

CS FOR SENATE BILL NO. 183(FIN)**IN THE LEGISLATURE OF THE STATE OF ALASKA****EIGHTEENTH LEGISLATURE - FIRST SESSION****BY THE SENATE FINANCE COMMITTEE****Offered: 4/28/93****Referred: Rules****Sponsor(s): SENATE 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
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 planning, design, engineering, and construction of the facility. Until,
21 however, the grantee has provided to the Alaska Industrial Development and Export Authority
22 a financial plan and a feasibility study demonstrating the financial viability of the proposed
23 center and the Alaska Industrial Development and Export Authority has approved the project
24 plan and has found the center to be financially viable, no money from this appropriation may
25 be expended. In addition, no money from this appropriation may be expended for any phase
26 of construction until all financing necessary to complete construction of the entire stand-alone
27 facility has been obtained. Not more than \$4,000,000 may be expended from this
28 appropriation for design of the center.

29 * Sec. 3. The sum of \$7,000,000 is appropriated from the Exxon Valdez oil spill
30 restoration fund, described in sec. 1(1) of this Act, to the Department of Natural Resources
31 for the purchase, for \$22,000,000, of the property rights of the Seldovia Native Association,

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

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

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

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

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

1 services lost or diminished by the Exxon Valdez oil spill.

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

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

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

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

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

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

31 * Sec. 13. (a) Subject to the conditions set out in (c) of this section, the sum of

1 \$15,000,000 is appropriated from the fiscal year 1994 general fund Exxon Valdez
2 reimbursement payments to the Department of Transportation and Public Facilities for the
3 design and engineering work and construction of a road connecting the Seward Highway and
4 the Port of Whittier.

5 (b) Subject to the conditions set out in (c) of this section, the sum of \$5,000,000 is
6 appropriated from the fiscal year 1994 general fund Exxon Valdez reimbursement payments
7 to the Department of Transportation and Public Facilities for the design, engineering, and
8 construction of a state oil spill response assistance ferry vessel.

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

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

15 * Sec. 15. (a) The unexpended and unobligated balance of a grant funded by an
16 appropriation made by sec. 2, 9, or 11 of this Act lapses into the fund from which the
17 appropriation was made if work on the grant project has not begun by December 1, 1997.

18 (b) The unexpended and unobligated balances of the appropriations made by secs. 2,
19 9, 11, and 12 of this Act lapse into the fund from which the appropriations were made
20 December 1, 1997.

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