

CS FOR HOUSE BILL NO. 332(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered: 3/2/12

Referred: Finance

Sponsor(s): REPRESENTATIVES HERRON, Foster

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Chinook research and restoration endowment fund and**
2 **relating to grants from the fund."**

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

4 *** Section 1.** AS 37.14 is amended by adding new sections to read:

5 **Article 7A. Alaska Chinook Salmon Research and Restoration Endowment Fund.**

6 **Sec. 37.14.650. Fund established.** (a) The Alaska Chinook salmon research
7 and restoration endowment fund is established as a separate endowment trust fund of
8 the state consisting of

9 (1) appropriations to the fund;

10 (2) donations to the fund; and

11 (3) income earned on investments of fund assets appropriated by the
12 legislature to the fund.

13 (b) The commissioner of revenue shall manage the fund as an endowment,
14 with the goal that the purchasing power of the fund will not diminish over time

1 without regard to additional contributions that may be made to the fund. The
 2 commissioner shall invest the assets of the fund in a manner likely to yield at least a
 3 five percent real rate of return over time. The commissioner may comingle the assets
 4 of the fund with other public funds for purposes of investment.

5 (c) In carrying out the investment duties for the fund, the commissioner of
 6 revenue has the powers and duties set out in AS 37.10.071. The commissioner shall

7 (1) provide annual reports to the board on the condition and investment
 8 performance of the fund;

9 (2) maintain records for all donations to the fund; the records must
 10 reflect, for each donation, the amount of the donation, the date of the donation, and the
 11 donor's intent, if any, with respect to how the donation is to be used; and

12 (3) monitor use of money by the board.

13 (d) Nothing in this section creates a dedicated fund.

14 **Sec. 37.14.655. Grant account established.** The Alaska Chinook salmon
 15 research and restoration grant account is established as an account in the general fund.

16 **Sec. 37.14.660. Appropriations to the grant account.** (a) As soon as
 17 practicable after July 1 of each year, the commissioner of revenue shall identify as
 18 available for appropriation to the Alaska Chinook salmon research and restoration
 19 grant account, from which the board may award grants, and for other allowed
 20 expenses, the greater of

21 (1) five percent of the average of the market values of the fund on June
 22 30 for the immediately preceding three fiscal years;

23 (2) one-half of the earnings of the fund as averaged annually over the
 24 immediately preceding three fiscal years; and

25 (3) if the principal of the fund is valued at over \$50,000,000 based on
 26 the market value of the fund on June 30 for the immediately preceding fiscal year, the
 27 total earnings of the fund for that fiscal year.

28 (b) The legislature may appropriate funds to the grant account

29 (1) from

30 (A) the fund in the amount calculated under (a)(1) of this
 31 section; or

1 (B) the earnings of the fund under (a)(2) or (3) of this section;
2 and

3 (2) from any other source.

4 **Sec. 37.14.665. Use of the grant account.** (a) Appropriations to the grant
5 account established by AS 37.14.655 may be used for

6 (1) grants for research and restoration projects for Chinook salmon
7 stocks located in the state, including block grants to Alaska organizations identifying
8 and administering research and restoration projects for Chinook salmon stocks, if the
9 project is consistent with a research and restoration plan adopted by the organization
10 and the plan has been approved by the Department of Fish and Game;

11 (2) reimbursement of the Department of Revenue for the costs of
12 establishing and managing the fund;

13 (3) reimbursement of the Department of Commerce, Community, and
14 Economic Development for the costs of establishing, maintaining, and administering
15 the board and the grant program;

16 (4) matching funds for private and federal grants; and

17 (5) solicitation of contributions for purposes consistent with
18 establishment of the fund.

19 (b) The board may expend private donations for Chinook salmon research and
20 restorations projects and other uses consistent with the purposes of the fund and in
21 conformity with the donor's restrictions.

22 **Sec. 37.14.670. Board established.** The Alaska Chinook Salmon Research and
23 Restoration Endowment Fund Board is established in the Department of Commerce,
24 Community, and Economic Development.

25 **Sec. 37.14.675. Board members.** The board consists of the following
26 members appointed by the governor:

27 (1) the commissioner of fish and game or the commissioner's designee;
28 and

29 (2) six public members, one residing in each of the following regions
30 who is engaged in subsistence, personal, commercial, or sport use of Chinook salmon
31 stocks in the region:

1 (A) Southeast Alaska, consisting of all land and water between
2 Palm Point near Katalla and Dixon Entrance that are Gulf of Alaska or
3 mainland drainages; the Guyot Hills; islands in Stephens Passage and Lynn
4 Canal; Coronation Island, Kuiu Island, Kupreanof Island, Mitkof Island,
5 Zarembo Island, Kashevarof Island, Woronkofski Island, Etolin Island,
6 Wrangell Island, Deer Island, Admiralty Island, Baranof Island, Chichagof
7 Island, Yakobi Island, Inian Island, Lemesurier Island, Pleasant Island, Kanak
8 Island, Wingham Island, and Kayak Island; and adjacent marine water and land
9 within three miles of the coastline;

10 (B) Southcentral Alaska, consisting of all land and water in
11 those drainages south and east of the Alaska Range that drain into the Gulf of
12 Alaska, Cook Inlet, and Prince William Sound between Palm Point near
13 Katalla and Cook Inlet; the drainage between Redoubt Creek and the northern
14 boundary of Katmai National Preserve that flows into Shelikof Strait; the
15 Chitina drainage east to the Canadian border; the drainages into the Delta
16 River upstream from Falls Creek and Black Rapids Glacier; and adjacent
17 marine water and land within three miles of the coastline;

18 (C) Southwest Alaska, consisting of all land and water between
19 Kennedy Entrance and Cape Newenham that drain into Bristol Bay and the
20 Bering Sea; the Alaska Peninsula; Hagemeister Island, Walrus Island, Kodiak
21 Island, Barren Island, Pribilof Island, Unimak Island, and Aleutian Islands; and
22 adjacent marine water and land within three miles of the coastline;

23 (D) Western Alaska, consisting of all land and water between
24 Cape Newenham and the Pastolik River near Kotlik that drain into the Bering
25 Sea from the Yukon River downstream from a straight line drawn between
26 Lower Kalskag and Paimiut; the George River drainage; the Kuskokwim River
27 drainage downstream from the George River drainage; the Hoholitna River
28 drainage; and adjacent marine water and land within three miles of the
29 coastline;

30 (E) Arctic Alaska, consisting of all land and water between the
31 Pastolik River near Kotlik and Harrison Bay west of the Ilkillik River drainage

1 that drain into the Arctic Ocean, the Chukchi Sea, Kotzebue Sound, or Norton
 2 Sound; Saint Lawrence Island and adjacent islands; and the adjacent marine
 3 water and land within three miles of the coastline;

4 (F) Interior Alaska, consisting of all land and water of the
 5 Kuskokwim River drainage upstream from the George River drainage; all
 6 drainages into the east bank of the Robertson River; White River drainage to
 7 the Canadian border; Tozitna River drainage; Yukon River drainage upstream
 8 from the Tozitna River drainage; Hamlin Creek drainage; all drainages into the
 9 south bank of the Yukon River upstream from and including the Charley River
 10 drainage; the Ladue River drainage; Fortymile River drainage; Tanana River
 11 drainage north of the Alaska Range; and the Koyukuk River drainage.

12 **Sec. 37.14.680. Duties of the board.** (a) The Alaska Chinook Salmon
 13 Research and Restoration Endowment Fund Board shall administer the grant program.

14 (b) The board shall

15 (1) within 90 days after the appointment of the seventh board member,
 16 adopt bylaws governing the board's operation and identify an organization
 17 incorporated in Alaska to support the board in performing its duties;

18 (2) monitor approved projects for compliance with specific grant
 19 conditions;

20 (3) keep electronic recordings of each meeting of the board to be made
 21 available on request; and

22 (4) adopt regulations creating a process for soliciting, awarding, and
 23 monitoring research and restoration grants and ensuring peer review for grant projects;
 24 the board shall consider the process and structure of the North Pacific Research Board
 25 in adopting its regulations.

26 (c) On February 1 of each year following the calendar year grants are first
 27 awarded, the board shall prepare and submit a report to the governor and make the
 28 report available to the legislature. The report must include, for the last calendar year,

29 (1) the number of applicants and the number and type of grants
 30 awarded;

31 (2) the dollar amount of grants awarded;

1 (3) the research and restoration projects funded and the results of those
2 projects;

3 (4) the expense to administer the fund, the grants, and the board; and

4 (5) private contributions, if any, to the fund and how those
5 contributions were used.

6 **Sec. 37.14.685. Review of grants.** (a) When reviewing grant applications, the
7 board shall give weight to the following factors:

8 (1) whether the Chinook salmon stocks targeted in the grant
9 application provide a significant commercial, subsistence, sport, or personal use
10 fishery for Alaska residents;

11 (2) the importance of the Chinook salmon stocks targeted in the grant
12 application and the fisheries those stocks support, based on the dependence of Alaska
13 residents on the stocks for nutritional, economic, social, and cultural well-being;

14 (3) whether the applicant has experience in administering research or
15 restoration projects for Chinook salmon;

16 (4) recommendations of state agencies or organizations involved in
17 Chinook salmon management in the state.

18 (b) The board shall give priority to grant applications for research or
19 restoration projects targeting Chinook salmon stocks that, within the preceding 10
20 years,

21 (1) were listed by the Department of Fish and Game as stocks of
22 concern;

23 (2) were the subject of a state or federal fisheries disaster declaration;

24 (3) were closed or significantly restricted for commercial, sport, or
25 personal use, or restricted for subsistence uses; or

26 (4) declined significantly from historic yield levels.

27 **Sec. 37.14.695. Definitions.** In AS 37.14.650 - 37.14.695,

28 (1) "board" means the Alaska Chinook Salmon Research and
29 Restoration Endowment Fund Board established under AS 37.14.670;

30 (2) "Chinook salmon" means Alaska king salmon of the genus
31 *Oncorhynchus*, species *tshawytscha*;

1 (3) "fund" means the Alaska Chinook salmon research and restoration
2 endowment fund established under AS 37.14.650;

3 (4) "grant account" means the Alaska Chinook salmon research and
4 restoration grant account established under AS 37.14.655.