

BY SEN. SZYMANSKI, Adams, Zharoff

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR 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 and  
7 recovery of damages by the state and its municipal-  
8 ities and village councils in matters relating to  
9 environmental conservation; relating to state assis-  
10 tance to municipalities and village councils for  
11 expenses for prevention and abatement of environ-  
12 mental degradation, and to state review of oil dis-  
13 charge contingency plans; establishing an oil and  
14 hazardous substance municipal impact fund in the  
15 Department of Community and Regional Affairs; and  
16 amending provisions applicable to the suspension and  
17 reimposition of the oil and gas production tax oil  
18 surcharge to provide money to that fund; and pro-  
19 viding for an effective date."

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

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

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



1 release of oil or hazardous substances.

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

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

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

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

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

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

23 (b) A grant made under this section may be expended only for a  
24 function or service, including all incidental administrative costs  
25 related to the function or service, that is directly or indirectly  
26 affected by efforts associated with prevention, abatement, contain-  
27 ment, or removal of oil or a hazardous substance, and that relates to

28 (1) subsistence resource protection to ensure the continued  
29 viability of fish, wildlife, and other natural resources on which the

1 residents of the municipality or village rely for subsistence needs;

2 (2) alleviation or mitigation of adverse social or cultural  
3 effects;

4 (3) public health and welfare needs, including hospital,  
5 clinic, and emergency medical services; alcohol, drug abuse, and  
6 mental health services; family support services; and the operation of  
7 waste disposal systems and water quality improvement systems;

8 (4) public safety needs, including police protection,  
9 search and rescue, and fire protection;

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

13 (6) housing needs;

14 (7) public administration needs, including the value of  
15 staff and administrative time devoted to direct efforts to prevent,  
16 abate, contain, or remove oil or a hazardous substance, and the costs  
17 of projects or activities that are delayed or lost because of the  
18 grantee's efforts; and

19 (8) planning needs, including the value of staff and admin-  
20 istrative time attributable to coordinating efforts to prevent, abate,  
21 contain, or remove oil or a hazardous substance with other govern-  
22 ments.

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

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

28 (2) the degree to which the proposed expenditure in the  
29 grant application alleviates or addresses an effect reasonably

1           attributable to the oil or hazardous substance discharge;

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

4                   (4) other criteria the department considers appropriate.

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

8           (e) If the total amount of money requested by eligible munic-  
9 ipalities and village councils for projects exceeds the amount avail-  
10 able in the fund, the department shall rank applications for the  
11 purpose of establishing the priority order of awarding grants. In  
12 ranking an application under this subsection, the department shall  
13 consider

14                   (1) the severity of the effect addressed in the applica-  
15 tion;

16                   (2) the degree to which the effect on the municipality or  
17 village council is directly caused by the oil or hazardous substance  
18 discharge; and

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

21           Sec. 29.60.540. RECORDS OF THE FUND. (a) The department shall  
22 maintain accounting records showing the income and expenses of the  
23 fund.

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

26           Sec. 29.60.550. REPORT TO THE LEGISLATURE. The commissioner  
27 shall submit a report to the legislature not later than the 10th day  
28 following the convening of each regular session of the legislature.  
29 The report may include information considered significant by the

1 commissioner but must include:

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

4 (2) the amount and source of money received and money  
5 recovered during the preceding fiscal year as specified in AS 29.60.-  
6 520;

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

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

11 Sec. 29.60.560. REGULATIONS. The commissioner may adopt regula-  
12 tions that are necessary to implement the purposes of AS 29.60.500 -  
13 29.60.590.

14 Sec. 29.60.590 DEFINITIONS. In AS 29.60.500 - 29.60.590

15 (1) "fund" means the oil and hazardous substance municipal  
16 impact fund;

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

19 (3) "village council" means each of the following in the  
20 unorganized borough or within a borough if the power, function, or  
21 service for which the grant application is submitted is not exercised  
22 or provided by the borough on an areawide or nonareawide basis at the  
23 time the grant application is submitted, if that council has irrevocably  
24 waived, in a form approved by the Department of Law, any claims  
25 to sovereign immunity that might arise in connection with the use of  
26 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. 5. AS 43.55.220 is amended to read:

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

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

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

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

14 (a) Not later than 30 days after the end of each calendar quar-  
15 ter, the commissioner of administration shall determine the cumulative  
16 total of money

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

19 (2) expended through that calendar quarter from

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

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

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

25 (c) If the commissioner of administration reports that the  
26 difference determined under (b) of this section equals or exceeds  
27 \$75,000,000 [\$50,000,000], the commissioner of revenue shall suspend  
28 imposition and collection of the surcharge levied and collected under  
29 AS 43.55.200. Suspension of the imposition and collection of the

1 surcharge begins on the first day of the calendar quarter next follow-  
2 ing the commissioner's receipt of the commissioner of administration's  
3 report under (b) of this section. Before the first day of a suspen-  
4 sion authorized by this subsection, the commissioner shall make a  
5 reasonable effort to notify all persons who are known to the depart-  
6 ment to be paying the surcharge under AS 43.55.200 that the surcharge  
7 will be suspended.

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

9 (d) Except as provided in AS 43.55.240, if the commissioner of  
10 administration reports that the difference determined under (b) of  
11 this section is less than \$75,000,000 [\$50,000,000], the commissioner  
12 of revenue shall require imposition and collection of the surcharge  
13 authorized under AS 43.55.200. Reimposition of the surcharge begins  
14 on the first day of the calendar quarter next following the commis-  
15 sioner's receipt of the commissioner of administration's report under  
16 (b) of this section. Before the first day of reimposition of the  
17 surcharge authorized by this subsection, the commissioner shall make a  
18 reasonable effort to notify all persons who are known to the depart-  
19 ment to be required to pay the surcharge under AS 43.55.200 that the  
20 surcharge will be reimposed.

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

22 Sec. 43.55.240. SURCHARGE NOT IMPOSED. The surcharge authorized  
23 by AS 43.55.200 is not levied during any fiscal year for which the  
24 estimated revenue from the surcharge would be sufficient to restore  
25 the combined balances [BALANCE] of the oil and hazardous substance  
26 release response fund and the oil and hazardous substance municipal  
27 impact fund on the first day of the fiscal year to at least  
28 \$75,000,000 [\$50,000,000], and

29 (1) the legislature does not, during the regular

1 legislative session preceding the first day of the fiscal year, appro-  
2 priate money from the general fund

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

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

9 (2) the legislature, during the regular legislative session  
10 preceding the first day of the fiscal year, appropriates money from  
11 the general fund

12 (A) to the oil and hazardous substance release re-  
13 sponse fund sufficient to restore the balance of that fund on the  
14 first day of the fiscal year to at least \$50,000,000 and, because  
15 of gubernatorial veto or reduction in the amount of the appropri-  
16 ation, restoration of the balance of the fund to at least  
17 \$50,000,000 does not become law; or

18 (B) to the oil and hazardous substance municipal  
19 impact fund sufficient to restore the balance of that fund on the  
20 first day of the fiscal year to at least \$25,000,000 and, because  
21 of gubernatorial veto or reduction in the amount of the appro-  
22 priation, restoration of the balance of the fund to at least  
23 \$25,000,000 does not become law.

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

25 Sec. 3. APPLICATION OF AS 43.55.240. (a) AS 43.55.240, added  
26 by sec. 2 of this Act, does not apply to prevent the levy and collec-  
27 tion of the surcharge imposed by AS 43.55.200 until the first day of  
28 the fiscal year next following the day on which the combined balances  
29 [BALANCE] of the oil and hazardous substance release response fund and

1 the oil and hazardous substance municipal impact fund first exceed  
2 \$75,000,000 [EXCEEDS \$50,000,000].

3 (b) The commissioner of administration shall certify to the  
4 commissioner of environmental conservation, the commissioner of reve-  
5 nue, the commissioner of community and regional affairs, and the  
6 division of legislative finance the date on which the combined bal-  
7 ances [BALANCE] of the oil and hazardous substance release response  
8 fund and the oil and hazardous substance municipal impact fund first  
9 exceed \$75,000,000 [EXCEEDS \$50,000,000].

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

11 (a) Notwithstanding any other provision or rule of law and  
12 subject only to the defenses set out in (b) of this section, [AND] the  
13 exception set out in (i) of this section, and the limitation set out  
14 in (k) of this section, the following persons are strictly liable,  
15 jointly and severally, for damages to persons or property, whether  
16 public or private, including damage to the natural resources of the  
17 state, [OR] a municipality, or a village council, [AND] for the costs  
18 of response, containment, removal, or remedial action incurred by the  
19 state, [OR] a municipality, or a village council, and for the incre-  
20 mental costs of providing public services that are incurred by the  
21 state, a municipality, or a village council [,] resulting from an  
22 unpermitted release of a hazardous substance or, with respect to  
23 response costs, the substantial threat of an unpermitted release of a  
24 hazardous substance:

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

28 (2) the owner and the operator of a vessel or facility,  
29 from which there is a release, or a threatened release that causes the

1 incurrence of response costs, of a hazardous substance;

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

7 (4) any person who by contract, agreement, or otherwise  
8 arranged for disposal or treatment, or arranged with a transporter for  
9 transport for disposal or treatment, of hazardous substances owned or  
10 possessed by the person, other than domestic sewage, or by any other  
11 party or entity, at any facility or vessel owned or operated by an-  
12 other party or entity and containing hazardous substances, from which  
13 there is a release, or a threatened release that causes the incurrence  
14 of response costs, of a hazardous substance;

15 (5) any person who accepts or accepted any hazardous sub-  
16 stances, other than refined oil, for transport to disposal or treat-  
17 ment facilities, vessels or sites selected by the person, from which  
18 there is a release, or a threatened release that causes the incurrence  
19 of response costs, of a hazardous substance.

20 \* Sec. 12. AS 46.03.822(h) is amended to read:

21 (h) The state, [OR] a municipality, or a village council is not  
22 liable under this section for costs or damages as a result of actions  
23 taken in response to an emergency created by a release or threatened  
24 release of a hazardous substance generated by or from a facility or  
25 vessel owned by another person unless the actions taken by the state,  
26 the [OR] municipality, or the village council constitute gross negli-  
27 gence or intentional misconduct.

28 \* Sec. 13. AS 46.03.822 is amended by adding a new subsection to read:

29 (k) A municipality or village council may recover under this

1 section. The recovery by a municipality or village council under this  
2 section must be reduced by an amount equal to amounts received by the  
3 municipality or village council as grants under AS 29.60.500 -  
4 29.60.590 and AS 46.08.072.

5 \* Sec. 14. AS 46.03.900 is amended by adding new paragraphs to read:

6 (35) "public services" means any function performed or  
7 service provided by the state or by a municipality under a duty or  
8 power authorized by AS 29 or other provision of law authorizing a  
9 municipality to perform functions or provide services, or a comparable  
10 function performed or service provided by a village council; "public  
11 service" includes functions not previously performed and services not  
12 previously provided by the state, by a municipality, or by a village  
13 council;

14 (36) "village council" has the meaning given in AS 46.04.-  
15 900.

16 \* Sec. 15. AS 46.04.020(e) is amended to read:

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

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

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

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

28 (4) provide for cooperative oil discharge notification  
29 procedures.

1 \* Sec. 16. AS 46.04.030 is amended by adding a new subsection to read:

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

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

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

8 \* Sec. 17. AS 46.04.900(5) is amended to read:

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

18 \* Sec. 18. AS 46.04.900 is amended by adding new paragraphs to read:

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

22 (19) "village council" means each of the following in the  
23 unorganized borough or within a borough if the power, function, or  
24 service for which the department seeks to assign responsibility under  
25 the memorandum of understanding or cooperative agreement is not ex-  
26 exercised or provided by the borough on an areawide or nonareawide basis  
27 at the time negotiations are entered into, if that council has irrevocably  
28 waived, in a form approved by the Department of Law, any claims  
29 to sovereign immunity that might arise in connection with the exercise

1 of the council's authority under this chapter:

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

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

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

9 \* Sec. 19. AS 46.08.040 is amended to read:

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

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

20 (2) pay all costs incurred to establish and maintain the  
21 oil and hazardous substance response office and for the expenses of  
22 the oil and hazardous substance response corps and the oil and hazard-  
23 ous substance response depots established by that office;

24 (3) provide matching funds for participation in federal oil  
25 discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Compre-  
26 hensive Environmental Response, Compensation, and Liability Act of  
27 1980); [AND]

28 (4) recover the costs to the state, [OR TO] a municipality,  
29 or a village council of a containment and cleanup resulting from the

1 release or the threatened release of oil or a hazardous substance; [.]

2 (5) prepare, review, and revise

3 (A) the state's master oil and hazardous substance  
4 discharge and prevention contingency plan required by AS 46.04.-  
5 200; and

6 (B) a regional master oil and hazardous substance  
7 discharge and prevention contingency plan required by AS 46.04.-  
8 210; [AND]

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

11 (7) make grants under AS 46.08.072.

12 \* Sec. 20. AS 46.08.070(c) is amended to read:

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

17 (1) the municipality or village council has entered into an  
18 agreement with the commissioner under AS 46.04.020(e) or AS 46.09.-  
19 020(e); and

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

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

26 Sec. 46.08.072. GRANTS. (a) The department may provide grants  
27 to a municipality or a village council to enable the municipality or  
28 village council to carry out an emergency first response to a release  
29 or threatened release of oil or a hazardous substance that poses an

1 imminent and substantial threat to the public health or welfare or to  
2 the environment. A grant may be used by the grant recipient to pay  
3 costs incurred by the recipient for the direct efforts associated with  
4 the prevention, abatement, clean up, containment, or removal of oil or  
5 a hazardous substance and all incidental administrative costs.

6 (b) When an applicant submits an application for a grant under  
7 this section,

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

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

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

20 (1) eligibility requirements of applicants;

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

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

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

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

29 (e) In reviewing and making a determination about the

1 application submitted under this section, the department may not  
2 consider whether the amount to be expended as a grant is an expense  
3 recoverable under AS 46.08.070.

4 \* Sec. 22. AS 46.08.900(3) is amended to read:

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

13 \* Sec. 23. AS 46.08.900 is amended by adding new paragraphs to read:

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

17 (12) "village council" means each of the following in the  
18 unorganized borough or within a borough if the power, function, or  
19 service for which the grant application is submitted is not exercised  
20 or provided by the borough on an areawide or nonareawide basis at the  
21 time the grant application is submitted, if that council has irrevoc-  
22 ably waived, in a form approved by the Department of Law, any claims  
23 to sovereign immunity that might arise in connection with the use of  
24 grant money under this chapter:

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

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

29 (C) a council recognized by the commissioner under

1 regulations adopted by the department to determine and give  
2 official recognition of village entities under AS 44.47.150(b).

3 \* Sec. 24. AS 46.09.060(b) is amended to read:

4 (b) Authority to contain, clean up, or prevent a release or  
5 threatened release of oil or of a hazardous substance, and to exercise  
6 other powers necessary to implement this chapter, AS 46.04, and  
7 AS 46.08, are granted to municipalities that do not otherwise have  
8 that authority. Except as provided in (a) of this section, a munic-  
9 ipality may exercise its police power within the area of the munic-  
10 ipality.

11 \* Sec. 25. AS 46.09.900(2) is amended to read:

12 (2) "containment and cleanup" includes the direct and  
13 indirect efforts associated with the prevention, abatement, contain-  
14 ment, or removal of a hazardous substance, and the restoration of the  
15 environment; when applied to expenses, the term includes the incre-  
16 mental costs of providing public services and the costs of providing  
17 additional public services incurred by the state in response to the  
18 discharge of the hazardous substance, and all incidental administra-  
19 tive costs;

20 \* Sec. 26. AS 46.09.900 is amended by adding a new paragraph to read:

21 (8) "public services" means any function performed or  
22 service provided by the state, including functions not previously  
23 performed and services not previously provided by the state.

24 \* Sec. 27. This Act takes effect immediately under AS 01.10.070(c).