

**CS FOR HOUSE BILL NO. 205(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY THE HOUSE RESOURCES COMMITTEE**

**Offered: 4/17/01**

**Referred: Finance**

**Sponsor(s): REPRESENTATIVE FATE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to resource development, to the new business incentive program, and**  
2 **to matching grants for the purpose of promoting resource development from**  
3 **appropriations of a portion of the revenue derived from the extraction of certain state**  
4 **natural resources."**

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

6 **\* Section 1.** AS 39.50.200(b) is amended by adding a new paragraph to read:

7 (57) Resource Development Board (AS 44.33.913).

8 **\* Sec. 2.** AS 44.33 is amended by adding new sections to read:

9 **Article 14. Resource Development.**

10 **Sec. 44.33.911. Resource development fund.** (a) The resource development  
11 fund is established in the Department of Community and Economic Development.

12 (b) From the money received in the administration of the resources of the state  
13 under AS 38.05, the legislature may appropriate an amount based on the gross  
14 revenues, but appropriated after the transfers of payments required by law to the

1 Alaska permanent fund and the public school trust fund, equal to one-quarter of one  
 2 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral  
 3 revenue sharing payments, and bonuses received by the state as follows:

4 (1) for expenses associated with costs of administration of the work of  
 5 the Resource Development Board under AS 44.33.913 - 44.33.917;

6 (2) after allowance for the expenses described in (1) of this subsection,  
 7 not more than 20 percent of the remaining estimated balance of the amount authorized  
 8 for appropriation under this subsection to the new business incentive fund for purposes  
 9 authorized by AS 45.81.010 - 45.81.050; and

10 (3) the remaining estimated balance of the amount authorized for  
 11 appropriation under this subsection to the resource development fund.

12 **Sec. 44.33.913. Resource Development Board.** (a) The Resource  
 13 Development Board is established in the Department of Community and Economic  
 14 Development. The board is composed of five members, one of whom is the  
 15 commissioner of community and economic development, and four persons appointed  
 16 by the governor, of whom

17 (1) one member shall be appointed from a list of three persons  
 18 submitted by the oil industry through its state trade association;

19 (2) one member shall be appointed from a list of three persons  
 20 submitted by the gas industry through its state trade association;

21 (3) one member shall be appointed from a list of three persons  
 22 submitted by the forest industry through its state trade association; and

23 (4) one member shall be appointed from a list of three persons  
 24 submitted by the mining industry through its state trade association.

25 (b) Except for the commissioner of community and economic development,  
 26 the board members appointed under (a) of this section serve at the pleasure of the  
 27 governor for a four-year term. Each board member appointed under (a)(1) - (4) of this  
 28 section

29 (1) shall be a state resident and qualified voter at the time of  
 30 appointment and shall comply with the requirements of AS 39.50 (public official  
 31 financial disclosure);

1 (2) holds office for the term of appointment and until a successor has  
2 been appointed and complies with the requirements of AS 39.50; and

3 (3) is eligible for reappointment.

4 (c) A vacancy in a board membership appointed under (a)(1) - (4) of this  
5 section occurring other than by expiration of term shall be filled in the same manner as  
6 the original appointment but for the unexpired term only.

7 (d) Members of the board do not receive compensation but are entitled to per  
8 diem and travel expenses authorized for boards and commissions under AS 39.20.180.

9 **Sec. 44.33.915. Board organization and operation.** (a) The board shall

10 (1) establish procedures for scheduling and organizing board meetings;

11 (2) annually elect one of its members as board chair and one of its  
12 members as vice-chair; a member may be reelected to serve additional terms as chair  
13 or vice-chair; and

14 (3) subject to appropriation for the purpose, employ persons to serve as  
15 staff to the board in the exercise of its responsibilities.

16 (b) Three members of the board constitute a quorum. Each decision of the  
17 board requires the affirmative vote of a majority of the board members.

18 (c) The Departments of Community and Economic Development, Fish and  
19 Game, Environmental Conservation, and Natural Resources shall provide technical  
20 staffing and information as needed by the board.

21 **Sec. 44.33.917. Duties of the Resource Development Board.** (a) The

22 Resource Development Board shall facilitate the commercial development of the  
23 state's natural resources by authorizing matching grants from the resource  
24 development fund established under AS 44.33.911 to private nonprofit corporations to  
25 assist in the promotion of the development of resources having commercial promise  
26 using methods of responsible resource extraction. To that end, the board shall review  
27 proposals for projects and, if the project is found feasible under standards for  
28 evaluation of proposed projects approved by the board, may, after setting out the terms  
29 and conditions for use of the grant, award a matching grant for conducting market  
30 research, advertising, promotion, education, establishing and operating a system for  
31 responding to inquiries, and publishing and distributing information, including

1 establishing and maintaining Internet sites. To qualify for a grant under this section, a  
2 private nonprofit corporation shall provide from other sources at least that percent of  
3 the estimated total cost of the project for which the financial assistance is sought that  
4 the board requires. The board shall set out the terms and conditions of the use of the  
5 grant in a contract.

6 (b) In the award of matching grants under (a) of this section, the Resource  
7 Development Board shall give preference to a private nonprofit corporation organized  
8 under AS 10.20.

9 (c) The amount of a grant from the resource development fund provided to a  
10 private nonprofit corporation under (a) of this section may not exceed \$500,000.

11 (d) A grant or portion of a grant made under (a) of this section may not be  
12 used for the purpose of influencing the outcome of an election on a ballot proposition  
13 or question or influencing issue-specific legislation at the state or local government  
14 level.

15 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 TRANSITIONAL PROVISION. Notwithstanding AS 44.33.913(b), added by sec. 2  
18 of this Act, the persons first appointed by the governor to the Resources Development Board  
19 serve initial terms as follows:

- 20 (1) one member appointed under AS 44.33.913(a) serves a one-year term;  
21 (2) one member appointed under AS 44.33.913(a) serves a two-year term; and  
22 (3) one member appointed under AS 44.33.913(a) serves a three-year term.