

Introduced: 2/7/72  
Referred: Resources; Finance

1 IN THE SENATE

BY PALMER AND RETTIG

2 SENATE BILL NO. 328

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating a long-range renewable resources  
7 rehabilitation and development program; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. DECLARATION OF PURPOSE. It is the purpose of this Act to  
11 establish a permanent rehabilitation and development investment fund of  
12 \$100,000,000 from a portion of state revenues derived from the sale, lease,  
13 or other disposition of nonrenewable natural resources, conducted after the  
14 effective date of this Act, the earnings of which shall be used exclusively  
15 to advance the orderly development of the state's renewable resources. It is  
16 the intent that the permanent fund created by this Act shall provide a con-  
17 tinuing source of revenue dedicated to continuing expansion of knowledge and  
18 beneficial use of all the renewable resources of the state and continental  
19 shelf so that these resources will be of increasing social and economic value  
20 to all citizens. It is the further intent that renewable resources be ex-  
21 panded to their fullest possible potential to insure that the state and its  
22 citizens do not develop total reliance and dependence upon the depletion of  
23 nonrenewable resources for economic, governmental and social benefits.

24 \* Sec. 2. AS 37 is amended by adding a new chapter to read:

25 CHAPTER 14. RENEWABLE RESOURCE REHABILITATION

26 AND DEVELOPMENT INVESTMENT FUND.

27 Sec. 37.14.010. RENEWABLE RESOURCE REHABILITATION AND DEVELOPMENT  
28 INVESTMENT FUND. There is created a fund, designated as the renewable  
29 resource rehabilitation and development investment fund. The Department

1 of Revenue is the custodian of the fund and shall administer it. The  
2 fund shall consist of money appropriated by the legislature. A sum of  
3 \$100,000,000 is authorized to be appropriated to the fund.

4 Sec. 37.14.015. DEDICATION OF PROCEEDS. Proceeds from the sale,  
5 lease, or other disposition of nonrenewable natural resources of the  
6 state, conducted after the effective date of this Act, not exceeding  
7 \$100,000,000 are hereby dedicated to the renewable resource rehabilitation  
8 and development investment fund. No receipts from a state tax or license  
9 within the meaning of art. IX, sec. 7 of the state constitution may be  
10 dedicated to the fund unless that section is repealed or amended.

11 Sec. 37.14.020. INVESTMENT OF FUND. (a) When the commissioner  
12 of revenue determines that it is in the best interests of the state  
13 he shall invest the fund or a part of it in any of the following:

14 (1) bonds, notes, and bills which constitute direct obliga-  
15 tions of the United States;

16 (2) obligations of agencies and instrumentalities of the  
17 United States;

18 (3) bank certificates of deposit which are secured as to  
19 the payment of principal and interest in accordance with Alaska law;

20 (4) commercial paper of prime or equivalent quality, as  
21 rated by a nationally recognized rating organization;

22 (5) bonds, notes, debentures and other evidence of indebted-  
23 ness of corporations.

24 (b) Earnings of the fund become a part of the fund.

25 Sec. 37.14.030. TRANSFER OF EARNINGS. Annually, on July 1, five  
26 per cent of the fund, but not exceeding fund earnings, shall be allocated  
27 on an equitable basis, in the determination of the commissioner of  
28 revenue, to renewable resource rehabilitation and development working  
29 funds within the Department of Natural Resources and the Department

1 of Fish and Game for the purpose of planning and implementing long-  
2 range programs of renewable resource rehabilitation and development.

3 Sec. 37.14.040. RENEWABLE RESOURCE REHABILITATION AND DEVELOPMENT  
4 WORKING FUNDS. (a) There is created within the Department of Natural  
5 Resources and the Department of Fish and Game a renewable resource  
6 rehabilitation and development working fund. Each fund shall consist  
7 of money transferred to it from the renewable resource rehabilitation  
8 and development investment fund as provided in sec. 30 of this chapter.  
9 The money in the fund shall be used exclusively to advance the orderly  
10 development of the state's renewable resources, in accordance with  
11 the following guidelines. Each commissioner shall, within the area  
12 of his jurisdiction,

13 (1) develop and continually maintain a comprehensive,  
14 coordinated state plan for orderly present and long-range rehabilita-  
15 tion and development of all aspects of the state's renewable resources  
16 for the perpetual use, benefit and enjoyment of all citizens;

17 (2) accelerate the responsible development of the resources  
18 by encouraging increased utilization of these resources;

19 (3) research and improve the marketing and transportation  
20 aspects of the resources;

21 (4) encourage the investment by private enterprise in the  
22 technological development and economic utilization of the resources;

23 (5) cooperate with other states, the federal government,  
24 other nations and national and international organizations in renewable  
25 natural resource activities when cooperation is in the interest of the  
26 state;

27 (6) participate in international, national and regional  
28 conferences to assure the state's right to and control of the continen-  
29 tal shelf;

1 (7) develop ways and means for surveillance, prevention,  
2 control and correction of pollution as it affects the renewable resources  
3 of the state and continental shelf areas.

4 (b) The Department of Natural Resources and the Department of  
5 Fish and Game shall annually submit a program plan for the expendi-  
6 tures from its development working fund to the governor and the legis-  
7 lature. No expenditures may be made from a fund without the approval  
8 of the program plans by the governor with the concurrence of a majority  
9 of the membership of each house of the legislature.

10 (c) If, before the end of a fiscal year, there is an unexpended  
11 balance in one renewable resource rehabilitation and development working  
12 fund it shall be transferred to the other renewable resource rehabili-  
13 tation and development working fund. If an unexpended balance remains  
14 in either fund at the end of each fiscal year all unexpended balances  
15 shall be transferred to the general fund.

16 \* Sec. 3. This Act takes effect on the day after its passage and  
17 approval or on the day it becomes law without approval.  
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