

HOUSE BILL NO. 269

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 4/2/93

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act making special appropriations for restoration projects relating to the
2 Exxon Valdez oil spill and for oil spill response projects; and providing for an
3 effective date."

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

5 * **Section 1. LEGISLATIVE FINDINGS AND PURPOSES.** The legislature finds that

6 (1) As a result of the judgments entered by the United States District Court in
7 the criminal cases United States of America v. Exxon Shipping Company and Exxon
8 Corporation, No. A90-015 CR, the State of Alaska received \$50,000,000 in restitution "to be
9 used by the State of Alaska ... exclusively for restoration projects, within the State of Alaska,
10 relating to the 'Exxon Valdez' oil spill." The judgments define restoration as including
11 "restoration, replacement, and enhancement of affected resources; acquisition of equivalent
12 resources and services; and long-term environmental monitoring and research programs
13 directed to the prevention, containment, cleanup, and amelioration of oil spills." The money
14 received by the state in restitution is held in the Exxon Valdez Oil Spill Restoration Fund,

1 established by the Department of Revenue, to implement the terms of those judgments.

2 (2) As a result of the Agreement and Consent Decree entered by the United
3 States District Court in State of Alaska v. Exxon Corporation and Exxon Shipping Company,
4 No. A91-083 CIV and the Memorandum of Agreement and Consent Decree entered by the
5 United States District Court in United States of America v. State of Alaska, No. A91-081 CIV,
6 the State of Alaska is entitled to receive reimbursements, paid into the state's general fund,
7 for certain expenditures made by the state from the general fund in responding to the oil spill.
8 It is the intent of the legislature that such money received during fiscal year 1994 be used for
9 projects that enhance the ability of the state and the oil industry to respond to marine oil spills
10 in the area affected by the Exxon Valdez oil spill.

11 (3) The appropriations in this Act are made in order to achieve the purposes
12 described in the court's restitution order and to carry out the legislature's intent with regard
13 to fiscal year 1994 reimbursements to the general fund under the Exxon settlement.

14 * Sec. 2. The sum of \$12,500,000 is appropriated from the Exxon Valdez Oil Spill
15 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Administration for
16 payment as a grant under AS 37.05.315 to the City of Seward for development of the Alaska
17 Sea Life Center as a recreation and marine mammal rehabilitation center and as a center for
18 education and research related to the natural resources injured by the Exxon Valdez oil spill
19 and to the prevention and amelioration of marine oil spills. The appropriation made by this
20 section may be used for design and engineering work and construction of the facility, on the
21 condition that no money may be expended for design and engineering work or construction
22 until the grantee has provided, and the Department of Administration has approved, a financial
23 plan and a feasibility study demonstrating the financial viability of the center.

24 * Sec. 3. The sum of \$7,000,000 is appropriated from the Exxon Valdez Oil Spill
25 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Natural Resources
26 for the purchase, for \$22,000,000, of the property rights of the Seldovia Native Association,
27 Cook Inlet Region, Inc., and Timber Trading Company, Inc. within the Kachemak Bay State
28 Park as identified in the Agreement For Sale and Purchase of Lands and Interests Within
29 Kachemak Bay State Park entered into in March 1993 between the state, the Seldovia Native
30 Association, Cook Inlet Region, Inc. and Timber Trading Company.

31 * Sec. 4. The sum of \$500,000 is appropriated from the Exxon Valdez Oil Spill Restoration

1 Fund, described in sec. 1(1) of this Act, to the Department of Natural Resources for
2 construction of a Kachemak Bay State Park visitors center.

3 * Sec. 5. The sum of \$3,250,000 is appropriated from the Exxon Valdez Oil Spill
4 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Fish and Game to
5 aid in the restoration of subsistence resources or services, lost or diminished as a result of the
6 Exxon Valdez oil spill, through the development of a shellfish hatchery and technical center
7 to be located at Kasistna Bay or lower Cook Inlet, whichever is considered by the Department
8 of Fish and Game to be more appropriate. The appropriation made by this section may be
9 used for feasibility studies, design and engineering work, and construction of the facility, on
10 the condition that no money may be expended for design and engineering work or construction
11 until the Department of Fish and Game has completed a feasibility study, including a financial
12 and operating plan.

13 * Sec. 6. The sum of \$4,000,000 is appropriated from the Exxon Valdez Oil Spill
14 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Fish and Game to
15 enhance sport fishing services lost or diminished as a result of the Exxon Valdez oil spill,
16 through the construction of a water delivery system connecting the Anchorage Municipal
17 Water Utility with the Fort Richardson hatchery and the integration of that system with the
18 hatchery.

19 * Sec. 7. The sum of \$4,750,000 and the interest accrued before July 1, 1994 on the
20 restitution payment described in sec. 1(1) of this Act, is appropriated from the Exxon Valdez
21 Oil Spill Restoration Fund, described in sec. 1(1) of this Act, to the Department of Natural
22 Resources for the construction or placement, within Prince William Sound, the southern Kenai
23 Peninsula, and the coastal areas of the Kodiak Archipelago, of recreational amenities,
24 including recreational cabins, trails, mooring buoys, floating docks and similar items, and the
25 acquisition of sites and access rights for such amenities, that restore or enhance recreational
26 services lost or diminished by the Exxon Valdez oil spill.

27 * Sec. 8. The sum of \$3,000,000 is appropriated from the Exxon Valdez Oil Spill
28 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Fish and Game for
29 restoration and enhancement projects, including the acquisition of development rights or
30 conservation easements in aquatic, wetland, and riparian areas, within the Kenai River
31 watershed related to the maintenance of commercial and sport fish species, and the services

1 they provide, that were injured or lost as a result of the Exxon Valdez oil spill.

2 * Sec. 9. The sum of \$2,000,000 is appropriated from the Exxon Valdez Oil Spill
3 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Commerce and
4 Economic Development for payment as a grant under AS 37.05.316 to the Prince William
5 Sound Aquaculture Corporation for upgrade of the Main Bay Hatchery.

6 * Sec. 10. The sum of \$3,000,000 is appropriated from the Exxon Valdez Oil Spill
7 Restoration Fund, described in sec. 1(1) of this Act, to the University of Alaska, Fairbanks,
8 Fishery Industrial Technology Center for design and engineering work and construction of an
9 addition to the existing fishery technology and research facility, to enable that facility to
10 engage in long-term environmental monitoring and restoration work in the area affected by
11 the Exxon Valdez oil spill, on the condition that no money may be expended for design and
12 engineering work or construction until the University has provided, and the governor has
13 approved, a financial plan and feasibility study.

14 * Sec. 11. (a) The sum of \$5,000,000 is appropriated from the Exxon Valdez Oil Spill
15 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Community and
16 Regional Affairs for payment as grants under AS 44.47.050 to unincorporated rural
17 communities for purposes of restoring, replacing, or enhancing subsistence resources or
18 services damaged or lost as a result of the Exxon Valdez oil spill.

19 (b) It is the intent of the legislature that selection of the grant recipients shall be made
20 after consultation with the state trustees, as defined in AS 37.14.450(2).

21 * Sec. 12. The sum of \$5,000,000 is appropriated from the Exxon Valdez Oil Spill
22 Restoration Fund, described in sec. 1(1) of this Act, to the Department of Environmental
23 Conservation to enter into contracts with private entities under AS 46.03.020 for research
24 programs directed to the prevention, containment, cleanup, and amelioration of oil spills within
25 the state.

26 * Sec. 13. (a) Subject to the conditions set out in (c) of this section, the sum of
27 \$15,000,000 is appropriated from the fiscal year 1994 general fund Exxon Valdez
28 reimbursement payments to the Department of Transportation and Public Facilities for the
29 design and engineering work and construction of a road connecting the Seward Highway and
30 the Port of Whittier.

31 (b) Subject to the conditions set out in (c) of this section, the sum of \$5,000,000 is

1 appropriated from the fiscal year 1994 general fund Exxon Valdez reimbursement payments
2 to the Department of Transportation and Public Facilities for the design, engineering, and
3 construction of a state oil spill response assistance ferry vessel.

4 (c) The first \$15,000,000 received by the state as fiscal year 1994 general fund Exxon
5 Valdez reimbursement payments is allocated to the project described in (a) of this section; the
6 next \$5,000,000 received by the state is allocated to the project described in (b) of this
7 section.

8 * Sec. 14. The appropriations made by secs. 3 - 8, 10, and 13 of this Act are for capital
9 projects and are subject to AS 37.25.020.

10 * Sec. 15. (a) The unexpended and unobligated balance of a grant funded by an
11 appropriation made by sec. 2, 9, or 11 of this Act lapses into the fund from which the
12 appropriation was made if substantial, ongoing work on the grant project has not begun by
13 December 1, 1994.

14 (b) The unexpended and unobligated balances of the appropriations made by secs. 2,
15 9, 11, and 12 of this Act lapse into the fund from which the appropriations were made
16 December 1, 1994.

17 * Sec. 16. This Act takes effect immediately under AS 01.10.070(c).