

SENATE BILL NO. 93**IN THE LEGISLATURE OF THE STATE OF ALASKA****EIGHTEENTH LEGISLATURE - FIRST SESSION****BY SENATOR ZHAROFF**

Introduced: 2/5/93
Referred: RES, L&C, FIN

A BILL**FOR AN ACT ENTITLED**

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

1 endowment.

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

3 **ARTICLE 4A. COMMERCIAL FISHERIES DEVELOPMENT ENDOWMENT.**

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

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

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

23 (b) The net income of the endowment may be appropriated for payment to
24 (1) the foundation for the support of commercial fisheries development
25 research projects, including research on fish harvesting techniques, seafood processing
26 techniques, and development of new seafood products in the state;
27 (2) the department for the reasonable costs of administering the
28 endowment.

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

1 **Sec. 37.14.370. POWERS AND DUTIES OF THE COMMISSIONER OF**
2 **REVENUE.** The commissioner of revenue is the treasurer of the endowment and has
3 the power and duty to

4 (1) act as official custodian of the cash and investments belonging to
5 the endowment by securing adequate and safe custodial facilities;

6 (2) receive all items of cash and investments belonging to the
7 endowment;

8 (3) collect the principal and income from investments owned or
9 acquired by the endowment and deposit the amounts in separate principal and income
10 accounts for the endowment;

11 (4) invest and reinvest the assets of the endowment as provided in this
12 section and as provided for the investment of funds under AS 37.14.170;

13 (5) exercise the powers of an owner with respect to the assets of the
14 endowment;

15 (6) maintain accounting records of the endowment in accordance with
16 investment accounting principles and with distinction between the principal and income
17 accounts of the endowment;

18 (7) engage an independent firm of certified public accountants to
19 annually audit the financial condition of the endowment's investments and investment
20 transactions;

21 (8) enter into and enforce contracts or agreements considered necessary
22 for the investment purposes of the endowment;

23 (9) provide reports to the foundation and the legislature on the
24 condition and investment performance of the fund;

25 (10) do all acts, whether or not expressly authorized, necessary or
26 proper in administering the assets of the endowment;

27 (11) adopt regulations necessary to implement AS 37.14.350 -
28 37.14.390.

29 **Sec. 37.14.380. DUTIES OF THE FOUNDATION.** (a) The foundation shall
30 provide copies of annual reports and financial audits regarding its utilization of the
31 income of the endowment to the commissioner of revenue and the legislature by

1 **January 15 of each year.**

2 **(b) The financial records of the foundation regarding the utilization of the**
3 **income of the endowment may be audited by the legislative auditor or by a certified**
4 **public accountant approved by the legislative auditor if the audit is requested by the**
5 **Legislative Budget and Audit Committee.**

6 **Sec. 37.14.390. DEFINITIONS. In AS 37.14.350 - 37.14.390,**

7 **(1) "department" means the Department of Revenue;**

8 **(2) "endowment" means the commercial fisheries development**
9 **endowment established by AS 37.14.350(a);**

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

11 *** Sec. 3. This Act takes effect immediately under AS 01.10.070(c).**