

**CS FOR HOUSE BILL NO. 269(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/22/93**  
**Referred: Rules**

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

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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

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

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

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

13       \* Sec. 2. The sum of \$12,500,000 is appropriated from the Exxon Valdez oil spill  
14 restoration fund, described in sec. 1(1) of this Act, to the Department of Administration for  
15 payment as a grant under AS 37.05.315 to the City of Seward for development of the Alaska  
16 Sea Life Center as a recreation and marine mammal rehabilitation center and as a center for  
17 education and research related to the natural resources injured by the Exxon Valdez oil spill  
18 and to the prevention and amelioration of marine oil spills. The appropriation made by this  
19 section may be used for planning, design, engineering, and construction of the facility.  
20 However, until the grantee has provided to the Alaska Industrial Development and Export  
21 Authority a financial plan and a feasibility study demonstrating the financial viability of the  
22 proposed center and the Alaska Industrial Development and Export Authority has approved  
23 the project plan and has found the center to be financially viable, money from this  
24 appropriation may not be expended. In addition, money from this appropriation may not be  
25 expended for any phase of construction until all financing necessary to complete construction  
26 of the entire stand-alone facility has been obtained. Not more than \$4,000,000 may be  
27 expended from this appropriation for design of the center.

28       \* Sec. 3. The sum of \$7,000,000 is appropriated from the Exxon Valdez oil spill  
29 restoration fund, described in sec. 1(1) of this Act, to the Department of Natural Resources  
30 for the purchase, for \$22,000,000, of the property rights of the Seldovia Native Association,  
31 Cook Inlet Region, Inc., and Timber Trading Company, Inc. within the Kachemak Bay State

1 Park as identified in the Agreement For Sale and Purchase of Lands and Interests Within  
2 Kachemak Bay State Park entered into in March 1993 between the state, the Seldovia Native  
3 Association, Cook Inlet Region, Inc. and Timber Trading Company.

4 \* Sec. 4. The sum of \$500,000 is appropriated from the Exxon Valdez oil spill restoration  
5 fund, described in sec. 1(1) of this Act, to the Department of Natural Resources for  
6 construction of a Kachemak Bay State Park visitors center and related facilities.

7 \* Sec. 5. The sum of \$3,250,000 is appropriated from the Exxon Valdez oil spill  
8 restoration fund, described in sec. 1(1) of this Act, to the Department of Fish and Game to aid  
9 in the restoration of subsistence resources or services, lost or diminished as a result of the  
10 Exxon Valdez oil spill, through the development of a shellfish hatchery and technical center  
11 to be located on the lower Kenai Peninsula, at a location considered appropriate by the  
12 Department of Fish and Game, and through shellfish nursery research at existing aquatic farms  
13 or other facilities in Kachemak Bay. The appropriation made by this section may be used  
14 for feasibility studies, design and engineering work, and construction of the facilities, on the  
15 condition that money may not be expended for design and engineering work or construction  
16 until the Department of Fish and Game has completed a feasibility study, including a financial  
17 and operating plan.

18 \* Sec. 6. The sum of \$4,000,000 is appropriated from the Exxon Valdez oil spill  
19 restoration fund, described in sec. 1(1) of this Act, to the Department of Fish and Game to  
20 enhance sport fishing services lost or diminished as a result of the Exxon Valdez oil spill,  
21 through the construction of a water delivery system connecting the Anchorage Municipal  
22 Water Utility with the Fort Richardson hatchery and the integration of that system with the  
23 hatchery.

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

1 \* **Sec. 8.** The sum of \$3,000,000 is appropriated from the Exxon Valdez oil spill  
2 restoration fund, described in sec. 1(1) of this Act, to the Department of Fish and Game for  
3 habitat restoration and enhancement projects, including the acquisition of development rights  
4 or conservation easements in aquatic, wetland, and riparian areas, within the Kenai River  
5 watershed related to the maintenance of commercial and sport fish species, and the services  
6 they provide, that were injured or lost as a result of the Exxon Valdez oil spill.

7 \* **Sec. 9.** The sum of \$2,000,000 is appropriated from the Exxon Valdez oil spill  
8 restoration fund, described in sec. 1(1) of this Act, to the Department of Commerce and  
9 Economic Development for payment as a grant under AS 37.05.316 to the Prince William  
10 Sound Aquaculture Corporation for upgrade of the Main Bay Hatchery.

11 \* **Sec. 10.** The sum of \$3,000,000 is appropriated from the Exxon Valdez oil spill  
12 restoration fund, described in sec. 1(1) of this Act, to the University of Alaska, Fairbanks,  
13 Fishery Industrial Technology Center for design and engineering work and construction of an  
14 addition to the existing fishery technology and research facility, to enable that facility to  
15 engage in long-term environmental monitoring and restoration work in the area affected by  
16 the Exxon Valdez oil spill, on the condition that money may not be expended for design and  
17 engineering work or construction until the university has provided, and the governor has  
18 approved, a financial plan and feasibility study.

19 \* **Sec. 11.** (a) The sum of \$5,000,000 is appropriated from the Exxon Valdez oil spill  
20 restoration fund, described in sec. 1(1) of this Act, to the Department of Community and  
21 Regional Affairs for payment as grants under AS 44.47.050 to unincorporated rural  
22 communities for purposes of restoring, replacing, or enhancing subsistence resources or  
23 services damaged or lost as a result of the Exxon Valdez oil spill.

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

26 \* **Sec. 12.** The sum of \$5,000,000 is appropriated from the Exxon Valdez oil spill  
27 restoration fund, described in sec. 1(1) of this Act, to the Department of Environmental  
28 Conservation to enter into competitively awarded contracts with public or private entities for  
29 research programs directed to the prevention, containment, cleanup, and amelioration of oil  
30 spills within the state.

31 \* **Sec. 13.** The sum of \$15,000,000 is appropriated from the fiscal year 1994 general fund

1 Exxon Valdez reimbursement payments to the Department of Transportation and Public  
2 Facilities for the design and engineering work and construction of a road connecting the  
3 Seward Highway and the Port of Whittier.

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

6 \* Sec. 15. (a) The unexpended and unobligated balance of a grant funded by an  
7 appropriation made by sec. 2, 9, or 11 of this Act lapses into the fund from which the  
8 appropriation was made if work on the grant project has not begun by December 1, 1999.

9 (b) The unexpended and unobligated balances of the appropriations made by secs. 2,  
10 9, 11, and 12 of this Act lapse into the fund from which the appropriations were made  
11 December 1, 1994.

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