

HOUSE BILL NO. 173

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES JOSEPHSON, Tarr

Introduced: 3/10/17

Referred: State Affairs, Resources, Finance

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; and relating to the surcharge on oil produced in the**
4 **state."**

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

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

7 (a) Every producer of oil shall pay a surcharge of **\$.02** [\$.01] per barrel of oil
8 produced from each lease or property in the state, less any oil the ownership or right to
9 which is exempt from taxation.

10 * **Sec. 2.** AS 43.55.211 is amended to read:

11 **Sec. 43.55.211. Use of revenue derived from surcharge.** The legislature may
12 appropriate **50 percent of** the annual estimated balance of the account maintained
13 under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge
14 levied under AS 43.55.201 to the response account in the oil and hazardous substance

1 release prevention and response fund established by AS 46.08.010 **and 50 percent to**
 2 **the climate change response fund established by AS 44.19.666.**

3 * **Sec. 3.** AS 43.55.221(d) is amended to read:

4 (d) If the commissioner of administration reports that the sum reported under
 5 (b) of this section equals or exceeds **\$100,000,000** [\$50,000,000], the commissioner of
 6 revenue shall suspend imposition and collection of the surcharge levied and collected
 7 under AS 43.55.201. Suspension of the imposition and collection of the surcharge
 8 begins on the first day of the calendar quarter next following the commissioner's
 9 receipt of the commissioner of administration's report under (b) of this section. Before
 10 the first day of a suspension authorized by this subsection, the commissioner shall
 11 make a reasonable effort to notify all persons who are known to the department to be
 12 paying the surcharge under AS 43.55.201 that the surcharge will be suspended.

13 * **Sec. 4.** AS 43.55.221(e) is amended to read:

14 (e) Except as provided in AS 43.55.231, if the commissioner of administration
 15 reports that the sum reported under (b) of this section is less than **\$100,000,000**
 16 [\$50,000,000], the commissioner of revenue shall require imposition and collection of
 17 the surcharge authorized under AS 43.55.201. If the surcharge is not in effect,
 18 reimposition of the surcharge begins on the first day of the calendar quarter next
 19 following the commissioner's receipt of the commissioner of administration's report
 20 under (b) of this section. Before the first day of reimposition of the surcharge
 21 authorized by this subsection, the commissioner shall make a reasonable effort to
 22 notify all persons who are known to the department to be required to pay the surcharge
 23 under AS 43.55.201 that the surcharge will be reimposed.

24 * **Sec. 5.** AS 44.19 is amended by adding new sections to read:

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

27 (b) The commission consists of 15 members as follows:

- 28 (1) the commissioner of fish and game;
- 29 (2) the commissioner of environmental conservation;
- 30 (3) the commissioner of natural resources;
- 31 (4) the commissioner of commerce, community, and economic

1 development;

2 (5) the commissioner of transportation and public facilities;

3 (6) the director of the division in the Department of Commerce,
4 Community, and Economic Development responsible for community and regional
5 affairs;

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

9 (A) Northwest Alaska, including, generally, the area of the
10 North Slope Borough and the Northwest Arctic Borough;

11 (B) Bering Strait area, including, generally, the area of the
12 Bering Strait regional educational attendance area;

13 (C) Southwest Alaska, including, generally, the area within the
14 Lower Yukon, Lower Kuskokwim, and Southwest regional educational
15 attendance areas and the Lake and Peninsula and Bristol Bay Boroughs;

16 (D) Kodiak-Aleutians area, including the area of the Kodiak
17 Island and Aleutians East Boroughs and the Aleutian, Adak, and Pribilof
18 regional educational attendance areas;

19 (E) Upper Cook Inlet area, including the Municipality of
20 Anchorage and the Matanuska-Susitna Borough;

21 (F) Lower Cook Inlet area, including, generally, the area within
22 the Kenai Peninsula Borough;

23 (G) Prince William Sound area, including, generally, the area
24 east of the Kenai Peninsula Borough to 141 West longitude;

25 (H) northern Southeast Alaska, including the area southeast of
26 141 West longitude and north of 57 North latitude, including the entirety of the
27 City and Borough of Sitka; and

28 (I) southern Southeast Alaska, including that portion of
29 southeastern Alaska not contained within the area described in (H) of this
30 paragraph.

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

- 1 (1) serve staggered terms of three years, until reappointed or replaced;
- 2 (2) serve at the pleasure of the governor; and
- 3 (3) may be reappointed.

4 (d) The commission shall, by majority vote of the membership, elect co-
5 chairs. One co-chair shall be a member appointed under (b)(7) of this section, and one
6 co-chair shall be a member designated under (b)(1) - (6) of this section.

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

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

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

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

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

1 AS 44.19.650(b)(7);

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

5 (3) for a member designated under AS 44.19.650(b)(6), the member's
6 designee within that office.

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

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

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

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

22 (2) contract for necessary services;

23 (3) consult and cooperate with

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

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

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

- 1 (4) establish the duties of the executive director of the commission;
 2 (5) assess fees for grant writing and other assistance; and
 3 (6) take any reasonable action necessary to carry out the provisions of
 4 AS 44.19.650 - 44.19.670.

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

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

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

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

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

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

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

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

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

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

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

3 **Sec. 44.19.664. Fees.** The commission shall adopt regulations under AS 44.62
4 to establish fees for grant writing or other assistance provided by the commission. The
5 fees must be based on a sliding scale formula that takes into account the client's need.
6 Governmental and tribal entities may not be charged a fee.

7 **Sec. 44.19.666. Climate change response fund.** The climate change response
8 fund is established in the state general fund. The fund consists of money appropriated
9 to the fund by the legislature from the surcharge under AS 43.55.211 and other
10 sources. The commission shall administer the fund and use the fund for the purposes
11 of the commission, without further appropriation. Appropriations to the fund do not
12 lapse.

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

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

22 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

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

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

31 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSITION: WRITTEN INFORMATION FROM CLIMATE CHANGE SUB-
3 CABINET. The governor shall provide all written reports, recommendations, and research
4 developed by the Climate Change Sub-Cabinet established under Administrative Order No.
5 238 to the Alaska Climate Change Response Commission established under AS 44.19.650
6 within 30 days after the effective date of this Act.