under AS 37.05.142 for deposits into the general fund from the proceeds of the surcharges levied under AS 43.55.201 and **43.55.300(a)(1)** [43.55.300].

* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

ALASKA CLIMATE CHANGE RESPONSE COMMISSION; STAGGERED TERMS. Notwithstanding AS 39.05.055, the governor shall appoint the initial members of the Alaska Climate Change Response Commission under AS 44.19.650(b)(7) to staggered terms as follows:

- (1) two members shall be appointed to serve three years;
- (2) two members shall be appointed to serve two years; and
- (3) one member shall be appointed to serve one year.

* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: WRITTEN INFORMATION FROM CLIMATE CHANGE SUB-CABINET. The governor shall provide all written reports, recommendations, and research developed by the Alaska Climate Change Strategy and the Climate Action for Alaska Leadership Team established under Administrative Order No. 289 to the Alaska Climate Change Response Commission established under AS 44.19.650 within 30 days after the effective date of secs. 5, 7, and 9 of this Act.

* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. The revisor of statutes is requested to change the heading of

(1) art. 3 of AS 43.55 from "Additional Conservation Surcharge on Oil" to "Additional Conservation Surcharges on Oil"; and

(2) AS 43.55.300 from "Surcharge levied" to "Surcharges levied."

* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 CONDITIONAL EFFECT; NOTIFICATION TO REVISOR OF STATUTES. (a)
3 Sections 5, 7, 9, and 10 of this Act take effect only if the

4 (1) Alaska Climate Change Strategy and Climate Action for Alaska
5 Leadership Team is dissolved on or before January 1, 2028; and

6 (2) Office of the Governor notifies the revisor of statutes in writing on or
7 before January 31, 2028, as required under (b) of this section.

8 (b) The Office of the Governor shall notify the revisor of statutes in writing on or
9 before January 31, 2028, and not later than 30 days after the dissolution of the Alaska Climate
10 Change Strategy and Climate Action for Alaska Leadership Team.

11 * **Sec. 13.** If, under sec. 12 of this Act, secs. 5, 7, 9, and 10 of this Act take effect, they take
12 effect on the day after the date the Office of the Governor provides notice to the revisor of
13 statutes under sec. 12 of this Act.