

HOUSE BILL NO. 59

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES LARSON, M.W.Miller, Grussendorf, Carney

Introduced: 1/22/91

Referred: Resources, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reconstitution and administration of the mental health trust established
2 under the Alaska Mental Health Enabling Act of 1956; and providing for an effective
3 date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1. FINDINGS AND PURPOSE.** (a) The legislature finds

6 (1) the United States Congress passed the Alaska Mental Health Enabling Act of 1956,
7 P.L. 84-830, 70 Stat. 709, "To confer upon Alaska autonomy in the field of mental health, transfer from
8 the Federal Government to the Territory the fiscal and functional responsibility for the hospitalization
9 of committed mental patients, and for other purposes";

10 (2) in sec. 202 of the Alaska Mental Health Enabling Act, the Congress granted the
11 territory the right to select up to 1,000,000 acres of federal land to serve as a source of funds to support
12 the territory's mental health program;

13 (3) in subsection 202(e), the Congress specifically provided that the land so granted, and
14 any income from the land and proceeds from dispositions of the land, were to be administered as "a

1 public trust and such proceeds and income shall first be applied to meet the necessary expenses of the
2 mental health program of Alaska," that "lands, income, and proceeds shall be managed and utilized in
3 such manner as the Legislature of Alaska may provide," that the land may be "sold, leased, mortgaged,
4 exchanged or otherwise disposed of in such manner as the Legislature of Alaska may provide, in order
5 to obtain funds or other property to be invested, expended or used by the Territory of Alaska," and that
6 the Alaska legislature must exercise this broad authority "in a manner compatible with the conditions
7 and requirements imposed by this Act;"

8 (4) in requiring that the proceeds and income of the 1,000,000 acre land grant "first be
9 applied to meet the necessary expenses of the mental health program of Alaska," it was the intent of the
10 Congress that additional public funds be appropriated by the legislature to supplement the proceeds and
11 income from the land grant if those proceeds and income are insufficient to meet the necessary expenses
12 of the mental health program of Alaska;

13 (5) if the proceeds and income from the 1,000,000 acre land grant exceed the necessary
14 expenses of the mental health program of Alaska, the Congress authorized the legislature to appropriate
15 the excess proceeds and income for other public purposes;

16 (6) because of the highly desirable location and character of much of the land selected
17 by the state under the Act, for example, in and around major population centers, suitable for parks and
18 game refuges, and other uses, and the difficulties associated with disposing of or dedicating the land for
19 purposes that would not result in the receipt of funds that could be used for mental health purposes, for
20 example, satisfaction of municipal entitlements, placement in parks and game refuges, and other uses,
21 without compensation to the trust, the Tenth Alaska State Legislature enacted chs. 181 and 182,
22 SLA 1978, which, among other things, redesignated all mental health land as general grant land;

23 (7) both chs. 181 and 182, SLA 1978, also created the mental health fund into which,
24 as compensation to the trust, a sum equal to one and one-half percent of all revenue received from the
25 management of state land was to be deposited and from which only the income could be appropriated
26 exclusively for mental health purposes;

27 (8) a significant difference between chs. 181 and 182, SLA 1978, was that ch. 182 made
28 the deposit of one and one-half percent of all public land revenue into the mental health fund "subject
29 to legislative appropriation of sufficient funds";

30 (9) because ch. 182, SLA 1978, became law after ch. 181, SLA 1978, became law, the
31 provisions of ch. 182, SLA 1978, have been considered controlling, including specifically the provision

1 that deposits to the mental health fund would be "subject to legislative appropriation of sufficient funds";

2 (10) the legislature has never appropriated funds to the mental health fund;

3 (11) a class action lawsuit, *Weiss v. State*, 4FA-82-2208, filed on November 26, 1982,
4 sought a judicial determination that the Alaska Mental Health Enabling Act had established a "public
5 trust" under which the state had received the 1,000,000 acre land grant, that the 1978 legislation
6 redesignating mental health land as general grant land was a breach of that trust, and that the appropriate
7 remedy was to invalidate the 1978 legislation and return mental health land to trust status;

8 (12) in *State v. Weiss*, 706 P.2d 681 (Alaska 1985), the Alaska Supreme Court held that
9 the Alaska Mental Health Enabling Act established a public trust, that the 1978 legislation redesignating
10 mental health land as general grant land was a breach of the trust, and that the appropriate remedy was
11 to return mental health land still in state ownership to trust status and, for mental health land that the
12 state had "sold" between 1978 and the date of the court's decision, to compensate the trust for the fair
13 market value of mental health land so "sold" as of the date of "sale," subject to a set-off for state mental
14 health expenditures during the same period;

15 (13) while the court returned mental health land to trust status, it did not specify the
16 nature of the state's obligations with respect to managing the trust land, leaving significant questions
17 unanswered that may require additional costly and time-consuming litigation;

18 (14) continued costly and time-consuming litigation over mental health trust land
19 management is not in the public interest because

20 (A) it diverts attention from the goal the Congress sought to achieve through the
21 Act's land grant, the funding of a mental health program;

22 (B) it has the potential to be extremely divisive, pitting the advocates of stringent
23 mental health trust land management against those who envision state-owned mental health land
24 managed for its highest and best use, including conveyance to municipalities in satisfaction of
25 municipal entitlements, placement in parks and game refuges, and other uses, without a major
26 expenditure to compensate the mental health trust for the fair market value of the land;

27 (C) advocates of stringent mental health trust land management may seek the
28 invalidation of state conveyances of mental health land to third parties, particularly municipalities
29 and Native corporations organized under the Alaska Native Claims Settlement Act, a course of
30 action that at best will place a cloud on the third parties' title to those lands and at worst will
31 result in those third parties losing title to their lands, causing economic and other harm and

1 further dividing those who advocate stringent mental health trust land management from those
2 who believe all state-owned land, including mental health land, should be managed for its highest
3 and best use;

4 (D) advocates of stringent mental health trust land management may seek the
5 invalidation of legislative designations of mental health land as state parks, state game refuges,
6 and state forests placing the future use of the land for the designated purposes in doubt and
7 further dividing those who advocate stringent mental health trust land management from those
8 who believe all state-owned land, including mental health land, should be managed for its highest
9 and best use;

10 (15) the failure of the legislature to deal with the current situation by properly
11 reconstituting the mental health trust at this time will lead to continued costly, time-consuming, and
12 divisive litigation;

13 (16) the same problems that led to the 1978 redesignation of mental health land as
14 general grant land, for example, the desirability of managing mental health land for its highest and best
15 use, including the satisfaction of municipal entitlements, and inclusion of land in parks and game refuges,
16 will continue to pose difficulties in the state's efforts to accommodate the public's needs generally with
17 the obligation to administer mental health land as a trust;

18 (17) under art. VIII, sec. 2, Constitution of the State of Alaska, as construed by the
19 Alaska Supreme Court in *State v. University of Alaska*, 624 P.2d 807 (1981), the legislature has the
20 authority to remove land from trust status if the trust is compensated for the fair market value of the
21 land;

22 (18) the state is not now, and in the foreseeable future will not be, in a position fully to
23 compensate the mental health trust in money for the fair market value of mental health land;

24 (19) even if the state were able to compensate the mental health trust in money for the
25 fair market value of mental health land, there is a substantial legal question whether that compensation,
26 as the corpus of the trust, could be preserved in perpetuity;

27 (20) under art. VIII, sec. 2, Constitution of the State of Alaska, and subsection 202(e)
28 of the Alaska Mental Health Enabling Act, the legislature has broad authority over all state land,
29 including mental health land, and can permissibly remove mental health land from trust status if,
30 consistent with its trust responsibilities, it simultaneously designates other state land of equivalent value
31 as mental health land or provides adequate financial compensation to the trust to compensate the trust

1 for land removed from trust status;

2 (21) the Congress' goal of providing support for a mental health program, and the public
3 interest in having attention focused on the problems of the mentally ill and not questions regarding
4 mental health trust land management, will be best served by establishing a mechanism for generating
5 revenue from mental health land that minimizes the number and complexity of related land management
6 decisions;

7 (22) the interests of both the trust and the general public will best be served by
8 implementing the supreme court mandate in State v. Weiss, 706 P.2d 681, 683 - 684 (Alaska 1985), to
9 reconstitute the trust.

10 (b) The purposes of this Act are

11 (1) to implement the intent of the Congress underlying sec. 202 of the Alaska Mental
12 Health Enabling Act by reconstituting the mental health land trust and by providing that mental health
13 land be administered in a way that makes revenue available for the support of Alaska's mental health
14 program;

15 (2) to implement the mandate to reconstitute the mental health trust as set out by the
16 Alaska Supreme Court in State v. Weiss, 706 P.2d 681 (Alaska 1985);

17 (3) to validate each deed, contract for sale, lease, easement, right-of-way, permit, mineral
18 lease disposal, reservation of land for public use by statute, or land management actions, including use
19 classifications under AS 38.05.300 and interagency land management assignments by the Department
20 of Natural Resources, that may have been called into question by the supreme court's decision in State
21 v. Weiss, 706 P.2d 681 (Alaska 1985); and

22 (4) to provide a mechanism by which to remove from trust status land selected by and
23 patented to the state under the Alaska Mental Health Enabling Act and thereby free that land for other
24 use by compensating the mental health trust by the payment of just compensation, the exchange of land
25 of equal value, or both, subject to the set-off for mental health expenditures authorized in State v. Weiss,
26 706 P.2d 681, 684 (Alaska 1985).

27 * Sec. 2. AS 37.14 is amended by adding a new section to read:

28 Sec. 37.14.001. TRUST CORPUS. The board of trustees of the Alaska Mental Health
29 Trust Corporation shall have the care, custody, and management of the corpus of the mental
30 health trust. The corpus of the mental health trust consists of

31 (1) land granted to the state under the Mental Health Enabling Act of 1956, P.L.

1 84-830, 70 Stat. 709, and patented to or approved for patent to the state, and land designated as
2 mental health land that was received by the state in exchange for land granted under that federal
3 land grant; the redesignation of land in this paragraph does not affect the validity of a deed,
4 contract for sale, lease, easement, right-of-way, permit, mineral lease disposal, or a reservation
5 for public use of that land by statute, or land management actions, including use classifications
6 under AS 38.05.300, and interagency land management assignments of that land made by the
7 Department of Natural Resources; and

8 (2) money paid

9 (A) by the state under AS 38.05.816 as compensation for trust land
10 conveyed to the state under an agreement entered into by the Alaska Mental Health Trust
11 Corporation authorized by AS 37.14.065;

12 (B) as compensation for state mental health trust land taken by the
13 Department of Natural Resources for a public use under AS 09.55.240 - 09.55.460 and
14 AS 38.05.806, or held by that department by inverse condemnation under AS 38.05.811;
15 or

16 (C) by a third party to purchase trust land or an interest in trust land.

17 * Sec. 3. AS 37.14.011(b) is repealed and reenacted to read:

18 (b) Income from the corpus of the mental health trust shall be deposited into the mental
19 health trust income account.

20 * Sec. 4. AS 37.14.021 is amended to read:

21 Sec. 37.14.021. UTILIZATION OF THE MENTAL HEALTH TRUST INCOME
22 ACCOUNT. (a) Money in the mental health trust income account established in
23 AS 37.14.011(a) shall first be appropriated by the legislature to meet the necessary expenses of
24 the mental health program of the state. In making annual appropriations from the mental health
25 trust income account, the legislature shall consider the recommendations of the Alaska Mental
26 Health Board established under AS 47.30.661, including recommendations regarding capital
27 improvements.

28 (b) After making appropriations from the mental health trust income account to
29 meet the necessary expenses of the state's mental health program [HAVE BEEN FUNDED], the
30 legislature may authorize transfer of the unobligated and unappropriated fiscal year-end balance
31 in the mental health trust income account as of June 30 to the unreserved portion of the general

1 fund for other public purposes.

2 * Sec. 5. AS 37.14 is amended by adding new sections to read:

3 Sec. 37.14.031. ALASKA MENTAL HEALTH TRUST CORPORATION. (a) There
4 is established the Alaska Mental Health Trust Corporation. The corporation is a public
5 corporation and government instrumentality in the Department of Revenue managed by the board
6 of trustees.

7 (b) The board shall manage and invest the assets of the corporation in accordance with
8 AS 37.14.011 - 37.14.099.

9 Sec. 37.14.033. BOARD OF TRUSTEES. (a) The Board of Trustees of the Alaska
10 Mental Health Trust Corporation consists of three members appointed by the governor. The
11 members shall be appointed by the governor from the public and may not hold any other state
12 or federal office, position, or employment, either elective or appointive, except as a member of
13 the armed forces of either the United States or of this state.

14 (b) The public members of the board must have recognized competence and experience
15 in finance, investments, land management, or other business management-related fields.

16 (c) The board shall annually elect a chair from among its members.

17 Sec. 37.14.035. TERM OF OFFICE; VACANCY AND REMOVAL. (a) The members
18 of the board serve terms of six years.

19 (b) A vacancy on the board shall be filled by appointment by the governor. A member
20 selected to fill a vacancy shall hold office for the balance of the full term for which the
21 member's predecessor on the board was appointed.

22 (c) A vacancy on the board does not impair the authority of a quorum of the members
23 of the board to exercise all the powers and perform all the duties of the board.

24 (d) The governor may remove a member of the board from office for cause, including
25 but not limited to incompetence, neglect of duty, or misconduct in office. A member being
26 removed for cause shall be given a copy of the charges and afforded an opportunity to publicly
27 present a defense in person or by counsel upon not less than 10 days' notice. If a board member
28 is removed for cause, the governor shall file with the lieutenant governor a complete statement
29 of all charges made against the board member and the governor's findings based on the charges,
30 together with a complete record of the proceedings.

31 Sec. 37.14.037. QUORUM. Two members of the board constitute a quorum for the

1 transaction of business, for the performance of a duty, or for the exercise of a power by the
2 board.

3 Sec. 37.14.039. COMPENSATION. Members of the board are in the exempt service and
4 are entitled to a monthly salary equal to Step C, Range 26 of the salary schedule in
5 AS 39.27.011(a) for Juneau, Alaska.

6 Sec. 37.14.041. LEGAL COUNSEL. The attorney general is the legal counsel for the
7 board. The attorney general shall advise the board in legal matters arising in the discharge of
8 its duties and represent the board in suits to which it is a party. However, the board may retain
9 additional legal counsel as appropriate.

10 Sec. 37.14.043. EMPLOYMENT OF PERSONNEL. (a) The board may employ those
11 persons necessary to carry out the purposes of this chapter. Employees of the board are in the
12 exempt service under AS 39.25.110.

13 (b) In addition to its staff of regular employees, the board may contract for and engage
14 the services of consultants as necessary.

15 Sec. 37.14.045. CONFLICTS OF INTEREST. (a) Members of the board are subject to
16 the provisions of AS 39.50.

17 (b) If a member of the board or an employee of the corporation acquires, owns, or
18 controls an interest, direct or indirect, in an entity or project in which corporation assets are
19 invested, the member shall immediately disclose the interest to the board. The disclosure is a
20 matter of public record and shall be included in the minutes of the board meeting next following
21 the disclosure.

22 Sec. 37.14.047. INVESTMENT RESPONSIBILITIES OF THE BOARD. (a) The
23 prudent-investor rule shall be applied by the board in the management and investment of assets
24 of the corporation. The prudent-investor rule as applied to investments of the corporation means
25 that in making investments the board shall exercise the judgment and care under the
26 circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and
27 intelligence exercises in the management of large investments entrusted to it not in regard to
28 speculation but in regard to the permanent disposition of funds, considering probable safety of
29 capital as well as probable income.

30 (b) The board shall maintain a reasonable diversification among investments unless under
31 the circumstances it is clearly prudent not to do so.

1 (c) The board shall prepare and submit long-range and quarterly investment reports to
2 the Legislative Budget and Audit Committee.

3 (d) The board may enter into and enforce all contracts necessary, convenient, or desirable
4 for purposes of the corporation.

5 Sec. 37.14.049. CORPORATION BUDGET. The revenue generated by the corporation's
6 investments must be identified as the source of the operating budget of the corporation in the
7 state's operating budget under AS 37.07 (Executive Budget Act). However, the unexpended
8 balance of the corporation's annual operating budget does not lapse at the end of the fiscal year.

9 Sec. 37.14.051. AUDITS. The Legislative Budget and Audit Committee may provide
10 for an annual post audit and annual operational and performance evaluations of the corporation's
11 investments and investment programs.

12 Sec. 37.14.053. REPORTS AND PUBLICATIONS. By November 30 of each year, the
13 board shall publish a report of the corporation for distribution to the governor, legislature, and
14 the public. The report must include financial statements audited by independent outside auditors,
15 a statement of the amount of money received by the corporation from each investment during the
16 period covered, a statement of investments of the corporation including an appraisal at market
17 value, a description of corporation investment activity during the period covered by the report,
18 a comparison of the corporation performance with the intended goals contained in AS 37.14.047,
19 and any other information the board believes would be of interest to the governor, the legislature,
20 and the public.

21 Sec. 37.14.055. TAX EXEMPTION. (a) The corporation is exempt from all taxes and
22 assessments levied and collected in the state.

23 (b) All security instruments issued by the corporation, their transfer, and their income are
24 exempt from all taxes and assessments levied and collected in the state.

25 Sec. 37.14.057. POLITICAL ACTIVITIES. The resources of the corporation may not
26 be used to finance or influence political activities.

27 Sec. 37.14.059. PUBLIC ACCESS TO INFORMATION. Information in the possession
28 of the corporation is a public record.

29 Sec. 37.14.061. CORPORATION AS TRUSTEE OF ALASKA MENTAL HEALTH
30 TRUST. (a) The corporation is the trustee of the mental health trust and, subject to legislative
31 appropriation under AS 37.14.021, of the mental health trust income account established under

1 AS 37.14.011.

2 (b) The board shall manage the state mental health trust in a manner that
3 (1) provides for the long-term growth of the assets of the trust corpus; and
4 (2) yields a profit from assets in the trust corpus.

5 (c) The corporation has full powers over the trust corpus, including the power to
6 (1) invest and manage the monetary assets of the trust corpus; and
7 (2) sell, lease, exchange, or otherwise dispose of trust land, consistent with the
8 corporation's obligation as a trustee to obtain fair market value.

9 Sec. 37.14.063. STATUS OF TRUST LAND. Notwithstanding any other provision of
10 law, land that is part of the corpus of the mental health trust is not and may not be treated as
11 state public domain land. Title to or interest in land described in this section may not be
12 acquired by adverse possession, prescription, or in any other manner except by conveyance by
13 the board of trustees of the Alaska Mental Health Trust Corporation. However, the land is

14 (1) subject to condemnation under AS 09.55.240 - 09.55.460 and AS 38.05.806;
15 and

16 (2) subject to inverse condemnation under AS 38.05.811.

17 Sec. 37.14.065. LAND EXCHANGES. (a) The board may convey trust land to the state
18 in exchange for land or money.

19 (b) If the state exchanges trust land for other land, the board shall make every effort to
20 acquire from the state replacement land of comparable fair market value.

21 (c) The board shall establish procedures providing for public notice and opportunity for
22 public comment before entering into a land exchange under this section.

23 Sec. 37.14.099. DEFINITIONS. In AS 37.14.011 - 37.14.099,

24 (1) "board" means the Board of Trustees of the Alaska Mental Health Trust
25 Corporation;

26 (2) "corporation" means the Alaska Mental Health Trust Corporation;

27 (3) "fair market value" has the meaning given in AS 38.04.910;

28 (4) "trust" means the mental health trust established under the Alaska Mental
29 Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709.

30 * Sec. 6. AS 38.05 is amended by adding new sections to read:

31 Sec. 38.05.801. RECONSTITUTION OF MENTAL HEALTH TRUST. (a) Land

1 granted to the state under the Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709,
2 and patented to or approved for patent to the state, and land designated as mental health land that
3 was received by the state in exchange for land granted under that federal land grant, is
4 redesignated as the corpus of the mental health trust and shall be managed and disposed of under
5 AS 37.14.011 - 37.14.099 and AS 38.05.806 - 38.05.811.

6 (b) The redesignation of land in (a) of this section does not affect the validity of a deed,
7 contract for sale, lease, easement, right-of-way, permit, mineral lease disposal, or a reservation
8 for public use of that land by statute, or land management actions, including use classifications
9 under AS 38.05.300, and interagency land management assignments of that land made by the
10 Department of Natural Resources.

11 Sec. 38.05.806. EMINENT DOMAIN. (a) To fulfill a contractual commitment to
12 convey land or an interest in land under this title, the department, on behalf of the state, may
13 exercise the power of eminent domain under AS 09.55.240 - 09.55.460 to acquire land made part
14 of the corpus of the mental health trust managed under AS 37.14.001 - 37.14.099.

15 (b) The department may acquire a fee simple title of the trust land whenever, in the
16 judgment of the commissioner, ownership of a fee simple estate is necessary to carry out the
17 purposes of this title.

18 (c) The department may file a declaration of taking in the manner provided for the state
19 under AS 09.55.420 - 09.55.460.

20 Sec. 38.05.811. INVERSE CONDEMNATION. The state shall compensate the corpus
21 of the mental health trust for mental health trust land taken by inverse condemnation. The
22 provisions of this section apply to land that is redesignated by AS 38.05.801 as the corpus of the
23 mental health trust or an interest in that land if, before the effective date of this section, the
24 department

25 (1) had conveyed or entered into a contract to convey that land or that interest
26 to a third party; or

27 (2) had reserved that land or that interest for public use by statute or by a land
28 management action, including a use classification order under AS 38.05.300 or an interagency
29 land management assignment of that land.

30 Sec. 38.05.816. COMPENSATION FOR REMOVAL OF CERTAIN LAND FROM
31 TRUST STATUS. (a) If agreed to by the commissioner and the Board of Trustees of the Alaska

1 Mental Health Trust Corporation, land designated by AS 38.05.801 that was transferred or
2 conveyed by the department for another purpose, or was reserved for public use by statute or by
3 land management action, including a use classification under AS 38.05.300 or an interagency land
4 management assignment of that land by the department, may be removed from the corpus of the
5 mental health trust.

6 (b) Before the Board of Trustees of the Alaska Mental Health Trust Corporation removes
7 land that is part of the mental health trust corpus from trust status, and in addition to any other
8 requirements of law, the commissioner shall

9 (1) identify replacement land, equal in value at the time of replacement, and
10 convey it to the mental health trust corpus; or

11 (2) subject to legislative appropriation for the purpose, compensate the mental
12 health trust corpus for the fair market value of the land or an interest in it transferred or
13 conveyed based on the value of that land or the interest at the time of its transfer or conveyance
14 from the trust.

15 (c) Subject to legislative appropriation for the purpose, the commissioner shall
16 compensate the mental health trust for the fair market value of land or an interest in it

17 (1) taken under AS 38.05.806 based on the value of the land or the interest at the
18 time of its taking;

19 (2) identified as land that has been secured by inverse condemnation under
20 AS 38.05.811(1) based on the value of the land or the interest at the date of contract or
21 conveyance, whichever is later; or

22 (3) identified as land that has been secured by inverse condemnation under
23 AS 38.05.811(2) based on the value of the land or the interest at the date of reservation.

24 (d) The Alaska mental health trust escrow account is created in the general fund. The
25 legislature may appropriate money from the Alaska mental health trust escrow account to the
26 corpus of the mental health trust established under AS 37.14.001 as compensation for trust land

27 (1) to be conveyed to the state under AS 37.14.065;

28 (2) taken by state under AS 38.05.806; or

29 (3) held by the state under AS 38.05.811.

30 (e) Compensation payable under (d) of this section is subject to the set-off for mental
31 health expenditures authorized by State v. Weiss, 706 P.2d 681, 684 (Alaska 1985).

1 * Sec. 7. AS 39.25.110(11) is amended to read:

2 (11) the officers and employees of the following boards, commissions, and
3 authorities:

4 (A) Alaska Gas Pipeline Financing Authority;

5 (B) Alaska Permanent Fund Corporation;

6 (C) ~~REPEALED~~

7 (D) Alaska Industrial Development and Export Authority;

8 (D) [(E)] Alaska Commercial Fisheries Entry Commission;

9 (E) [(F)] Alaska Commission on Postsecondary Education;

10 (F) Alaska Mental Health Trust Corporation;

11 * Sec. 8. AS 39.50.200(b) is amended by adding a new paragraph to read:

12 (52) Board of Trustees of the Alaska Mental Health Trust Corporation
13 (AS 37.14.033).

14 * Sec. 9. AS 37.14.011(c) is repealed.

15 * Sec. 10. AS 38.05.800; secs. 1, 2, 4, and 5, ch. 132, SLA 1986; and secs. 1 and 7 - 10, ch. 48, SLA
16 1987, are repealed.

17 * Sec. 11. TERMS OF OFFICE OF INITIAL BOARD OF TRUSTEES. Notwithstanding
18 AS 39.05.055(1), the governor shall appoint one member initially appointed to the Board of Trustees of
19 the Alaska Mental Health Trust Corporation to a two-year term, one member to a four-year term, and
20 one member to a six-year term.

21 * Sec. 12. Section 9 of this Act takes effect July 1, 1991.

22 * Sec. 13. Except for sec. 9 of this Act, this Act takes effect immediately under AS 01.10.070(c).