

CS FOR HOUSE BILL NO. 550 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 4/3/92
Referred: Resources, Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the authority of the commissioner of natural resources to establish
2 water use fees or provide for the sale of water resources; relating to the appropriation
3 of water from one hydrologic unit to another; and providing for an effective date."

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

5 * Section 1. AS 46.15.020(a) is amended to read:

6 (a) The commissioner shall exercise all those powers and do all those acts necessary to
7 carry out the provisions and objectives of this chapter. The commissioner may

8 (1) subject to AS 36.30 (State Procurement Code), enter into contractual
9 agreements necessary to carry out the provisions of this chapter including agreements with
10 federal, state, and local agencies;

11 (2) apply for, accept, administer, and expend grants, gifts, and loans from the
12 federal government and any other public or private sources for the purposes of this chapter, and
13 adopt procedures and do acts not otherwise restricted by law that [WHICH] are necessary to
14 qualify the state to receive grants, gifts, and loans;

1 (3) establish a division of water in the Department of Natural Resources and
2 assign to that division the responsibility for carrying out the provisions of this chapter;

3 (4) establish, by regulation, water use and water conservation fees, and
4 provide for the sale of water resources; regulations adopted under this paragraph must
5 include a provision that

6 (A) a water use fee may not exceed \$1 per acre foot per year for
7 appropriations of more than 50 acre feet per year, provided that the water is
8 returned to the hydrologic unit from which it has been appropriated; if the
9 commissioner determines that appropriated water is returned to the hydrologic unit
10 from which it was originally appropriated in a condition more suitable for human
11 consumption or fish and wildlife habitat than the condition of the water when it was
12 appropriated, the commissioner may refund water use fees for that appropriation
13 or provide a credit for future payment of water use for fees assessed under this
14 paragraph on a pro rata basis; refunds or credits available under this paragraph
15 may not exceed the amount otherwise due for a particular appropriation;

16 (B) in addition to the water use fee, a water conservation fee shall be
17 assessed for a use of water in which the water is not returned to the hydrologic unit
18 from which it has been appropriated;

19 (C) water offered for sale by the state must first be appropriated to
20 the department in accordance with the requirements of this chapter; water rights
21 appropriated to the state for the purpose of sale are not transferable;

22 (D) a water use fee may not be charged to a state agency, nonprofit
23 organization, municipally-owned or operated hydropower generation facility, or a
24 user appropriating less than 50 acre feet of water per year.

25 * Sec. 2. AS 46.15 is amended by adding a new section to read:

26 Sec. 46.15.035. APPROPRIATION OF WATER OUT OF HYDROLOGIC UNITS. (a)
27 Water may not be appropriated for removal from the hydrologic unit in which it was
28 appropriated.

29 (b) Notwithstanding (a) of this section, the commissioner may allow the removal of water
30 from a hydrologic unit within the state to another unit, inside or outside the state, if the
31 appropriation is for less than 50 acre feet per year or if the commissioner

- 1 (1) finds that the water for which the permit is sought is surplus to current and
2 reasonably foreseeable future needs within the hydrologic unit of origin;
3 (2) finds that the application meets the requirements of AS 46.15.080; and
4 (3) assesses a water conservation fee under AS 46.15.020(c)(4) and, if the water
5 is to be sold by the department, assures that the sale price is based on the fair market value of
6 the water.
- 7 * Sec. 3. AS 46.15.260 is amended by adding a new paragraph to read:
8 (10) "hydrologic unit" means either a hydrologic unit or subunit established by
9 the United States Geologic Survey on current hydrologic unit maps of the state.
- 10 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).