

CS FOR HOUSE BILL NO. 238(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/25/07

Referred: Rules

Sponsor(s): REPRESENTATIVES MEYER, Crawford, Gara, Gardner

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the response account of the oil and hazardous substance release**
2 **prevention and response fund; and providing for an effective date."**

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

4 *** Section 1.** AS 43.55.221(a) is amended to read:

5 (a) Not later than 30 days after the end of each calendar quarter, the
6 commissioner of administration shall determine, as of the end of that quarter, the fiscal
7 year's

8 (1) unreserved and unobligated balance in the response account of the
9 oil and hazardous substance release prevention and response fund established in
10 AS 46.08.010; for purposes of this paragraph, the "unreserved and unobligated balance
11 in the response account" means the cash balance of the account, **plus any net**
12 **unrealized loss of the subaccount established in AS 46.08.025(c), minus** [LESS]
13 the sum of

14 (A) reserves for outstanding appropriations from the account;

1 (B) encumbrances of money in the account; and

2 (C) other liabilities of the account;

3 (2) balance of the account maintained under AS 37.05.142 that
4 accounts for the proceeds of the surcharge that are deposited in the general fund;

5 (3) the balance of the response mitigation account established by
6 AS 46.08.025(b) that originated from the sources described in AS 46.08.025(a)(3) and
7 that is available for appropriation to the response account of the fund established in
8 AS 46.08.010.

9 * **Sec. 2.** AS 46.08.020(c) is amended to read:

10 (c) The **realized income of the subaccount established in AS 46.08.025(c)**
11 **and the** interest earned on the balances of each of the following accounts shall be
12 deposited into the general fund and credited to the prevention account in the fund:

13 (1) the prevention account;

14 (2) the prevention mitigation account;

15 (3) the response account; and

16 (4) the response mitigation account.

17 * **Sec. 3.** AS 46.08.025 is amended by adding a new subsection to read:

18 (c) A subaccount is established in the response account in the fund consisting
19 of appropriations from the response account. Money in the subaccount shall be
20 invested to yield higher returns than might be feasible to obtain with other money in
21 the response account. In establishing or modifying the investment policy for the
22 subaccount, the commissioner of revenue shall assume that those funds will not be
23 needed for at least five years. However, expenditures shall be made from the
24 subaccount whenever the amount outside of the subaccount is insufficient to meet
25 obligations of the response account.

26 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 TRANSITION. On the effective date of this Act, the Department of Administration
29 shall transfer \$40,000,000 from the response account of the oil and hazardous substance
30 release prevention and response fund (AS 46.08.010(a)(2)) to the subaccount established in
31 AS 46.08.025(c), enacted in sec. 3 of this Act.

1 * **Sec. 5.** This Act takes effect July 1, 2007.