

BY SEN. SZYMANSKI, Adams

1 IN THE SENATE

2

SENATE BILL NO. 359

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act concerning the exercise of authority by the  
7 state and its municipalities in matters relating to  
8 environmental conservation, to state assistance to  
9 municipalities and village councils for expenses  
10 relating to prevention and abatement of environmental  
11 degradation, and to state review of oil discharge  
12 contingency plans; establishing an oil and hazardous  
13 substance municipal impact fund in the Department of  
14 Community and Regional Affairs; and amending provi-  
15 sions applicable to the suspension and reimposition  
16 of the oil and gas production tax oil surcharge to  
17 provide money to that fund; and providing for an  
18 effective date."

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

20 \* Section 1. AS 29.35.020(b) is amended to read:

21 (b) A municipality may adopt an ordinance to exercise a power  
22 authorized by this subsection [PROTECT ITS WATER SUPPLY AND WATER-  
23 SHED,] and may enforce the ordinance outside its boundaries. Before a  
24 [THIS] power authorized by this subsection may be exercised inside the  
25 boundaries of another municipality, the approval of the other munic-  
26 ipality must be given by ordinance. A municipality intending to  
27 exercise its authority under this subsection shall act by ordinance,  
28 and may adopt an ordinance under this subsection to

29

(1) protect its water supply and watershed; or

1           (2) contain, clean up, or prevent the release or threatened  
2           release of oil or a hazardous substance that may pose an imminent or  
3           substantial threat to persons, property, or natural resources within  
4           the municipality's boundaries; in this paragraph, "natural resources"  
5           has the meaning given in AS 46.03.826.

6 \* Sec. 2. AS 29.35.210(a) is amended by adding a new paragraph to read:

7           (13) contain, clean up, or prevent a release or threatened  
8           release of oil or a hazardous substance, and exercise a power granted  
9           to a municipality under AS 46.04, AS 46.08, or AS 46.09.

10 \* Sec. 3. AS 29.35.220 is amended by adding a new subsection to read:

11           (e) A third class borough may by ordinance exercise power neces-  
12           sary to contain, clean up, or prevent a release or threatened release  
13           of oil or a hazardous substance, and exercise a power granted to a  
14           municipality under AS 46.04, AS 46.08, or AS 46.09, but the power  
15           authorized by this subsection may be exercised only on a nonareawide  
16           basis.

17 \* Sec. 4. AS 29.60 is amended by adding new sections to read:

18           ARTICLE 6. OIL AND HAZARDOUS SUBSTANCE MUNICIPAL  
19           IMPACT ASSISTANCE.

20           Sec. 29.60.500. PURPOSE AND POLICY. (a) The legislature finds  
21           and declares that the release of oil or hazardous substances into the  
22           environment presents a real and substantial threat to the economy and  
23           public welfare of the municipalities and village councils that are  
24           affected by the release.

25           (b) The legislature concludes that it is in the best interest of  
26           the state and its citizens to provide a readily available fund for the  
27           payment of the expenses incurred by municipalities and village coun-  
28           cils to mitigate the social and economic effects arising from the  
29           release of oil or hazardous substances.

1 (c) It is the intent of the legislature and declared to be the  
2 public policy of the state that money to defray the cost of social and  
3 economic effects on municipalities and village councils arising from a  
4 release of oil or a hazardous substance and to pay for efforts to  
5 abate that release will always be available.

6 Sec. 29.60.510. FUND ESTABLISHED. (a) There is established in  
7 the state general fund the oil and hazardous substance municipal  
8 impact fund. The fund shall be administered by the commissioner.

9 (b) Money from an appropriation made to the fund remaining in  
10 the fund at the end of a fiscal year remains available for expenditure  
11 by the department in successive fiscal years.

12 (c) The fund shall be used to make grants under AS 29.60.530 for  
13 actual expenses incurred by municipalities and village councils.

14 Sec. 29.60.520. FINANCING OF THE FUND. The legislature may  
15 appropriate from the account established in AS 43.55.210 to the fund.

16 Sec. 29.60.530. ADMINISTRATION OF THE FUND. (a) The commis-  
17 sioner may use money from the fund to make grants to a municipality or  
18 village council affected by a release of oil or a hazardous substance  
19 and demonstrating extraordinary expenditures that are beyond the  
20 reasonable capability of the municipality or village council to meet  
21 from the municipality's or council's current revenue sources.

22 (b) A grant made under this section may be expended only for a  
23 service that is directly or indirectly affected by efforts associated  
24 with prevention, abatement, containment, or removal of oil or a hazar-  
25 dous substance, and that relates to

26 (1) resource protection to ensure the continued viability  
27 of fish, wildlife, and other natural resources on which the residents  
28 of the municipality or village council rely for subsistence needs;

29 (2) alleviation or mitigation of adverse social or cultural

1 effects;

2 (3) public health needs, including hospital, clinic, and  
3 emergency medical services; alcohol, drug abuse, and mental health  
4 services; and the operation of waste disposal systems and water quali-  
5 ty improvement systems;

6 (4) public safety needs, including police protection,  
7 search and rescue, and fire protection;

8 (5) public utility needs, including the operation of elec-  
9 tric generating plants and distribution systems, water supply systems,  
10 telephone systems, and fuel distribution systems;

11 (6) housing needs; and

12 (7) recreational needs.

13 (c) In determining whether an expenditure by a municipality or  
14 village council is eligible for a grant from the fund, the department  
15 shall consider

16 (1) the availability of money to the recipient from other  
17 sources that can be used to support the request;

18 (2) the degree to which the proposed expenditure in the  
19 grant application alleviates or addresses an effect reasonably attrib-  
20 utable to the oil or hazardous substance discharge;

21 (3) the ability of the municipality or village council to  
22 accommodate or absorb the effect through existing programs; and

23 (4) other criteria the department considers appropriate.

24 (d) A grant made under (a) of this section may not be used di-  
25 rectly or indirectly to reduce current municipal tax rates or to  
26 retire existing bonded indebtedness of a municipality.

27 (e) If the total amount of money requested by eligible munic-  
28 ipalities and village councils for projects exceeds the amount avail-  
29 able in the fund, the department shall rank applications for the

1 purpose of establishing the priority order of awarding grants. In  
2 ranking an application under this subsection, the department shall  
3 consider

4 (1) the severity of the effect addressed in the applica-  
5 tion;

6 (2) the degree to which the effect on the municipality or  
7 village council is directly caused by the oil or hazardous substance  
8 discharge; and

9 (3) whether the proposed project is part of a coordinated  
10 program with other affected municipalities and village councils.

11 Sec. 29.60.540. RECORDS OF THE FUND. (a) The department shall  
12 maintain accounting records showing the income and expenses of the  
13 fund.

14 (b) The department shall develop procedures governing the expen-  
15 diture of, and accounting for, money expended from the fund.

16 Sec. 29.60.550. REPORT TO THE LEGISLATURE. The commissioner  
17 shall submit a report to the legislature not later than the 10th day  
18 following the convening of each regular session of the legislature.  
19 The report may include information considered significant by the  
20 commissioner but must include:

21 (1) the amount of money expended under AS 29.60.530 during  
22 the preceding fiscal year;

23 (2) the amount and source of money received and money  
24 recovered during the preceding fiscal year as specified in AS 29.60.-  
25 520;

26 (3) a detailed summary of department activities in adminis-  
27 tering the fund during the preceding fiscal year; and

28 (4) the projected costs to be met from the fund during the  
29 next fiscal year.

1           Sec. 29.60.560. REGULATIONS. The commissioner may adopt regula-  
2 tions that are necessary to implement the purposes of AS 29.60.500 -  
3 29.60.590.

4           Sec. 29.60.590 DEFINITIONS. In AS 29.60.500 - 29.60.590

5           (1) "fund" means the oil and hazardous substance municipal  
6 impact fund;

7           (2) "hazardous substance," "oil," and "release" have the  
8 meanings given in AS 46.08.900;

9           (3) "village council" means each of the following in the  
10 unorganized borough that has irrevocably waived, in a form approved by  
11 the Department of Law, any claims to sovereign immunity that might  
12 arise in connection with the use of grant money under this chapter:

13           (A) a council organized under sec. 16 of the Indian  
14 Reorganization Act, 25 U.S.C. 476;

15           (B) a traditional village council recognized by the  
16 United States as eligible for federal aid to Indians; or

17           (C) a council recognized by the commissioner under  
18 regulations adopted by the department to determine and give  
19 official recognition of village entities under AS 44.47.150(b).

20 \* Sec. 5. AS 43.55.220 is amended to read:

21           Sec. 43.55.220. USE OF REVENUE DERIVED FROM SURCHARGE. The  
22 legislature may appropriate the annual estimated balance of the ac-  
23 count established under AS 43.55.210 to

24           (1) the oil and hazardous substance release response fund  
25 established by AS 46.08.010; and

26           (2) the oil and hazardous substance municipal impact fund  
27 established by AS 29.60.510.

28 \* Sec. 6. AS 43.55.230(a) is amended to read:

29           (a) Not later than 30 days after the end of each calendar

1 quarter, the commissioner of administration shall determine the cumu-  
2 lative total of money

3 (1) that has been deposited through that calendar quarter  
4 into the general fund under AS 43.55.210;

5 (2) expended through that calendar quarter from

6 (A) the oil and hazardous substance release response  
7 fund established in AS 46.08.010; and

8 (B) the oil and hazardous substance municipal impact  
9 fund established in AS 29.60.510.

10 \* Sec. 7. AS 43.55.230(c) is amended to read:

11 (c) If the commissioner of administration reports that the  
12 difference determined under (b) of this section equals or exceeds  
13 \$75,000,000 [\$50,000,000], the commissioner of revenue shall suspend  
14 imposition and collection of the surcharge levied and collected under  
15 AS 43.55.200. Suspension of the imposition and collection of the  
16 surcharge begins on the first day of the calendar quarter next follow-  
17 ing the commissioner's receipt of the commissioner of administration's  
18 report under (b) of this section. Before the first day of a suspen-  
19 sion authorized by this subsection, the commissioner shall make a  
20 reasonable effort to notify all persons who are known to the depart-  
21 ment to be paying the surcharge under AS 43.55.200 that the surcharge  
22 will be suspended.

23 \* Sec. 8. AS 43.55.230(d) is amended to read:

24 (d) Except as provided in AS 43.55.240, if the commissioner of  
25 administration reports that the difference determined under (b) of  
26 this section is less than \$75,000,000 [\$50,000,000], the commissioner  
27 of revenue shall require imposition and collection of the surcharge  
28 authorized under AS 43.55.200. Reimposition of the surcharge begins  
29 on the first day of the calendar quarter next following the

1 commissioner's receipt of the commissioner of administration's report  
2 under (b) of this section. Before the first day of reimposition of  
3 the surcharge authorized by this subsection, the commissioner shall  
4 make a reasonable effort to notify all persons who are known to the  
5 department to be required to pay the surcharge under AS 43.55.200 that  
6 the surcharge will be reimposed.

7 \* Sec. 9. AS 43.55.240 is amended to read:

8 Sec. 43.55.240. SURCHARGE NOT IMPOSED. The surcharge authorized  
9 by AS 43.55.200 is not levied during any fiscal year for which the  
10 estimated revenue from the surcharge would be sufficient to restore  
11 the combined balances [BALANCE] of the oil and hazardous substance  
12 release response fund and the oil and hazardous substance municipal  
13 impact fund on the first day of the fiscal year to at least  
14 \$75,000,000 [\$50,000,000], and

15 (1) the legislature does not, during the regular legisla-  
16 tive session preceding the first day of the fiscal year, appropriate  
17 money from the general fund

18 (A) to the oil and hazardous substance release re-  
19 sponse fund sufficient to restore the balance of that fund on the  
20 first day of the fiscal year to at least \$50,000,000; and

21 (B) to the oil and hazardous substance municipal  
22 impact fund sufficient to restore the balance of that fund on the  
23 first day of the fiscal year to at least \$25,000,000; or

24 (2) the legislature, during the regular legislative session  
25 preceding the first day of the fiscal year, appropriates money from  
26 the general fund

27 (A) to the oil and hazardous substance release re-  
28 sponse fund sufficient to restore the balance of that fund on the  
29 first day of the fiscal year to at least \$50,000,000 and, because

1 of gubernatorial veto or reduction in the amount of the appropri-  
2 ation, restoration of the balance of the fund to at least  
3 \$50,000,000 does not become law; or

4 (B) to the oil and hazardous substance municipal  
5 impact fund sufficient to restore the balance of that fund on the  
6 first day of the fiscal year to at least \$25,000,000 and, because  
7 of gubernatorial veto or reduction in the amount of the appro-  
8 priation, restoration of the balance of the fund to at least  
9 \$25,000,000 does not become law.

10 \* Sec. 10. Section 3, ch. 112, SLA 1989 is amended to read:

11 Sec. 3. APPLICATION OF AS 43.55.240. (a) AS 43.55.240, added  
12 by sec. 2 of this Act, does not apply to prevent the levy and collec-  
13 tion of the surcharge imposed by AS 43.55.200 until the first day of  
14 the fiscal year next following the day on which the combined balances  
15 [BALANCE] of the oil and hazardous substance release response fund and  
16 the oil and hazardous substance municipal impact fund first exceed  
17 \$75,000,000 [EXCEEDS \$50,000,000].

18 (b) The commissioner of administration shall certify to the  
19 commissioner of environmental conservation, the commissioner of reve-  
20 nue, and the division of legislative finance the date on which the  
21 combined balances [BALANCE] of the oil and hazardous substance release  
22 response fund and the oil and hazardous substance municipal impact  
23 fund first exceed \$75,000,000 [EXCEEDS \$50,000,000].

24 \* Sec. 11. AS 46.03.822(a) is amended to read:

25 (a) Notwithstanding any other provision or rule of law and  
26 subject only to the defenses set out in (b) of this section, [AND] the  
27 exception set out in (i) of this section, and the limitation set out  
28 in (k) of this section, the following persons are strictly liable,  
29 jointly and severally, for damages to persons or property, whether

1 public or private, including damage to the natural resources of the  
2 state or a municipality, [AND] for the costs of response, containment,  
3 removal, or remedial action incurred by the state or a municipality,  
4 and for the incremental costs of providing public services that are  
5 incurred by the state or a municipality, resulting from an unpermitted  
6 release of a hazardous substance or, with respect to response costs,  
7 the substantial threat of an unpermitted release of a hazardous sub-  
8 stance:

9 (1) the owner of, and the person having control over, the  
10 hazardous substance at the time of the release or threatened release;  
11 this paragraph does not apply to a consumer product in consumer use;

12 (2) the owner and the operator of a vessel or facility,  
13 from which there is a release, or a threatened release that causes the  
14 incurrence of response costs, of a hazardous substance;

15 (3) any person who at the time of disposal of any hazardous  
16 substance owned or operated any facility or vessel at which the haz-  
17 ardous substances were disposed of, from which there is a release, or  
18 a threatened release that causes the incurrence of response costs, of  
19 a hazardous substance;

20 (4) any person who by contract, agreement, or otherwise  
21 arranged for disposal or treatment, or arranged with a transporter for  
22 transport for disposal or treatment, of hazardous substances owned or  
23 possessed by the person, other than domestic sewage, or by any other  
24 party or entity, at any facility or vessel owned or operated by an-  
25 other party or entity and containing hazardous substances, from which  
26 there is a release, or a threatened release that causes the incurrence  
27 of response costs, of a hazardous substance;

28 (5) any person who accepts or accepted any hazardous sub-  
29 stances, other than refined oil, for transport to disposal or

1 treatment facilities, vessels or sites selected by the person, from  
2 which there is a release, or a threatened release that causes the  
3 incurrence of response costs, of a hazardous substance.

4 \* Sec. 12. AS 46.03.822 is amended by adding a new subsection to read:

5 (k) A municipality may recover under this subsection only an  
6 amount by which the expenditures made by the municipality relating to  
7 the discharge of the hazardous substance exceed amounts received by  
8 the municipality as grants under AS 29.60.500 - 29.60.590 and AS 46.-  
9 08.072.

10 \* Sec. 13. AS 46.03.900 is amended by adding a new paragraph to read:

11 (35) "public services" means any function performed or  
12 service provided by the state or by a municipality under a duty or  
13 power authorized by AS 29 or other provision of law authorizing a  
14 municipality to perform functions or provide services, including  
15 functions not previously performed and services not previously pro-  
16 vided by the state or by a municipality.

17 \* Sec. 14. AS 46.04.020(e) is amended to read:

18 (e) The department shall enter into negotiations for memoranda  
19 of understanding or cooperative agreements with the United States  
20 Coast Guard, the United States Environmental Protection Agency, munic-  
21 ipalities, village councils, and other persons in order to

22 (1) facilitate coordinated and effective oil discharge  
23 response in the state;

24 (2) provide for cooperative review of oil discharge contin-  
25 ugency plans submitted to the department under AS 46.04.030;

26 (3) provide for cooperative inspections of oil terminal  
27 facilities by the department and the United States Coast Guard or  
28 United States Environmental Protection Agency; and

29 (4) provide for cooperative oil discharge notification

1 procedures.

2 \* Sec. 15. AS 46.04.030 is amended by adding a new subsection to read:

3 (h) Before approving an oil discharge contingency plan under  
4 this section, the commissioner shall

5 (1) consult with municipal officials and with representa-  
6 tives of affected regions and community organizations; and

7 (2) disseminate the draft plan to the public for review and  
8 comment.

9 \* Sec. 16. AS 46.04.900(5) is amended to read:

10 (5) "containment and cleanup" includes all direct and  
11 indirect efforts associated with the prevention, abatement, contain-  
12 ment, or removal of discharged oil or a pollutant, and the restoration  
13 of the environment to its former state; when applied to expenses, the  
14 term includes the incremental costs of providing public services  
15 incurred in response to an actual discharge of oil or a pollutant and  
16 the costs of providing additional public services incurred in response  
17 to the actual discharge of the oil or pollutant, and all incidental  
18 administrative costs;

19 \* Sec. 17. AS 46.04.900 is amended by adding new paragraphs to read:

20 (18) "public services" means any function performed or  
21 service provided by the state, including functions not previously  
22 performed and services not previously provided by the state;

23 (19) "village council" means each of the following in the  
24 unorganized borough that has irrevocably waived, in a form approved by  
25 the Department of Law, any claims to sovereign immunity that might  
26 arise in connection with the use of grant money under this chapter:

27 (A) a council organized under sec. 16 of the Indian  
28 Reorganization Act, 25 U.S.C. 476;

29 (B) a traditional village council recognized by the

1 United States as eligible for federal aid to Indians; or

2 (C) a council recognized by the commissioner under  
3 regulations adopted by the department to determine and give  
4 official recognition of village entities under AS 44.47.150(b).

5 \* Sec. 18. AS 46.08.040 is amended to read:

6 Sec. 46.08.040. PURPOSES OF THE FUND. The commissioner may use  
7 money from the fund to

8 (1) investigate and evaluate the release or threatened  
9 release of oil or a hazardous substance, and contain, clean up, and  
10 take other necessary action, such as monitoring and assessing, to  
11 address a release or threatened release of oil or a hazardous sub-  
12 stance that poses an imminent and substantial threat to the public  
13 health or welfare, or to the environment; an assessment made under  
14 this paragraph may include an assessment of the social and economic  
15 effects of the release or threatened release;

16 (2) pay all costs incurred to establish and maintain the  
17 oil and hazardous substance response office and for the expenses of  
18 the oil and hazardous substance response corps and the oil and hazard-  
19 ous substance response depots established by that office;

20 (3) provide matching funds for participation in federal oil  
21 discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Compre-  
22 hensive Environmental Response, Compensation, and Liability Act of  
23 1980); [AND]

24 (4) recover the costs to the state, [OR TO] a municipality,  
25 or a village council of a containment and cleanup resulting from the  
26 release or the threatened release of oil or a hazardous substance; [.]

27 (5) prepare, review, and revise

28 (A) the state's master oil and hazardous substance  
29 discharge and prevention contingency plan required by

1 AS 46.04.200; and

2 (B) a regional master oil and hazardous substance  
3 discharge and prevention contingency plan required by AS 46.04.-  
4 210; [AND]

5 (6) restore the environment by addressing the effects of an  
6 oil or hazardous substance release; and

7 (7) make grants under AS 46.08.072.

8 \* Sec. 19. AS 46.08.070(c) is amended to read:

9 (c) The department shall [MAY] reimburse a municipality or  
10 village council for actual expenses[, OTHER THAN NORMAL OPERATING  
11 EXPENSES,] incurred in the abatement of a release or threatened re-  
12 lease of oil or a hazardous substance if

13 (1) the municipality or village council has entered into an  
14 agreement with the commissioner under AS 46.04.020(e) or AS 46.09.-  
15 020(e); and

16 (2) the commissioner determines that the expenses were an  
17 appropriate [FOR A NECESSARY EMERGENCY FIRST] response to a release or  
18 threatened release that, at the time of the release or threatened  
19 release, posed an imminent and substantial threat to the public health  
20 or welfare, or to the environment.

21 \* Sec. 20. AS 46.08 is amended by adding a new section to read:

22 Sec. 46.08.072. GRANTS. (a) The department may provide grants  
23 to a municipality or a village council to enable the municipality or  
24 village council to carry out an emergency first response to a release  
25 or threatened release of oil or a hazardous substance that poses an  
26 imminent and substantial threat to the public health or welfare or to  
27 the environment. A grant may be used by the grant recipient to pay  
28 costs incurred by the recipient for the direct efforts associated with  
29 the prevention, abatement, clean up, containment, or removal of oil or

1 a hazardous substance, all incidental administrative costs, and for  
2 the incremental costs of providing public services.

3 (b) When an applicant submits an application for a grant under  
4 this section,

5 (1) if the release or threatened release of oil or a haz-  
6 ardous substance constitutes a catastrophic oil discharge or a disas-  
7 ter emergency, the department shall review and accept or reject a  
8 grant application within 48 hours after receipt of the application;

9 (2) if the release or threatened release of oil or a haz-  
10 ardous substance does not constitute a catastrophic oil discharge or a  
11 disaster emergency, the department shall review and accept or reject a  
12 grant application as promptly as possible to permit the municipality  
13 or village council to execute a proper response.

14 (c) After consultation with the Department of Community and  
15 Regional Affairs, the department shall adopt regulations to carry out  
16 this section. The regulations must establish

17 (1) eligibility requirements of applicants;

18 (2) procedures for review of applications submitted under  
19 (a) of this section so that the department may meet the deadlines for  
20 decisions set out in (b) of this section;

21 (3) standards for the evaluation of applications; and

22 (4) other conditions for the receipt of a grant.

23 (d) Regulations adopted under (c) of this section must include  
24 as a factor the applicant's ability to provide an emergency first  
25 response if the grant application is not approved.

26 (e) In reviewing and making a determination about the applica-  
27 tion submitted under this section, the department may not consider  
28 whether the amount to be expended as a grant is an expense recoverable  
29 under AS 46.08.070.

1 \* Sec. 21. AS 46.08.900(3) is amended to read:

2 (3) "containment and cleanup" includes the direct and  
3 indirect efforts associated with the prevention, abatement, contain-  
4 ment, or removal of oil or a hazardous substance, and the restoration  
5 of the environment; when applied to expenses, the term includes the  
6 incremental costs of providing public services and the costs of pro-  
7 viding additional public services incurred by the state in response to  
8 the discharge of the oil or hazardous substance, and all incidental  
9 administrative costs;

10 \* Sec. 22. AS 46.08.900 is amended by adding new paragraphs to read:

11 (11) "public services" means any function performed or  
12 service provided by the state, including functions not previously  
13 performed and services not previously provided by the state;

14 (12) "village council" means each of the following in the  
15 unorganized borough that has irrevocably waived, in a form approved by  
16 the Department of Law, any claims to sovereign immunity that might  
17 arise in connection with the use of grant money under this chapter:

18 (A) a council organized under sec. 16 of the Indian  
19 Reorganization Act, 25 U.S.C. 476;

20 (B) a traditional village council recognized by the  
21 United States as eligible for federal aid to Indians; or

22 (C) a council recognized by the commissioner under  
23 regulations adopted by the department to determine and give  
24 official recognition of village entities under AS 44.47.150(b).

25 \* Sec. 23. AS 46.09.060(b) is amended to read:

26 (b) Authority to contain, clean up, or prevent a release or  
27 threatened release of oil or of a hazardous substance, and to exercise  
28 other powers necessary to implement this chapter, AS 46.04, and AS 46.  
29 08, are granted to municipalities that do not otherwise have that

1 authority. Except as provided in (a) of this section, a municipality  
2 may exercise its police power within the area of the municipality.

3 \* Sec. 24. AS 46.09.900(2) is amended to read:

4 (2) "containment and cleanup" includes the direct and  
5 indirect efforts associated with the prevention, abatement, contain-  
6 ment, or removal of a hazardous substance, and the restoration of the  
7 environment; when applied to expenses, the term includes the incre-  
8 mental costs of providing public services and the costs of providing  
9 additional public services incurred by the state in response to the  
10 discharge of the hazardous substance, and all incidental administra-  
11 tive costs;

12 \* Sec. 25. AS 46.09.900 is amended by adding a new paragraph to read:

13 (8) "public services" means any function performed or  
14 service provided by the state, including functions not previously  
15 performed and services not previously provided by the state.

16 \* Sec. 26. This Act takes effect immediately under AS 01.10.070(c).