

SENATE BILL NO. 201

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR MENARD

Introduced: 3/13/91
Referred: Resources and Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Exxon Valdez environmental restoration trust fund and the Exxon
2 Valdez Environmental Restoration Trust Fund Board of Trustees as administrator of the
3 trust fund; and providing for an effective date."

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

5 * Section 1. INTENT. The legislature intends to make appropriations from the Exxon Valdez
6 environmental restoration trust fund only for the restoration, acquisition, and protection of the natural
7 environment affected by the Exxon Valdez oil spill and for costs of administering the projects funded.

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

9 ARTICLE 4. EXXON VALDEZ ENVIRONMENTAL RESTORATION TRUST FUND.

10 Sec. 37.14.300. EXXON VALDEZ ENVIRONMENTAL RESTORATION TRUST
11 FUND. (a) The Exxon Valdez environmental restoration trust fund is established as a separate
12 account in the general fund administered by the Department of Revenue. The principal of the
13 fund consists of legislative appropriations to the fund. Unless provided otherwise in the
14 appropriation act, an appropriation to the fund does not lapse. The legislature may appropriate

1 money from the fund to the board.

2 (b) The commissioner of revenue shall determine the net income of the fund in
3 accordance with investment accounting principles in a manner that preserves the distinction
4 between principal and income. The commissioner may use income from the fund for costs of
5 administering the fund.

6 (c) The commissioner of revenue shall

7 (1) act as official custodian of the cash and investments belonging to the fund by
8 securing adequate and safe custodial facilities;

9 (2) receive all items of cash and investments belonging to the fund;

10 (3) collect the principal and income from investments owned or acquired by the
11 fund and deposit the amounts in separate principal and income accounts for the fund;

12 (4) invest and reinvest the assets of the fund as provided in this section and as
13 provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

14 (5) engage an independent firm of certified public accountants to annually audit
15 the financial condition of the fund's investments and investment transactions;

16 (6) report to the board the condition and investment performance of the fund.

17 (d) The commissioner of revenue may

18 (1) enter into and enforce contracts or agreements considered necessary for the
19 investment purposes of the fund;

20 (2) do all acts that the commissioner of revenue considers necessary in
21 administering the assets of the fund.

22 Sec. 37.14.310. CREATION OF EXXON VALDEZ ENVIRONMENTAL
23 RESTORATION TRUST FUND BOARD OF TRUSTEES. (a) There is established in the
24 Department of Revenue an Exxon Valdez Environmental Restoration Board of Trustees consisting
25 of nine members appointed by the governor as follows:

26 (1) after request for and consideration of nominations made by commercial fishing
27 organizations in the affected region, one member who is a commercial fisherman in the affected
28 region;

29 (2) after request for and consideration of nominations made by sport fishing
30 organizations in the affected region, one member who is involved in the sport fishing industry
31 in the affected region;

1 (3) after request for and consideration of nominations made by Native
2 organizations, including IRA councils, in the affected region, two members who are
3 representatives or members of Native organizations in the affected region;

4 (4) after request for and consideration of nominations made by conservation or
5 environmental organizations in the affected region, two members who are representatives or
6 members of conservation or environmental organizations in the affected region; and

7 (5) three public members.

8 (b) Each member shall serve a term of four years. The members of the board shall elect
9 a chair from among themselves. Members of the board serve without compensation but are
10 entitled to per diem and travel expenses authorized for boards under AS 39.20.180.

11 Sec. 37.14.320. POWERS AND DUTIES OF THE BOARD. (a) The board shall

12 (1) hire staff as necessary to carry out the purposes of this section;

13 (2) hold meetings it considers necessary;

14 (3) keep audio tape recordings of each meeting of the board and maintain other
15 board records;

16 (4) award grants or make distributions from appropriations from the fund for
17 restoration and protection of the natural environment in the affected region and for acquisition
18 by the state of land, interests in land, or timber rights needed to protect the natural environment,
19 strategic wildlife and fisheries habitat, and recreation sites in the affected region;

20 (5) enter into agreements with governmental agencies and private individuals or
21 organizations to carry out the purposes of this section;

22 (6) monitor grants and distributions for compliance with this section and with
23 agreements entered into under this section;

24 (7) apply for and use appropriations from the fund to obtain private and federal
25 grants for the restoration and protection of the natural environment of the affected region; and

26 (8) provide to the governor and the legislature by February 1 of each year a report
27 containing

28 (A) a description of the restoration and protection programs and
29 acquisitions of land, interests in land, or timber rights for which the board made grants
30 or distributions during the current fiscal year;

31 (B) an estimate of the annual income and expenses of the fund for the

1 fiscal year;

2 (C) a request for an appropriation to the fund of the income earned by the
3 fund during the fiscal year;

4 (D) a request for an appropriation from the fund for administrative costs
5 of the board.

6 (b) The board may request the legislature to make appropriations from the income of the
7 fund for grant and other specific acquisition, restoration, and protection programs in the affected
8 region. The board shall submit program details in support of each request. No more than 10
9 percent of each appropriation received by the board under this subsection may be used for the
10 administrative expenses of the board.

11 Sec. 37.14.390. DEFINITIONS. In AS 37.14.300 - 37.14.390,

12 (1) "affected region" includes Prince William Sound, the southern Kenai
13 Peninsula, the archipelago that includes Kodiak Island, the south side of the Alaska Peninsula,
14 and biologically related ecosystems adjacent to each of the foregoing regions;

15 (2) "board" means the Exxon Valdez Environmental Restoration Trust Fund Board
16 of Trustees;

17 (3) "fund" means the Exxon Valdez environmental restoration trust fund.

18 * Sec. 3. INITIAL APPOINTMENTS. Notwithstanding AS 37.14.310(b), enacted by sec. 2 of this
19 Act, the initial appointments of the members of the Exxon Valdez Environmental Restoration Trust fund
20 Board shall be staggered under AS 39.05.055(7).

21 * Sec. 4. This Act takes effect on the date proceeds from the settlement or other termination of claims
22 of the state against Exxon Corporation and its subsidiaries arising from the Exxon Valdez oil spill are
23 deposited in the general fund. The commissioner of revenue shall give notice of the receipt of proceeds
24 to the lieutenant governor and the revisor of statutes.