

CS FOR SENATE BILL NO. 67(2d FIN)**IN THE LEGISLATURE OF THE STATE OF ALASKA****EIGHTEENTH LEGISLATURE - SECOND SESSION****BY THE SENATE FINANCE COMMITTEE****Offered: 4/22/94**
Referred: Rules**Sponsor(s): SENATE RESOURCES COMMITTEE****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to the mental health land trust and the mental health land
2 trust litigation, Weiss v. State, 4FA-82-2208 Civil; and providing for an effective
3 date."

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

5 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds

6 (1) the United States Congress passed the Alaska Mental Health Enabling Act,
7 P.L. 84-830, 70 Stat. 709 (1956), "[t]o confer upon Alaska autonomy in the field of mental
8 health, transfer from the Federal Government to the Territory the fiscal and functional
9 responsibility for the hospitalization of committed mental health patients, and for other
10 purposes;"

11 (2) in sec. 202 of the Alaska Mental Health Enabling Act, the Congress
12 granted the territory the right to select up to 1,000,000 acres of federal land to serve as a
13 source of funds to support the territory's mental health program;

14 (3) in subsection 202(e) of the Alaska Mental Health Enabling Act, the

1 Congress provided that the land so granted, along with the income from the land and proceeds
2 from dispositions of the land, were to be administered "as a public trust and such proceeds
3 and income shall first be applied to meet the necessary expenses of the mental health program
4 of Alaska," that "[s]uch lands, income, and proceeds shall be managed and utilized in such
5 manner as the Legislature of Alaska may provide," that the land "may be sold, leased,
6 mortgaged, exchanged, or otherwise disposed of in such manner as the Legislature of Alaska
7 may provide, in order to obtain funds or other property to be invested, expended, or used by
8 the Territory of Alaska," and that the Alaska legislature must exercise this broad authority "in
9 a manner compatible with the conditions and requirements imposed by this Act";

10 (4) the Alaska Mental Health Enabling Act grant was "confirmed and
11 transferred to the State of Alaska upon its admission" to the Union under sec. 6(k) of the
12 Alaska Statehood Act, P.L. 85-508, 72 Stat. 339 (1958);

13 (5) in *State v. University of Alaska*, 624 P.2d 807 (Alaska 1981), the Alaska
14 Supreme Court held that the Alaska State Legislature has plenary authority over all state land
15 under art. VIII, sec. 2, of the Alaska Constitution, and that the legislature may remove from
16 trust status any land obtained by the state in trust if the trust is compensated for the fair
17 market value of that land;

18 (6) chapters 181 and 182, SLA 1978, removed from trust status all original
19 mental health land obtained by the state under the Alaska Mental Health Enabling Act and
20 redesignated it as general grant land, but the trust was not directly compensated for that land;

21 (7) in *State v. Weiss*, 706 P.2d 681 (Alaska 1985), the Alaska Supreme Court
22 held that the 1978 legislation removing mental health land from trust status and redesignating
23 it as general grant land was a breach of the federally created trust because the trust was never
24 directly compensated for that land, that it was not reasonable to infer that the legislature
25 intended to compensate the mental health trust for all of the original mental health land, that
26 the 1978 redesignation legislation therefore was invalid, and that the appropriate remedy was
27 to return the original mental health land still in state ownership to trust status but, "[t]o the
28 extent former mental health lands have been sold" between 1978 and the date of the court's
29 decision, "the trust must be compensated for the fair market value of the land at the time of
30 sale" with the state entitled to a set-off against that monetary liability for state mental health
31 expenditures during the same period;

1 (8) since statehood, approximately 500,000 acres of original mental health land
2 have been purchased by, conveyed to, or leased by third parties, have been the object of
3 significant development expenditures by third parties, have been conveyed or tentatively
4 approved for conveyance to municipalities, have been placed in legislatively designated areas
5 such as parks, wildlife refuges, and state forests, and have been used by state agencies;

6 (9) the plaintiffs in the Weiss litigation have questioned the validity of those
7 dispositions and uses of original mental health land and in 1990 filed lis pendens on all
8 original mental health land, but have not yet presented the question of the validity of those
9 dispositions and uses to the court for adjudication;

10 (10) not validating those dispositions and uses of original mental health land
11 and, as a result, not removing the legal basis for the lis pendens filed by the Weiss plaintiffs
12 would be contrary to the requirement of art. VIII, sec. 2, of the Alaska Constitution that the
13 legislature "provide for the utilization, development, and conservation of all natural resources
14 belonging to the State, including land and waters, for the maximum benefit of its people;"

15 (11) the questions the Weiss plaintiffs have raised regarding the validity of
16 those dispositions and uses and the lis pendens that they have filed have resulted in substantial
17 criticism of and hostility directed against the mental health trust and the trust's beneficiaries;

18 (12) the original 1,000,000 acre mental health land grant has not generated in
19 the past, and is not likely to generate in the future, sufficient income and proceeds to fully
20 fund the state's mental health program, and the beneficiaries of the mental health trust have
21 been, and will continue to be, dependent on unrestricted state revenue to fund much of the
22 state's mental health program;

23 (13) because of the criticism and hostility directed against the mental health
24 trust and the trust's beneficiaries, failure to resolve the Weiss litigation and validate the
25 dispositions and uses of original mental health land and remove the legal basis for the lis
26 pendens filed by the Weiss plaintiffs will make it increasingly difficult for the beneficiaries
27 of the mental health trust and those concerned about the beneficiaries to obtain appropriations
28 of unrestricted state revenue to fund the state's mental health program;

29 (14) it therefore is in the public interest and in the best interests of the mental
30 health trust and the trust's beneficiaries to exercise the legislature's power under the Alaska
31 Mental Health Enabling Act and art. VIII, sec. 2, of the Alaska Constitution to confirm and

1 ratify the validity of the dispositions and uses of original mental health land and, by answering
2 the questions regarding the validity of those dispositions and uses of original mental health
3 land, remove the legal basis for the lis pendens filed by the Weiss plaintiffs;

4 (15) it is in the best interests of both the public and the beneficiaries of the
5 mental health trust to resolve the Weiss litigation on terms that are fair to both the public and
6 the beneficiaries of the mental health trust;

7 (16) such a resolution can be accomplished by exercising the legislature's
8 power under the Alaska Mental Health Enabling Act and art. VIII, sec. 2, of the Alaska
9 Constitution, through amending ch. 66, SLA 1991,

10 (A) to return certain original mental health land to trust status;

11 (B) to ratify and confirm the removal from trust status of certain
12 original mental health land and the validity of dispositions and uses of that land,
13 including but not necessarily limited to certain original mental health land

14 (i) that has been purchased by, conveyed to, or leased by third
15 parties;

16 (ii) on which third parties have made significant development
17 expenditures;

18 (iii) that has been conveyed to or tentatively approved for
19 conveyance to municipalities;

20 (iv) that has been placed in legislatively designated areas like
21 parks, wildlife refuges, and state forests; or

22 (v) that is used by state agencies;

23 (C) to make clear that the legislature intends to compensate the mental
24 health trust for the original mental health land removed from trust status by this Act
25 through a combination of replacement land and state general fund money;

26 (D) to designate certain other state land as mental health land as partial
27 compensation and in exchange for original mental health land not returned to trust
28 status;

29 (E) to identify state mental health expenditures since 1978 to be set-off
30 against state monetary liability to the trust for original mental health land not returned
31 to trust status; and

1 (F) to satisfy additional state monetary liability to the trust for original
2 mental health land not returned to trust status with state general funds, to provide that
3 those funds will first be appropriated to fund the state's mental health program, and
4 to provide for the transfer of any unappropriated balance to the unrestricted general
5 fund for appropriation for other public purposes as permitted by the Alaska Mental
6 Health Enabling Act;

7 (17) since 1978, state mental health expenditures have totaled more than
8 \$1,300,000,000;

9 (18) the sum of the value of the other state land designated as mental health
10 trust land under this Act and the total of state mental health expenditures since 1978 exceeds
11 the value of the original mental health land not returned to trust status under this Act;

12 (19) the management of land designated under this Act as mental health trust
13 land will have significant administrative costs that will reduce the trust's net income and
14 proceeds;

15 (20) the Department of Natural Resources has considerable expertise in
16 managing state land, and it already has in place the facilities, personnel, and other necessary
17 infrastructure for efficient, cost-effective land management of land designated as mental health
18 trust land under this Act;

19 (21) it therefore is in the best interest of the public and of the trust and its
20 beneficiaries that the Department of Natural Resources manage the land designated as mental
21 health trust land under this Act; and

22 (22) if, by December 15, 1994, a final determination has been made by the
23 superior court that the state has satisfied its obligation to reconstitute the mental health trust
24 under State v. Weiss, 706 P.2d 681 (Alaska 1985), the superior court has entered a final order
25 dismissing Weiss v. State, 4FA-82-2208 Civil, and the time for appeals of that determination
26 and that order has expired with no appeals having been taken, even though it is not legally
27 required by the Alaska Mental Health Enabling Act or the Alaska Constitution, it is in the best
28 interest of both the public and the beneficiaries of the mental health trust

29 (A) to have the provisions of ch. 66, SLA 1991, that establish the
30 Alaska Mental Health Trust Authority become law;

31 (B) to amend the provisions of ch. 66, SLA 1991, that establish a

1 procedure for appropriating funds from the mental health trust income account to give
2 the mental health community, acting through the authority, some discretionary control
3 over the expenditure of those funds while retaining the governor's and the legislature's
4 ultimate control over expenditures from the state treasury as required by the Alaska
5 Constitution and to have the provisions, as amended, become law;

6 (C) to have the provisions of ch. 66, SLA 1991, that improve the state's
7 mental health program become law; and

8 (D) to allocate to the mental health trust income account \$225,000,000
9 in 15 annual installments of \$15,000,000 each as additional compensation for original
10 mental health land not returned to trust status.

11 (b) The purposes of this Act are

12 (1) to reconstitute the mental health trust with approximately 500,000 acres of
13 original mental health land and approximately 400,000 acres of other state land;

14 (2) to ratify and confirm the removal from trust status of approximately
15 500,000 acres of original mental health land;

16 (3) to ratify and confirm the validity of the dispositions and uses of the original
17 mental health land removed from trust status;

18 (4) to define state mental health expenditures since 1978 and provide for them
19 to be considered as additional compensation for original mental health land removed from trust
20 status;

21 (5) to satisfy any additional state monetary liability to the trust for original
22 mental health land not returned to trust status with state general funds, to provide that those
23 funds will first be appropriated to fund the state's mental health program, and to provide for
24 the transfer of any unappropriated balance to the unrestricted general fund for appropriation
25 for other public purposes as permitted by the Alaska Mental Health Enabling Act; and

26 (6) if, by December 15, 1994, a final determination has been made by the
27 superior court that the state has satisfied its obligation to reconstitute the mental health trust
28 under State v. Weiss, 706 P.2d 681 (Alaska 1985), the superior court has entered a final order
29 dismissing Weiss v. State, 4FA-82-2208 Civil, and the time for appeals of that determination
30 and that order has expired with no appeals having been taken,

31 (A) to have the provisions of ch. 66, SLA 1991, that establish the

1 **Alaska Mental Health Trust Authority become law;**

2 (B) to amend the provisions of ch. 66, SLA 1991, governing the
3 management by the authority of the land of the reconstituted mental health trust to
4 provide additional safeguards of the public interest in the management of that land and
5 to have the provisions, as amended, become law;

6 (C) to amend the provisions of ch. 66, SLA 1991, that establish a
7 procedure for appropriating funds from the mental health trust income account to give
8 the mental health community, acting through the authority, some discretionary control
9 over the expenditure of those funds while retaining the governor's and the legislature's
10 ultimate control over expenditures from the state treasury as required by the Alaska
11 Constitution and to have the provisions, as amended, become law;

12 (D) to have the provisions of ch. 66, SLA 1991, that improve the
13 state's mental health program become law; and

14 (E) to allocate to the mental health trust income account \$225,000,000
15 in 15 annual installments of \$15,000,000 each as additional compensation for original
16 mental health land not returned to trust status.

17 * Sec. 2. AS 29.65.060 is amended by adding a new subsection to read:

18 (h) To obtain replacement land for mental health land that was conveyed by
19 the state to the municipality under former AS 29.18.190 - 29.18.200, former
20 AS 29.18.201 - 29.18.202, or under this chapter, a municipality may reconvey to the
21 state mental health land that had been conveyed by the state to the municipality.
22 When a municipality reconveys land to the state under this subsection, the municipality
23 has the right to select an equal number of acres of replacement land. The municipality
24 may exercise its right to select replacement land under this subsection only within two
25 years of the date of the reconveyance of land to the state.

26 * Sec. 3. AS 37.14.007(b), added by sec. 10, ch. 66, SLA 1991, is amended to read:

27 (b) In exercising the powers, duties, and responsibilities as trustee, the
28 authority is under a duty to the public and the trust beneficiaries to

29 (1) administer the trust consistent with AS 37.14.009 [SOLELY] in the
30 interest of the beneficiaries;

31 (2) keep and render clear and accurate accounts with respect to the

- 1 administration of the trust;
- 2 (3) make public and available complete and accurate information as to
- 3 the nature and amount of the trust property;
- 4 (4) exercise a high degree of care in administering the trust;
- 5 (5) take reasonable steps to take and keep control of the trust property;
- 6 (6) use care and skill to preserve the trust property;
- 7 (7) take reasonable steps to realize on claims that are held in trust;
- 8 (8) defend against actions that may result in a loss to the trust estate,
- 9 unless under all the circumstances, considering the other duties owed to the trust, it is
- 10 reasonable not to make the defense;
- 11 (9) separately account for trust property;
- 12 (10) ensure that trust property is designated as property of the trust,
- 13 (11) use care and skill to make the trust property productive; however,
- 14 nothing in this paragraph shall prevent the state from using trust property directly or
- 15 indirectly, by contractual stipulation or otherwise, as a component of the state's mental
- 16 health trust program; and
- 17 (12) deal impartially with the different trust beneficiaries as provided
- 18 in AS 47.30.056.

19 * Sec. 4. AS 37.14.009(a), added by sec. 10, ch. 66, SLA 1991, is amended to read:

20 (a) The Alaska Mental Health Trust Authority

21 (1) shall manage the assets of the trust, except assets the management

22 of which is provided for in (2) of this subsection, in a fiduciary manner to fulfill the

23 purposes of the trust;

24 (2) shall [MAY, CONSISTENT WITH (1) OF THIS SUBSECTION

25 AND AS 47.30.036(1), SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF

26 LAND IN THE TRUST;

27 (3) MAY, CONSISTENT WITH (1) OF THIS SUBSECTION, USE

28 LAND THAT IS AN ASSET OF THE TRUST DIRECTLY FOR THE INTEGRATED

29 COMPREHENSIVE MENTAL HEALTH PROGRAM;

30 (4) MAY] contract with the Department of Natural Resources to

31 manage the land assets of the trust; when the Department of Natural Resources

1 manages land assets of the trust under a contract entered into under this
2 paragraph, the department shall manage in conformity with AS 38.05.801; and

3 (3) [(5)] shall contract with the Alaska Permanent Fund Corporation for
4 management of the trust's cash assets, unless the authority finds that the best interests
5 of trust beneficiaries would be served by contracting with another entity.

6 * Sec. 5. AS 37.14 is amended by adding a new section to read:

7 Sec. 37.14.013. MENTAL HEALTH TRUST INCOME AND PROCEEDS
8 ACCOUNT. (a) The mental health trust income and proceeds account is established
9 as a separate account in the general fund.

10 (b) The mental health trust income and proceeds account consists of

11 (1) the net income and net proceeds received by the state from the use,
12 sale, or other disposal of the state land designated as mental health trust land; and

13 (2) money deposited in the account in accordance with appropriations
14 or allocations made by law.

15 * Sec. 6. AS 37.14 is amended by adding a new section to read:

16 Sec. 37.14.023. UTILIZATION OF THE MENTAL HEALTH TRUST
17 INCOME AND PROCEEDS ACCOUNT. (a) Money in the mental health trust
18 income and proceeds account established in AS 37.14.013(a) shall first be appropriated
19 by the legislature to pay the necessary expenses of the mental health program of the
20 state. In making annual appropriations from the mental health trust income and
21 proceeds account, the legislature shall consider the recommendations of the Alaska
22 Mental Health Board established under AS 47.30.661.

23 (b) After appropriations have been made to pay the necessary expenses of the
24 mental health program of the state, the legislature may authorize the transfer of the
25 unobligated and unappropriated fiscal year-end balance in the mental health trust
26 income and proceeds account as of June 30 to the unrestricted portion of the general
27 fund for use for other public purposes.

28 * Sec. 7. AS 37.14.036(c), added by sec. 11, ch. 66, SLA 1991, is repealed and reenacted
29 to read:

30 (c) During each state fiscal year that begins on or after July 1, 1995, and ends
31 not later than June 30, 2010, the commissioner of natural resources shall annually

1 deposit in the mental health trust income account in the general fund, established in
2 (a) of this section, \$15,000,000 from the state's royalty share as lessor of oil and gas
3 leases.

4 * Sec. 8. AS 38.05 is amended by adding a new section to read:

5 Sec. 38.05.801. MANAGEMENT OF MENTAL HEALTH TRUST LAND.

6 (a) Mental health trust land shall be managed consistent with the requirements of the
7 Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1956).

8 (b) Subject to (a) of this section, the department

9 (1) shall manage mental health trust land under those provisions of law
10 applicable to other state land;

11 (2) may exchange other state land for mental health trust land under the
12 procedures set out in AS 38.50; and

13 (3) may correct errors or omissions in the legal descriptions of mental
14 health trust land.

15 (c) The commissioner shall adopt regulations under AS 44.62 (Administrative
16 Procedure Act) to implement this section.

17 * Sec. 9. AS 47.30.016(b), added by sec. 26, ch. 66, SLA 1991, is amended to read:

18 (b) The board consists of seven members appointed by the governor. The
19 members appointed under this subsection shall be appointed

20 (1) based upon their ability in financial management and investment [,
21 IN LAND MANAGEMENT,] or in services for the beneficiaries of the trust;

22 (2) after the governor has considered a list of persons prepared by a
23 panel of six persons who are beneficiaries, or who are the guardians, family members,
24 or representatives of beneficiaries; the panel shall consist of

25 (A) one person selected by the Alaska Mental Health Board
26 (AS 47.30.661);

27 (B) one person selected by the Governor's Council for the
28 Handicapped and Gifted (AS 47.80.030);

29 (C) one person selected by the Advisory Board on Alcoholism
30 and Drug Abuse (AS 44.29.110);

31 (D) one person selected by the Older Alaskans Commission

1 (AS 44.21.200);
2 (E) one person selected by the Alaska Native Health Board; and
3 (F) one person selected by the authority.
4 * Sec. 10. AS 47.30.470(9), added by sec. 27, ch. 66, SLA 1991, is amended to read:
5 (9) use money appropriated from the mental health trust income
6 account established under AS 37.14.036 and the general fund to provide the
7 necessary services identified in (8) of this section and in accordance with
8 AS 47.30.056.
9 * Sec. 11. AS 47.30.660(a)(3), added by sec. 36, ch. 66, SLA 1991, is amended to read:
10 (3) implement an integrated comprehensive system of care that, within
11 the limits of money appropriated for that purpose, meets the service needs of the
12 beneficiaries of the trust established under the Alaska Mental Health Enabling Act of
13 1956, as determined by the plan.
14 * Sec. 12. AS 47.30.910(d), as amended by sec. 41, ch. 66, SLA 1991, is further amended
15 to read:
16 (d) All money paid by the patient or on the patient's behalf to the department
17 under this section shall be deposited in the general fund [MENTAL HEALTH TRUST
18 INCOME ACCOUNT ESTABLISHED IN AS 37.14.036].
19 * Sec. 13. Section 58, ch. 66, SLA 1991, is repealed and reenacted to read:
20 Sec. 58. (a) This Act takes effect only if, not later than December 15, 1994,
21 (1) the superior court of the State of Alaska has made a final
22 determination that the state has satisfied its obligation to reconstitute the mental health
23 trust under State v. Weiss, 706 P.2d 681 (Alaska 1985);
24 (2) the superior court has entered a final order dismissing Weiss v.
25 State, 4FA-82-2208 Civil; and
26 (3) the time for appeals of that determination and that order has expired
27 with no appeals having been taken.
28 (b) The attorney general shall advise the lieutenant governor and the revisor
29 of statutes whether the determination required by (a)(1) of this section has been made,
30 whether the final order required by (a)(2) of this section has been entered, and
31 whether, as required by (a)(3) of this section, the time for appeals of that determination

1 and that order has expired with no appeals having been taken as of that date.

2 * **Sec. 14.** Chapter 66, SLA 1991, is amended by adding a new section to read:

3 **Sec. 59.** If, under sec. 58 of this Act, this Act takes effect, it takes effect
4 December 16, 1994.

5 * **Sec. 15.** AS 37.14.011, 37.14.021; AS 38.05.800; secs. 1, 2, 4, and 5, ch. 132, SLA
6 1986; secs. 7 - 10, ch. 48, SLA 1987; and secs. 49, 50, and 54 - 57, ch. 66, SLA 1991, are
7 repealed.

8 * **Sec. 16. MENTAL HEALTH TRUST RECONSTITUTED.** (a) For the purpose of
9 reconstituting the mental health trust established under the Alaska Mental Health Enabling
10 Act, P.L. 84-830, 70 Stat. 709 (1956), as required by the Alaska Supreme Court's decision in
11 Weiss v. State, 706 P.2d 681 (Alaska 1985), the following land is designated as mental health
12 trust land:

13 (1) the original mental health land listed in "Original Mental Health Land To
14 Be Designated as Mental Health Trust Land, May 1994," located in the office of the director
15 of the division of lands, Department of Natural Resources, in Anchorage, Alaska; and

16 (2) the state land listed in "Other State Land To Be Designated as Mental
17 Health Trust Land, May 1994," located in the office of the director of the division of lands,
18 Department of Natural Resources, in Anchorage, Alaska.

19 (b) All land designated as mental health trust land under this section remains subject
20 to all encumbrances or interests of record, noted on records maintained by the Department of
21 Natural Resources, or otherwise existing on the effective date of this section.

22 (c) To the extent the state's liability to the mental health trust for the fair market value
23 of the land described in sec. 17 of this Act is not satisfied by the set-off for state mental
24 health expenditures authorized by the Alaska Supreme Court in State v. Weiss, 706 P.2d 681
25 (Alaska 1985), the state land described in (a)(2) of this section and the other compensation
26 made by this Act compensates the trust

27 (1) first, for land conveyed or made subject to a contract for conveyance by
28 the Department of Natural Resources to third parties that are not state agencies or political
29 subdivisions of the state;

30 (2) second, for land conveyed by the Department of Natural Resources to
31 municipalities; and

1 (3) third, for the other land described in sec. 17 of this Act.

2 * **Sec. 17. CONFIRMATION AND RATIFICATION OF CONVERSION OF CERTAIN**
3 **ORIGINAL MENTAL HEALTH LAND TO GENERAL GRANT LAND, CONTINGENT**
4 **CONVERSION OF CERTAIN ORIGINAL MENTAL HEALTH LAND TO GENERAL**
5 **GRANT LAND, AND CONFIRMATION AND RATIFICATION OF ACTIONS TAKEN**
6 **WITH RESPECT TO CONVERTED LAND. (a) Except for the land described in sec. 16 of**
7 **this Act,**

8 (1) the conversion to general grant land by sec. 3(a), ch. 181, SLA 1978, and
9 sec. 1(a), ch. 182, SLA 1978, of all land obtained by the state under the Alaska Mental Health
10 Enabling Act, P.L. 84-830, 70 Stat. 709 (1956), and not listed in "Original Mental Health
11 Land To Be Designated as Mental Health Trust Land, May 1994," located in the office of the
12 director of the division of lands, Department of Natural Resources, in Anchorage, Alaska, is
13 confirmed and ratified; and

14 (2) land patented to or approved for patent to the state under the Alaska Mental
15 Health Enabling Act after July 1, 1978, and not listed in "Original Mental Health Land To Be
16 Designated as Mental Health Trust Land, May 1994," located in the office of the director of
17 the division of lands, Department of Natural Resources, in Anchorage, Alaska, is redesignated
18 as general grant land if it was not converted to general grant land by sec. 3(a), ch. 181, SLA
19 1978, and sec. 1(a), ch. 182, SLA 1978.

20 (b) The land affected by this section includes the land listed in "Original Mental
21 Health Land Not To Be Returned to Mental Health Trust Status, May 1994," located in the
22 office of the director of the division of lands, Department of Natural Resources, in Anchorage,
23 Alaska.

24 (c) All dispositions and uses of the land identified under (a) of this section, including
25 without limitation the creation by the state or the transfer by the state of an interest in the land
26 or the designation of the land as part of a state park, state forest, state game refuge, state
27 wildlife refuge, state game sanctuary, state recreational area, state recreational river, state
28 wilderness park, state marine park, state special management area, state public use area,
29 critical habitat area, bald eagle preserve, bison range, or moose range are confirmed and
30 ratified.

31 * **Sec. 18. STATE MENTAL HEALTH EXPENDITURES TO BE SET-OFF AGAINST**

1 STATE MONETARY LIABILITY FOR ORIGINAL MENTAL HEALTH LAND NOT
2 RETURNED TO TRUST STATUS. To the extent the state is liable to the mental health trust
3 for the fair market value of any original mental health land not returned to trust status under
4 sec. 16(a)(1) of this Act, after taking into account the fair market value of the state land
5 designated as mental health trust land under sec. 16(a)(2) of this Act, the set-off against that
6 liability for state mental health expenditures since 1978 to which the state is entitled under
7 State v. Weiss, 706 P.2d 681 (Alaska 1985), totals \$1,300,000,000.

8 * Sec. 19. TRANSITIONAL PROVISIONS; DEVELOPMENT OF MENTAL HEALTH
9 TRUST INCOME ACCOUNT MECHANISM. Not later than January 1, 1996, the Board of
10 Trustees of the Alaska Mental Health Trust Authority, after consulting with organizations and
11 persons affected by this Act, shall

12 (1) consistent with AS 47.30.056(h), added by sec. 26, ch. 66, SLA 1991,
13 adopt regulations regarding persons who are to receive services funded by money in the
14 mental health trust income account under AS 37.14.036, as added by sec. 11, ch. 66, SLA
15 1991, and amended by sec. 7 of this Act;

16 (2) publish its findings and estimates regarding the number of persons in need
17 under the regulations adopted under (1) of this section;

18 (3) consistent with AS 47.30.056(j), added by sec. 26, ch. 66, SLA 1991, adopt
19 regulations regarding the services and facilities upon which expenditures are to be made from
20 money in the mental health trust income account under AS 37.14.036, added by sec. 11, ch.
21 66, SLA 1991, and amended by sec. 7 of this Act; and

22 (4) publish its findings and projections regarding the necessary expenditure of
23 money from the mental health trust income account under AS 37.14.036, as added by sec. 11,
24 ch. 66, SLA 1991, and amended by sec. 7 of this Act.

25 * Sec. 20. ADDITIONAL COMPENSATION TO MENTAL HEALTH TRUST. (a) To
26 the extent the state has any additional monetary liability to the mental health trust for original
27 mental health land not returned to trust status under sec. 16(a)(1) of this Act after taking into
28 account the fair market value of the other state land under sec. 16(a)(2) of this Act and the
29 set-off for state mental health expenditures under sec. 18 of this Act, the commissioner of
30 revenue shall allocate sufficient unrestricted state general funds to the mental health trust
31 income and proceeds account (AS 37.14.013), established by sec. 5 of this Act, to satisfy that

1 liability. The money so allocated is additional compensation to the mental health trust for the
2 original mental health land not returned to trust status under sec. 16(a)(1) of this Act. An
3 allocation under this subsection may not exceed \$100,000,000 during any one state fiscal year.

4 (b) After appropriations from the mental health trust income and proceeds account
5 have been made to pay for the state's mental health program, the legislature may

6 (1) transfer to the general fund an amount equal to the remaining unrestricted
7 state general funds allocated by the commissioner of revenue to the mental health trust income
8 and proceeds account under (a) of this section; and

9 (2) appropriate any part or all of the amount transferred under (1) of this
10 subsection for other public purposes.

11 * Sec. 21. If the conditions of sec. 58, ch. 66, SLA 1991, as amended by sec. 13 of this
12 Act, are not met on or before December 15, 1994, then ch. 66, SLA 1991, is repealed and
13 secs. 3, 4, 7, 9 - 12, and 19 of this Act do not take effect.

14 * Sec. 22. If the conditions of sec. 58, ch. 66, SLA 1991, as amended by sec. 13 of this
15 Act, are met on or before December 15, 1994, then AS 37.14.013, added by sec. 5 of this Act,
16 AS 37.14.023, added by sec. 6 of this Act, and sec. 20 of this Act are repealed.

17 * Sec. 23. Subject to sec. 21 of this Act, secs. 3, 4, 7, 9 - 12, and 19 of this Act take effect
18 December 16, 1994.

19 * Sec. 24. Sections 21 and 22 of this Act take effect December 16, 1994.

20 * Sec. 25. Sections 1, 2, 5, 6, 8, 13 - 18, and 20 of this Act take effect immediately under
21 AS 01.10.070(c).