

Original sponsor: Kerttula by request

Offered: 3/31/82
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 697 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Resources Corporation
7 in place of the Alaska Renewable Resources Corporation
8 (AS 37.12); and providing for an effective date."

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

10 * Section 1. AS 37.12.010 is amended to read:

11 Sec. 37.12.010. ALASKA [RENEWABLE] RESOURCES CORPORATION CREATED.

12 There is created the Alaska [RENEWABLE] Resources Corporation to carry
13 out the purposes of this chapter. The corporation is a public corpora-
14 tion of the state and an instrumentality of the state within the Depart-
15 ment of Commerce and Economic Development [REVENUE], but has a legal
16 existence independent of and separate from the state. The exercise by
17 the corporation of the powers conferred by this chapter is considered an
18 essential function of the state.

19 * Sec. 2. AS 37.12.015 is repealed and reenacted to read:

20 Sec. 37.12.015. PURPOSES. The purposes of the corporation are to

21 (1) facilitate the rehabilitation, enhancement, and development
22 of the state's resources so as to strengthen and diversify the state
23 economy; and

24 (2) provide development capital for the establishment and
25 expansion of small enterprises in resource industries in the state in
26 ways that enhance private capital investment.

27 * Sec. 3. AS 37.12 is amended by adding a new section to read:

28 AS 37.12.022. DEVELOPMENT CAPITAL FUND. The development capital
29 fund is established in the corporation, consisting of money or assets

1 appropriated or transferred to the corporation, and payments of princi-
2 pal and interest on loans and equity investments made by the corporation.
3 The fund shall be used to finance projects that qualify for assistance
4 under this chapter, and to pay the operating expenses of the corporation.
5 If money remains in the development fund after financing projects that
6 qualify for assistance under this chapter and after paying the operating
7 expenses of the corporation, the money shall be invested by the corpora-
8 tion under AS 37.10.070(a).

9 * Sec. 4. AS 37.12.025 is amended to read:

10 Sec. 37.12.025. BOARD OF DIRECTORS [TRUSTEES]. A board of direc-
11 tors [TRUSTEES] of the corporation is established as its governing body.

12 * Sec. 5. AS 37.12.030 is repealed and reenacted to read:

13 Sec. 37.12.030. COMPOSITION OF THE BOARD OF DIRECTORS. The board
14 consists of four members appointed by the governor and the commissioner
15 of commerce and economic development or his designee. The board shall
16 annually elect a chairman from among its members.

17 * Sec. 6. AS 37.12.035 is amended to read:

18 Sec. 37.12.035. TERM OF OFFICE. The members of the board [OF
19 TRUSTEES] shall be appointed for terms of four years, and they may be
20 reappointed. Terms of members appointed by the governor shall be stag-
21 gered. The governor shall immediately appoint a member to fill a
22 vacancy in the membership of the board for the unexpired term [THE
23 INITIAL TERMS SHALL BE ONE MEMBER SERVING FOR TWO YEARS, ONE MEMBER
24 SERVING FOR THREE YEARS, AND ONE MEMBER SERVING FOR FOUR YEARS.]

25 * Sec. 7. AS 37.12.050 is amended to read:

26 Sec. 37.12.050. QUORUM AND TRANSACTION OF BUSINESS. (a) Three
27 [TWO] members of the board constitute a quorum for the transaction of
28 business and the exercise of the powers and duties of the board.

29 (b) The board may meet and transact business by electronic media

1 if (1) public notice of the time and locations where the meeting will
2 be held by electronic media has been given in the same manner as if the
3 meeting were held in a single location; (2) participants and members
4 of the public in attendance can hear and have the same right to partici-
5 pate in the meeting as if the meeting were conducted in person; and (3)
6 copies of pertinent reference materials, statutes, regulations, and
7 audio-visual materials are reasonably available to participants and to
8 the public. A meeting by electronic media as provided in this subsec-
9 tion has the same legal effect as a meeting in person.

10 * Sec. 8. AS 37.12.055 is repealed and reenacted to read:

11 Sec. 37.12.055. COMPENSATION OF BOARD MEMBERS. Members of the
12 board receive \$200 for each day spent on official business of the corpor-
13 ation, and are entitled to per diem and travel expenses authorized by
14 law for state boards and commissions under AS 39.20.180.

15 * Sec. 9. AS 37.12.060 is repealed and reenacted to read:

16 Sec. 37.12.060. EXECUTIVE DIRECTOR; STAFF. (a) The board shall
17 employ an executive director to administer the corporation in accordance
18 with this chapter, and to perform other duties that the board may pre-
19 scribe. The executive director serves at the pleasure of the board and
20 may not be a member of the board. The board determines the salary of
21 the executive director.

22 (b) The executive director may, with the approval of the board,
23 select and employ staff. The executive director and staff are in the
24 exempt service under AS 39.25.

25 * Sec. 10. AS 37.12.065(a) is amended to read:

26 (a) Members of the board [OF TRUSTEES] are subject to the pro-
27 visions of AS 39.50.

28 * Sec. 11. AS 37.12.075 is repealed and reenacted to read:

29 Sec. 37.12.075. DUTIES. In carrying out the purposes of this

1 chapter the board shall

2 (1) provide financial assistance for resource projects that
3 the board finds will accomplish the purposes of the corporation as set
4 out in AS 37.12.015;

5 (2) keep minutes of each meeting of the board and send a
6 certified copy of the minutes to the governor and the Legislative Budget
7 and Audit Committee;

8 (3) annually prepare long-range operating and financial plans
9 and the budget for the next fiscal year;

10 (4) monitor approved projects for compliance with this chapter
11 and provide operational and performance evaluations of projects receiving
12 financial assistance.

13 * Sec. 12. AS 37.12.080(a)(2) is amended to read:

14 (2) use the financial mechanism most appropriate to the
15 conditions of the applicant and the proposed resource project and which
16 will most effectively utilize the funds available; [GRANTS MAY BE MADE
17 BY THE BOARD OF UP TO 90 PERCENT OF THE TOTAL PROJECT COSTS FOR THE
18 FOLLOWING PURPOSES:

19 (A) PROJECTS FOR THE APPLIED RESEARCH AND DEVELOPMENT OF
20 PRODUCTS, TECHNOLOGIES, OR INNOVATIONS FOR THE REHABILITATION,
21 ENHANCEMENT, OR DEVELOPMENT OF THE STATE'S RENEWABLE RESOURCES;

22 (B) PROJECTS FOR THE DEMONSTRATION, ON A ONE-TIME BASIS,
23 OF THE ECONOMIC OR TECHNICAL FEASIBILITY OF A NEW PRODUCT, MARKET,
24 OR TECHNOLOGY INVOLVING A RENEWABLE RESOURCE; OR

25 (C) PROJECTS FOR THE REHABILITATION, ENHANCEMENT, OR
26 DEVELOPMENT OF A COMMON-PROPERTY RESOURCE WHERE THE BENEFITS FROM
27 THE PROJECT CANNOT BE CAPTURED BY ANY SINGLE ECONOMIC UNIT;]

28 * Sec. 13. AS 37.12.080(a) is amended by adding a new paragraph to read:

29 (5) require that if the corporation makes an equity invest-

1 ment it agrees to divest itself of the shares held within 10 years or
2 before the end of the term of the loan, whichever occurs first.

3 * Sec. 14. AS 37.12.080(b)(1) is amended to read:

4 (1) invest or otherwise provide assistance of more than five
5 percent of the resources of the corporation or \$500,000 [\$1,500,000],
6 whichever is less, in a single project or applicant [UNLESS THE LEGISLA-
7 TURE HAS APPROVED THE INVESTMENT BY CONCURRENT RESOLUTION];

8 * Sec. 15. AS 37.12.080(b)(2) is repealed and reenacted to read:

9 (2) finance more than 49 percent of the combined equity and
10 debt obligations of an applicant;

11 * Sec. 16. AS 37.12.080(b)(3) is amended to read:

12 (3) make a loan for a period in excess of 30 years [UNLESS
13 THE LEGISLATURE HAS APPROVED THE LOAN BY CONCURRENT RESOLUTION];

14 * Sec. 17. AS 37.12.080(b)(5) is amended to read:

15 (5) provide funds to any state agency [UNLESS THAT EXPENDI-
16 TURE IS INCLUDED IN THE CORPORATION'S ANNUAL BUDGET];

17 * Sec. 18. AS 37.12.080(b)(6) is amended to read:

18 (6) make [ALLOCATE TO] grants [MORE THAN 10 PERCENT OF THE
19 ANNUAL APPROPRIATION OF THE CORPORATION].

20 * Sec. 19. AS 37.12.090 is repealed and reenacted to read:

21 Sec. 37.12.090. REPORTS AND PUBLICATIONS. (a) The corporation
22 shall publish an annual report by January 10 of each year for distribu-
23 tion to the governor, the legislature, and the public. The report shall
24 be written in easily understandable language and shall include

25 (1) a financial statement audited by an independent outside
26 auditor;

27 (2) a statement of the corporation's investments under this
28 chapter including an appraisal of the investments at market value;

29 (3) a description of corporation investment activity during

1 the period covered by the report;

2 (4) a comparison of the corporation's performance with the
3 goals of the corporation; and

4 (5) any other information the members of the board believe
5 would be of interest to the governor, the legislature, and the public.

6 (b) The annual income statement and balance sheet of the corpora-
7 tion shall be published in at least one newspaper in each judicial
8 district.

9 (c) The corporation may publish other relevant reports.

10 * Sec. 20. AS 37.12.095 is repealed and reenacted to read:

11 Sec. 37.12.095. OPERATING BUDGET. The operating budget of the
12 corporation is subject to the Executive Budget Act (AS 37.07).

13 * Sec. 21. AS 37.12.125(2) is amended to read:

14 (2) "board" means the Board of Directors [TRUSTEES] of the Alaska
15 [RENEWABLE] Resources Corporation;

16 * Sec. 22. AS 37.12.125(3) is amended to read:

17 (3) "corporation" means the Alaska [RENEWABLE] Resources
18 Corporation;

19 * Sec. 23. AS 37.12.125(4) is amended to read:

20 (4) "project" means products, markets, innovation, or tech-
21 nological developments for the rehabilitation, enhancement, or develop-
22 ment of [RENEWABLE] resources and includes applied research for those
23 products, markets, or technological developments;

24 * Sec. 24. AS 37.12.125(5) is repealed and reenacted to read:

25 (5) "rehabilitation, enhancement and development" means an
26 activity that leads to an increase in the quality or productivity of a
27 resource, and to an increase in the benefits derived from the resource
28 for citizens of the state;

29 * Sec. 25. AS 37.12.125(6) is repealed and reenacted to read:

1 (6) "resource" means a natural component of the environment
2 including but not limited to fisheries, agriculture, forest products,
3 renewable energy, tourism, and mining.

4 * Sec. 26. AS 37.12.125 is amended by adding a new paragraph to read:

5 (7) "small enterprise" means a business enterprise with gross
6 income of \$10,000,000 or less for its annual reporting period ending
7 immediately before an application to the corporation for financial
8 assistance.

9 * Sec. 27. AS 24.20.201(a)(9) is amended to read:

10 (9) hold public hearings on the confirmation of the members
11 of the Board of Trustees of the Alaska Permanent Fund Corporation [, AND
12 THE MEMBERS OF THE BOARD OF TRUSTEES OF THE ALASKA RENEWABLE RESOURCES
13 CORPORATION];

14 * Sec. 28. AS 24.20.206(1) is amended to read:

15 (1) report to the legislature its recommendations relating to
16 the confirmation of appointees to the Board of Trustees of the Alaska
17 Permanent Fund Corporation [AND THE BOARD OF TRUSTEES OF THE ALASKA
18 RENEWABLE RESOURCES CORPORATION];

19 * Sec. 29. AS 44.66.010(a)(7) is amended to read:

20 (7) Alaska [RENEWABLE] Resources Corporation (AS 37.12.010) --
21 June 30, 1992 [1982];

22 * Sec. 30. AS 46.12.120(4) is amended to read:

23 (4) in developing its programs, consult with the Alaska
24 Council on Science and Technology, the Alaska Power Authority, the
25 Alaska [RENEWABLE] Resources Corporation, the division of energy and
26 power development of the Department of Commerce and Economic Develop-
27 ment, the Department of Natural Resources, and the University of Alaska;
28 the board shall meet with responsible officials and representatives of
29 these organizations and agencies at least twice each year;

1 * Sec. 31. The initial terms of members of the Board of Directors of the
2 Alaska Resources Corporation appointed by the governor under AS 37.12.030 as
3 amended in sec. 5 of this Act shall be one member serving one year, one
4 member serving two years, one member serving three years, and one member
5 serving four years. Initial members of the Board of Directors of the Alaska
6 Resources Corporation shall be appointed within 75 days from the effective
7 date of this Act.

8 * Sec. 32. The Alaska Renewable Resources Corporation and its Board of
9 Trustees are dissolved on the effective date of this Act.

10 * Sec. 33. All appropriations, records, equipment, and other assets or
11 liabilities of the Alaska Renewable Resources Corporation are transferred to
12 the Alaska Resources Corporation.

13 * Sec. 34. The following laws are repealed: AS 37.12.020, 37.12.040,
14 37.12.070(12), and (14), 37.12.080(a)(1)(D), (a)(1)(G) and (a)(3), 37.12.-
15 085(2), and 37.12.115.

16 * Sec. 35. The limitation on financial assistance in AS 37.12.080(b)(1)
17 as amended in sec. 15 of this Act applies to financial assistance provided
18 under AS 37.12 after the effective date of this Act.

19 * Sec. 36. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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