

CS FOR SENATE BILL NO. 345 (FINANCE)**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - SECOND SESSION****BY THE SENATE FINANCE COMMITTEE****Offered: 4/29/92****Referred: Rules****Sponsor(s): SENATORS ZHAROFF, Duncan, Sturgulewski****A BILL****FOR AN ACT ENTITLED**

**1 "An Act relating to the commercial fisheries development endowment; and providing for
2 an effective date."**

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

**4 * Section 1. FINDINGS. The Alaska State Legislature finds that the seafood industry in the state
5 requires a stable source of funding for continuing research into improved seafood harvesting techniques,
6 new product forms, and new processing techniques for Alaska seafood products in order to remain
7 competitive in national and international markets. The Alaska Fisheries Development Foundation has
8 compiled an impressive record of success in finding and developing innovative and profitable methods
9 for the harvest and processing of Alaska fishery resources. The foundation has an established structure
10 and system to ensure that commercial fisheries development funds are directed toward projects with the
11 greatest potential for success and the broadest application for the Alaska seafood industry. As the
12 amount of federal support for the foundation declines, the Alaska State Legislature recognizes the need
13 for the state to provide financial support for the foundation's vital mission in the form of an endowment.
14 By requiring the principal of the endowment to be returned to the state after 10 years, the state retains**

1 the ability to reevaluate the research funding needs of the Alaska seafood industry at that time.

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

3 ARTICLE 5. COMMERCIAL FISHERIES DEVELOPMENT ENDOWMENT.

4 Sec. 37.14.350. COMMERCIAL FISHERIES DEVELOPMENT ENDOWMENT
5 ESTABLISHED. (a) The commercial fisheries development endowment is established in the
6 Department of Revenue as a separate endowment trust fund of the state to benefit the Alaska
7 Fisheries Development Foundation, a nonprofit corporation established to promote the
8 development of commercial fisheries in the state. The purpose of the endowment is to support
9 the foundation's goal to promote long-term economic benefits for the state through research and
10 development of commercial seafood opportunities, concentrating on maintaining the
11 competitiveness of the Alaska seafood industry in domestic and international markets through the
12 development of new fishery resources, improved efficiency in harvesting and processing
13 operations, and development of new consumer products from Alaska fishery resources. The
14 principal of the endowment consists of legislative appropriations to the endowment.

15 (b) The commissioner of revenue shall determine the net income of the endowment in
16 accordance with generally accepted accounting principles and in a manner that preserves the
17 distinction between principal and income.

18 Sec. 37.14.360. ENDOWMENT UTILIZATION. (a) The principal of the endowment
19 and any capital gains or losses realized on the principal shall be retained perpetually in the
20 endowment for investment as specified in AS 37.14.370.

21 (b) The net income of the endowment may be appropriated for payment to

22 (1) the foundation for the support of commercial fisheries development research
23 projects, including research on fish harvesting techniques, seafood processing techniques, and
24 development of new seafood products in the state;

25 (2) the department for the reasonable costs of administering the endowment.

26 (c) Realized net income that has not been appropriated, or that has been appropriated but
27 not paid to the foundation or expended by the department, shall be invested until appropriated
28 and paid or expended.

29 Sec. 37.14.370. POWERS AND DUTIES OF THE COMMISSIONER OF REVENUE.

30 The commissioner of revenue is the treasurer of the fund and has the power and duty to

31 (1) act as official custodian of the cash and investments belonging to the

- 1 **endowment by securing adequate and safe custodial facilities;**
- 2 (2) **receive all items of cash and investments belonging to the endowment;**
- 3 (3) **collect the principal and income from investments owned or acquired by the**
4 **endowment and deposit the amounts in separate principal and income accounts for the**
5 **endowment;**
- 6 (4) **invest and reinvest the assets of the endowment as provided in this section and**
7 **as provided for the investment of funds under AS 37.14.170;**
- 8 (5) **exercise the powers of an owner with respect to the assets of the endowment;**
- 9 (6) **maintain accounting records of the endowment in accordance with investment**
10 **accounting principles and with distinction between the principal and income accounts of the**
11 **endowment;**
- 12 (7) **engage an independent firm of certified public accountants to annually audit**
13 **the financial condition of the endowment's investments and investment transactions;**
- 14 (8) **enter into and enforce contracts or agreements considered necessary for the**
15 **investment purposes of the endowment;**
- 16 (9) **provide reports to the foundation and the legislature on the condition and**
17 **investment performance of the fund;**
- 18 (10) **do all acts, whether or not expressly authorized, necessary or proper in**
19 **administering the assets of the endowment;**
- 20 (11) **adopt regulations necessary to implement AS 37.14.350 - 37.14.390.**
- 21 **Sec. 37.14.380. DUTIES OF THE FOUNDATION. (a) The foundation shall provide**
22 **copies of annual reports and financial audits regarding its utilization of the income of the**
23 **endowment to the commissioner of revenue and the legislature by January 15 of each year.**
- 24 (b) **The financial records of the foundation regarding the utilization of the income of the**
25 **endowment may be audited by the legislative auditor or by a certified public accountant approved**
26 **by the legislative auditor if the audit is requested by the Legislative Budget and Audit**
27 **Committee.**
- 28 **Sec. 37.14.390. DEFINITIONS. In AS 37.14.350 - 37.14.390,**
- 29 (1) **"department" means the Department of Revenue;**
- 30 (2) **"endowment" means the commercial fisheries development endowment**
31 **established by AS 37.14.350(a);**

1 (3) "foundation" means the Alaska Fisheries Development Foundation.

2 * Sec. 3. (a) AS 37.14.350, 37.14.360, 37.14.370, 37.14.380, and 37.14.390, added by sec. 2 of this
3 Act, are repealed July 2, 2003.

4 (b) Upon the repeal of AS 37.14.350 - 37.14.390 under this section, the commissioner of revenue
5 shall deposit the principal of the commercial fisheries development endowment into the general fund.

6 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).