

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE
ON NATURAL RESOURCES DEVELOPMENT

2

SENATE BILL NO. 518

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Alaska Development Board."

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

8 * Section 1. FINDINGS AND INTENT. (a) The legislature finds that

9 (1) the missing element in the state's overall spending and
10 investment strategy is a thoughtful but activist program to diversify the
11 economy;

12 (2) the major obstacle to diversification lies in the lack of
13 basic transportation and power facilities;

14 (3) revenue generating capital projects that can pay their own
15 operating and maintenance costs and return original start-up investments to
16 the state must be given preference over capital projects that improve the
17 quality of life.

18 (b) The Alaska Development Board is created to research, study
19 feasibility, and recommend construction of major revenue generating
20 projects that will help diversify the economy. It is the intent of the
21 legislature that only those projects be recommended for construction that
22 have

23 (1) an assured source of repayment of original construction
24 costs;

25 (2) the capacity to generate substantial revenue through tariff,
26 rent, or user fees.

27 * Sec. 2. AS 39.25.120(c) is amended by adding a new paragraph to
28 read:

29 (21) the executive director and staff of the Alaska

1 Development Board.

2 * Sec. 3. AS 39.50.200(b) is amended by adding a new paragraph to read:

3 (49) Alaska Development Board (AS 44.19.300).

4 * Sec. 4. AS 44.19 is amended by adding new sections to read:

5 ARTICLE 14B. ALASKA DEVELOPMENT BOARD.

6 Sec. 44.19.300. ALASKA DEVELOPMENT BOARD. (a) The Alaska
7 Development Board is established in the Office of the Governor con-
8 sisting of the commissioner of commerce and economic development, the
9 commissioner of natural resources, and five members appointed by the
10 governor. Appointed members of the board serve for six-year terms and
11 receive per diem and travel expenses provided by law for members of
12 state boards and commissions under AS 39.20.180. The appointed
13 members must have professional experience involving a major public or
14 private facility in one or more of the following areas:

- 15 (1) financing;
16 (2) construction;
17 (3) project design; or
18 (4) operation and management.

19 (b) The board may appoint an executive director and assign the
20 executive director duties. The board may hire additional staff as
21 necessary. The executive director and staff are in the partially
22 exempt service.

23 (c) The board shall study the feasibility of constructing major
24 capital projects and determine priorities for the construction of
25 proposed projects based on the statewide value of those projects. The
26 board may submit reports making recommendations regarding the con-
27 struction of proposed projects to the governor and the legislature.
28 If a report recommends construction of a project, the report must
29 include an analysis of the benefits expected to be derived from the

1 project and proposals regarding financing for the project. The board
2 may recommend for construction only those projects that have a capaci-
3 ty to

4 (1) provide a reasonable return on the state's investment
5 in them;

6 (2) generate revenue sufficient to cover operating and
7 maintenance costs; and

8 (3) help to strengthen and diversify the state's economic
9 base.

10 Sec. 44.19.305. ALASKA DEVELOPMENT FUND. The Alaska development
11 fund is created in the Department of Revenue consisting of appropri-
12 ations to the fund. Unless otherwise provided in an appropriation act,
13 money appropriated to the fund does not lapse. Money in the fund may
14 be appropriated for the construction of capital projects recommended
15 by the Alaska Development Board.

16 * Sec. 5. Notwithstanding AS 44.19.300(a), enacted in sec. 4 of this
17 Act, initially appointed members of the Alaska Development Board serve the
18 following terms:

19 (1) one member serves for two years;

20 (2) one member serves for three years;

21 (3) one member serves for four years;

22 (4) one member serves for five years;

23 (5) one member serves for six years.