

Offered: 5/4/86
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 485 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the Alaska research development
7 endowment; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that it
10 is necessary to obtain the research information that will be needed to give
11 the state the best attainable future over the next 50 to 100 years or more.
12 (b) The legislature further finds that research is needed for the
13 wise development and use of the state's natural resources. These research
14 areas include energy, mineral resources, fisheries, forestry, and food and
15 agriculture; and also the collection, storage, and dissemination of in-
16 formation; the state's transportation systems; and materials research and
17 engineering.
18 (c) Research is also needed to provide for the care and preservation
19 of the state's natural resources and the culture and heritage of its di-
20 verse peoples. These research areas include man-made changes in weather
21 and climate, including the possibility of a warming trend of the whole
22 earth; environmental protection; and archaeological, anthropological, and
23 linguistic studies of the Native populations.
24 (d) The legislature further finds that research is needed to protect
25 the health and well-being of Alaskans. Three topics are considered: health
26 and disease; social pathology; and building construction and maintenance.
27 (e) Research is also needed on topics for which Alaska is a "natural
28 laboratory" compared with other parts of the nation, and research on topics
29 that support and contribute to improvements in many of the topics listed

1 above. These research areas are: the upper atmosphere; weather and cli-
2 mate; geology; natural hazards; snow, ice, and permafrost; northern oceans;
3 and human resources.

4 (f) The legislature finds that the principle of a partnership of
5 interest among government, academia, business, industry, and residents of
6 Alaska is essential in accomplishing the intent and purposes of this Act.

7 * Sec. 2. AS 14 is amended by adding a new chapter to read:

8 CHAPTER 55. ALASKA RESEARCH DEVELOPMENT ENDOWMENT.

9 Sec. 14.55.010. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. (a)

10 Under art. IX, sec. 17, Constitution of the State of Alaska, there is
11 established the Alaska research development endowment. At least 20
12 percent of all royalties and royalty sale proceeds received by the
13 state from natural gas from the area north of the Alaska Range shall
14 be deposited in the Alaska research development endowment; however,
15 the total deposits from royalties and royalty sale proceeds may not
16 exceed \$1,000,000,000. These deposits shall be considered fund
17 principal and shall be invested by the commissioner of revenue in
18 accordance with AS 37.10.070, except that income from investment of
19 the endowment may not be held for investment, but shall be used to
20 provide funds for research grants, and the costs of administration of
21 the endowment as provided in this chapter.

22 (b) The Alaska research development endowment shall be managed
23 by the Alaska Research Development Corporation established under this
24 chapter.

25 Sec. 14.55.020. ALASKA RESEARCH DEVELOPMENT CORPORATION. There
26 is established the Alaska Research Development Corporation. The
27 corporation is a public corporation in the Department of Revenue, but
28 has a legal existence independent of and separate from the state. The
29 corporation is managed by the board of directors. Exercise by the

1 board of the powers conferred by this chapter is an essential govern-
2 mental function of the state.

3 Sec. 14.55.030. COMPOSITION AND QUALIFICATIONS OF BOARD OF
4 DIRECTORS. (a) The board of directors of the corporation consists of
5 11 members appointed by the governor and two ex officio members.

6 (b) The board shall establish an independent nominating commit-
7 tee which shall provide to the governor a list of two or more well
8 qualified candidates for each vacancy. The governor may consider
9 these candidates before appointing directors.

10 (c) At least eight of the members must be state residents.
11 Based on experience and achievement in their profession and in soci-
12 ety, at least four of the members must have professional recognition
13 in the business community, at least four must have professional recog-
14 nition in the academic community, and at least three must have profes-
15 sional recognition in federal, state, or foreign government.

16 (d) The governor and the president of the University of Alaska
17 are ex officio members of the board.

18 (e) The board shall annually elect a chairman and other neces-
19 sary officers from among its members.

20 Sec. 14.55.040. TERM OF OFFICE. The members of the board serve
21 six-year terms and may be reappointed. Terms shall be staggered.

22 Sec. 14.55.050. REMOVAL AND VACANCIES. (a) The governor may
23 remove a board member from office. A removal by the governor shall be
24 in writing and state the reason for removal. A board member who is
25 removed by the governor may not participate in board business and may
26 not be counted for the purpose of establishing a quorum after the
27 member receives written notice of removal from the governor.

28 (b) A vacancy on the board shall be promptly filled by appoint-
29 ment by the governor. The governor may consider names on the list

1 provided by the nominating committee under AS 14.55.030(b). An ap-
2 pointee to fill a vacancy holds office for the balance of the term for
3 which the appointee's predecessor on the board was appointed.

4 (c) A vacancy on the board does not impair the authority of a
5 quorum of the board to exercise all the powers and perform all the
6 duties of the board.

7 Sec. 14.55.060. QUORUM. (a) Seven members of the board consti-
8 tute a quorum for the transaction of business and the exercise of the
9 powers and duties of the board.

10 (b) Members of the board serve without compensation, but are
11 entitled to per diem and travel expenses authorized by law for boards
12 under AS 39.20.180.

13 Sec. 14.55.070. CONFLICTS OF INTEREST. The members of the board
14 and compensated employees are subject to the provisions of AS 39.50.

15 Sec. 14.55.080. CORPORATION STAFF. The board shall employ and
16 determine the salary of an executive director. The executive director
17 may, with the approval of the board, select and employ additional
18 staff as necessary. The executive director and all employees of the
19 corporation are in the exempt service under AS 39.25.

20 Sec. 14.55.090. POWERS. In carrying out the powers of the
21 corporation, the board may

- 22 (1) adopt, alter, and use a corporate seal;
- 23 (2) prescribe, adopt, amend, and repeal bylaws;
- 24 (3) sue and be sued in the name of the corporation;
- 25 (4) enter into agreements necessary to the exercise of its
26 powers and functions;
- 27 (5) accept grants from and contract with the federal gov-
28 ernment and the state or its political subdivisions and to that end
29 comply with the provisions of federal, state, or local programs when

1 necessary, except that it may not enter into agreements in which a
2 permanent state or local government position is financed or partially
3 financed in connection with a project;

4 (6) accept grants and loans from and contract with sources
5 other than those in (5) of this section for the purposes of the work
6 of the corporation;

7 (7) collect, store, and disseminate knowledge of Alaska and
8 the north;

9 (8) appear on behalf of the corporation before boards,
10 commissions, departments, or other agencies of municipal, state, or
11 federal government or international bodies;

12 (9) acquire, hold, use, lease, sell, or otherwise dispose
13 of property of any kind, real, personal, or mixed, or an interest in
14 it;

15 (10) hold patents, copyrights, trademarks, royalties or
16 other evidences of protection or exclusivity issued under the laws of
17 the United States or any state or nation obtained by persons receiving
18 assistance from the corporation;

19 (11) adopt regulations governing the exercise of its powers;
20 and

21 (12) do everything necessary or desirable to carry out the
22 purposes of the corporation.

23 Sec. 14.55.100. DUTIES. The board may distribute grant funds to
24 private individuals, companies, schools, universities, governmental
25 agencies, and research and development entities for the conduct of
26 research.

27 Sec. 14.55.110. BUDGET AND APPROPRIATIONS. The corporation is
28 subject to the provisions of the Executive Budget Act (AS 37.07).

29 Sec. 14.55.120. CORPORATION BUDGET. The revenue generated by

1 the corporation's investments must be identified as the source of the
2 operating budget of the corporation in the state's operating budget
3 under the Executive Budget Act (AS 37.07). The unexpended and unobli-
4 gated balance of the corporation's annual operating budget does not
5 lapse into the general fund at the end of the fiscal year but shall be
6 treated as income under AS 14.55.010.

7 Sec. 14.55.130. ANNUAL REPORT. The board shall prepare an
8 annual report of its activities and submit a copy of the report to the
9 legislature. The annual report shall be transmitted to the legisla-
10 ture at the beginning of each regular session. The report shall
11 include a description of the research grants paid by the corporation
12 and any other information that the board determines should be included
13 to describe the work of the corporation.

14 Sec. 14.55.200. DEFINITIONS. In this chapter

15 (1) "board" means the board of directors of the Alaska
16 Research Development Corporation;

17 (2) "corporation" means the Alaska Research Development
18 Corporation; and

19 (3) "endowment" means the Alaska research development
20 endowment.

21 * Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

22 (24) employees of the Alaska Research Development Corpo-
23 ration.

24 * Sec. 4. AS 39.50.020(a) is amended by adding a new paragraph to read:

25 (48) board of directors and compensated employees of the
26 Alaska Research Development Corporation (AS 14.55).

27 * Sec. 5. Notwithstanding AS 14.55.040, added by sec. 2 of this Act,
28 the initial terms of members of the board of directors of the Alaska Re-
29 search Development Corporation shall be set under AS 39.05.055(2).

1 * Sec. 6. Notwithstanding AS 14.55.030(b), added by sec. 2 of this Act,
2 the initial members of the board of directors of the Alaska Research Devel-
3 opment Corporation shall be selected and appointed by the governor.

4 * Sec. 7. This Act takes effect on the effective date of an amendment
5 to the Constitution of the State of Alaska creating the Alaska research
6 development endowment.