

## SENATE BILL NO. 67

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Introduced: 1/25/93  
 Referred: RES, JUD, FIN

## A BILL

## FOR AN ACT ENTITLED

1 "An Act amending provisions of ch. 66, SLA 1991, that relate to reconstitution  
 2 of the corpus of the mental health trust, the management of trust assets, and  
 3 to the manner of enforcement of the obligation to compensate the trust; and  
 4 providing for an effective date."

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

6 \* Section 1. AS 22.10.020 is amended by adding a new subsection to read:

7 (j) The superior court is the court of original jurisdiction to hear and determine  
 8 any dispute arising under AS 37.14.036(c) - (e).

9 \* Sec. 2. AS 37.14.009(a), added by sec. 10, ch. 66, SLA 1991, is amended to read:

10 (a) The Alaska Mental Health Trust Authority

11 (1) shall manage the assets of the trust in a fiduciary manner to fulfill  
 12 the purposes of the trust;

13 (2) may, consistent with (1) of this subsection and AS 47.30.036(1),  
 14 sell, lease, exchange, or otherwise dispose of land in the trust;

1                   (3) may, consistent with (1) of this subsection, use land that is an asset  
2 of the trust directly for the integrated comprehensive mental health program;

3                   (4) ~~shall~~ [MAY] contract with the Department of Natural Resources to  
4 manage the land assets of the trust, unless the authority determines that the best  
5 interests of trust beneficiaries would be served by other arrangements; and

6                   (5) shall contract with the Alaska Permanent Fund Corporation for  
7 management of the trust's cash assets, unless the authority finds that the best interests  
8 of trust beneficiaries would be served by contracting with another entity.

9 \* Sec. 3. AS 37.14.031, added by sec. 11, ch. 66, SLA 1991, is amended to read:

10                   Sec. 37.14.031. TRUST FUND ESTABLISHED. The mental health trust fund  
11 is established as a separate fund within the state treasury. The fund consists of the  
12 cash assets of the principal of the trust, including the proceeds earned from the  
13 management of the land placed in the trust corpus under AS 38.05.800.

14 \* Sec. 4. AS 37.14.036(c), added by sec. 11, ch. 66, SLA 1991, is repealed and reenacted  
15 to read:

16                   (c) As compensation for the land that constituted the trust established by the  
17 enabling Act and that is not reconstituted as part of the mental health trust corpus  
18 established under AS 38.05.800, the state shall make an annual payment of six percent  
19 of the unrestricted general fund revenue of the state during each fiscal year. The  
20 commissioner of revenue shall annually allocate that amount from the general fund to  
21 the mental health trust income account established in (a) of this section.

22 \* Sec. 5. AS 37.14.036, added by sec. 11, ch. 66, SLA 1991, is amended by adding new  
23 subsections to read:

24                   (d) To secure the allocation of amounts required under (c) of this section, land  
25 granted to the state under the enabling act, and that is, on the effective date of this  
26 subsection, designated by law as a state park, state forest, state game refuge, state  
27 wildlife refuge, state game sanctuary, state recreational area, state recreational river,  
28 state wilderness park, state marine park, state special management area, state public  
29 use area, critical habitat area, bald eagle preserve, bison range, or moose range, is  
30 pledged as security to the mental health trust. Title to this land remains in the state  
31 and, so long as a default does not exist under (c) of this section, income from that land

1 shall be deposited in the general fund and considered unrestricted general funds of the  
2 state.

3 (e) Upon default, the foreclosure of the lands pledged as security under (d) of  
4 this section, including the parcels to be foreclosed and the manner of foreclosure, shall  
5 be determined by the superior court.

6 \* Sec. 6. AS 38.05.800 is repealed and reenacted to read:

7 Sec. 38.05.800. RECONSTITUTION OF MENTAL HEALTH TRUST  
8 CORPUS. The corpus of the mental health trust includes land granted to the state  
9 under the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, that,  
10 on the effective date of this Act,

11 (1) has not been conveyed or encumbered by the state, or reserved by  
12 law from the public domain;

13 (2) is subject to only one or more of the following:

14 (A) an oil or gas lease, coal lease, or other lease;

15 (B) a timber contract;

16 (C) a mining claim;

17 (D) a sale of materials under AS 38.05.110 - 38.05.120;

18 (E) a land use permit or right-of-way issued by the department  
19 under this chapter;

20 (3) is not necessary to carry out the purposes of an interagency land  
21 management agreement; or

22 (4) was selected by a municipality under AS 29.65 or under former  
23 AS 29.18.190 - 29.18.200 and the selection of which, on the effective date of this Act,  
24 has been neither approved nor disapproved by the director.

25 \* Sec. 7. Section 49, ch. 66, SLA 1991, is amended to read:

26 Sec. 49. AS 37.14.011, 37.14.021, [AS 38.05.800,] AS 47.30.546, secs. 1, 2,  
27 4, and 5, ch. 132, SLA 1986; and secs. 7 - 10, ch. 48, SLA 1987 are repealed.

28 \* Sec. 8. Sections 54, 55, 56, and 57, ch. 66, SLA 1991, are repealed.

29 \* Sec. 9. SPECIAL MASTER. The superior court may refer the proceedings under  
30 AS 22.10.020(j), added by sec. 1 of this Act, to a special master.

31 \* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).