

HB

205

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB205
 () Publish Date: _____
 Dept. Affected: Natural Resources
 BRU: Management & Admin.
 Component: Commissioner's Office
 Component Number: 424

Revision Date/Time (Note if correction): _____
 Title: An Act relating to resource development and to grants for the purpose of promoting resource development...
 Sponsor: Rep. Fate
 Requester: (H) RES

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	115.9	115.9	115.9	115.9	115.9	115.9
Travel	6.0	6.0	6.0	6.0	6.0	6.0
Contractual	19.0	19.0	19.0	19.0	19.0	19.0
Supplies	0.8	0.8	0.8	0.8	0.8	0.8
Equipment	13.3					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	155.0	141.7	141.7	141.7	141.7	141.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	*	*	*	*	*	*
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
NEW - Res. Dev. Fund	155.0	141.7	141.7	141.7	141.7	141.7
TOTAL	155.0	141.7	141.7	141.7	141.7	141.7

Estimate of any current year (FY2001) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2002 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill allows for establishment of and appropriation to a Resource Development Fund, and creation of a Resource Development Board. The appropriation amount can be equal to 1/4 of 1% of ALL mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state under AS 38.05. DNR estimates this amount to be \$2.6 million annually, calculated on the total amount of ALL those revenue sources BEFORE distributions are made to the Permanent Fund, School Fund, and Constitutional Budget Reserve Fund. DNR assumes those three funds receive their full share of revenues under statute, and the amount appropriated to the Resource Development Fund is made from the general fund.

Prepared by: Carol Carroll, Director Phone 465-4730
 Division: Support Services Date/Time 9-Apr-01
 Approved by: Pat Pourchot Date 9-Apr-01
 Agency: Natural Resources

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

* Change in Revenue: The amount the legislature appropriates to the new Resource Development Fund results in an equal amount of reduction to the state general fund.

Fiscal Impact

Factors which will influence the actual cost of this legislation include:

1. The actual annual appropriation amount made to the Resource Development Fund.
2. The number of grants awarded by the Board annually. The cost of administering and processing the grants will be vastly different if the Board awards one grant for \$2.6 million or 260 grants for \$10.0 each.

Costs may be significantly different based on decisions made by the Board which are not quantifiable at this time.

The following assumptions are used in calculating the costs identified on this fiscal note.

1. All costs of operating the Board are paid out of the newly established Resource Development Fund.
2. The Board may hire staff. Assumption is an Executive Director (R21) and an Administrative Assistant (R13) to provide guidance and grant administration support. Annual cost estimated at \$115.9.
3. Travel and per diem costs assume 4 annual meetings, for 7 board members. Depending on number of board positions actually filled, location of board members, location and duration of meetings, this number will vary. Best estimate is \$6.0 annually.
4. Contractual costs of Board and staff include office space for staff; and operational costs such as telephone/network charges, meeting location rentals, postage/copiers, advertisement costs for grant proposals, indirect administrative costs etc. Estimate is \$19.0 annually.
5. Annual basic operating supplies for the Board staff estimated at \$0.8/year.
6. One-time equipment purchases necessary to set up the Board staff office space are estimated at \$13.3. This includes computers, printer, phones, fax, and furniture.

Additional Potential Costs not included in this fiscal note:

1. Additional contractual costs such as outside consultant contracts the Board may want to enter into are not included in this estimate, and may require additional funding.
2. The bill allows for the department (DNR) as well as Fish & Game and Environmental Conservation to provide technical staffing and information as needed by the board. DNR assumes that the Board will reimburse the departments for technical staffing and support costs when the time spent on Board activities is substantial. There is no reasonable way to estimate this cost. This item is not included in the fiscal note, and may require additional funding.

Personal Services New Position Detail

Department of Natural Resources

Scenario: DNR FY2002 Gov Amended with Fiscal Notes (1842)
 Component: Commissioner's Office (423)
 BRU Name: Management and Administration (135)

PCN	Job Class Title	Time Status	Retir Code	Barg Unit	Location	Salary Sched	Range Steps	Budgeted Months	Split Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
10-#069	Exec Director Res Dev Board	FT	A	XE	Anchorage	AA	21A	12.0		51,624	1,253	0	17,960	70,837

Justification:

SB136 - Resource Development Board

Funding Detail:

1004	General Fund Receipts	100.00%	70,837
Total Funding		100.00%	70,837

10-#070	Administrative Assistant	FT	A	GG	Anchorage	1A	13A	12.0		31,054	377	0	13,654	45,104
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Justification:

SB136 - Resource Development Board

Funding Detail:

1004	General Fund Receipts	100.00%	45,104
Total Funding		100.00%	45,104

Component Summary:

Total New Positions: 2

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	115,941
Total Funding	100.00%	115,941

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. ~~the component, position and salary codes~~ *count will appear in this column

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CSSB 136 (FIN) work draft
 () Publish Date: _____

Revision Date/Time (Note if correction): 04/05/2001 8:15a.m. Dept. Affected: DCED
 Title: An act relating to resource development and to BRU: Comm.Asst & Econ.Dev
grants for the purpose of promoting resource development Component: Community and Business
 Sponsor: Senate Resources Committee Development
 Requester: Senate Finance Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	55.6	55.6	55.6	55.6	55.6	55.6
Travel	6.0	6.0	6.0	6.0	6.0	6.0
Contractual	19.0	19.0	19.0	19.0	19.0	19.0
Supplies	0.8	0.8	0.8	0.8	0.8	0.8
Equipment	5.0					
Land & Structures						
Grants & Claims	2,013.6	2,018.6	2,018.6	2,018.6	2,018.6	2,018.6
Miscellaneous						
TOTAL OPERATING	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
New: Res. Dev. Fund	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0
TOTAL	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill allows for establishment of and appropriation to a Resource Development Fund, and creation of a Resource Development Board. The appropriation amount can be equal to 1/4 of 1% of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state under AS 38.05. DNR estimates this amount to be \$2.6 million annually, calculated on the total amount of all those revenue sources before distributions are made to the Permanent Fund, School Fund, and Constitutional Budget Reserve Fund. DCED assumes those three funds receive their full share of revenues under statute, and the amount appropriated to the Resource Development Fund is made from the general fund. Up to 20% of the funding may be appropriated to a separate Business Incentive Fund, leaving \$2.1 million for the Resource Development Fund. (continued on additional sheet)

Prepared by: Pat Poland, Director Phone 907-269-4580
 Division: Community and Business Development Date/Time 04/05/2001 8:15a.m.
 Approved by: SAY FOR Commissioner Deborah B. Sedwick Date 4/5/2001
 Agency: Department of Community and Economic Development

For distribution information, call the Governor's Legislative Office

* GRANTS INCLUDED *

Fiscal Note: SB 136 -- Additional Notes

ANALYSIS: (continued)

*Change in Revenue: The amount the legislature appropriates to the new Resource Development Fund results in an equal amount of reduction to the state general fund.

Fiscal Impact

Factors which will influence the actual cost of this legislation include:

1. The actual annual appropriation amount made to the Resource Development Fund.
2. The number of grants awarded by the Board annually. The cost of administering and processing the grants will vary substantially depending on the number of grants the Board elects to award.

Costs may be significantly different based on decisions made by the Board which are not quantifiable at this time.

The following assumptions are used in calculating the costs identified on this fiscal note:

1. All costs of operating the Board are paid out of the newly established Resource Development Fund.
2. The Board may hire staff. Assumption is that one Grants Administrator II (R17A) position will be created in Juneau to provide for general grant administration support. Annual cost estimated at \$55.6.
3. Travel and per diem costs assume 4 annual meetings, for 5 board members and staff. Depending on number of board positions actually filled, location of board members, location and duration of meetings, this number will vary. Estimate is \$6.0 annually.
4. Contractual costs of Board and staff include office space for staff; and operational costs such as telephone/network charges, meeting location rentals, postage/copiers, advertisement costs for grant proposals, indirect administrative costs etc. Estimate is \$19.0 annually.
5. Annual basic operating supplies for the Board staff estimated at \$0.8/year.
6. One-time equipment purchases necessary to set up the new grants administrator position office space are estimated at \$5.0. This includes computers, phones, and office accessories.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 136 (FIN) work draft
 () Publish Date: _____

Revision Date/Time (Note if correction): 04/05/2001 8:15a.m. Dept. Affected: DCED
 Title: An act relating to resource development and to BRU: Comm.Asst & Econ.Dev
grants for the purpose of promoting resource development Component: ITMD
 Sponsor: Senate Resource Committee
 Requester: Senate Finance Component Number: 405

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	500.0	500.0	500.0	500.0	500.0	500.0
Miscellaneous						
TOTAL OPERATING	500.0	500.0	500.0	500.0	500.0	500.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	500.0	500.0	500.0	500.0	500.0	500.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill allows for establishment of and appropriation to a Resource Development Fund, the creation of a Resource Development Board, and the appropriation of funds to the new Business Incentive Fund for purposes authorized by AS 45.81.010 - 45.81.050. The appropriation amount can be equal to 1/4 of 1% of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state under AS 38.05. DNR estimates this amount to be \$2.6 million annually, calculated on the total amount of all those revenue sources before distributions are made to the Permanent Fund, School Fund, and Constitutional Budget Reserve Fund. DCED assumes those three funds receive their full share of revenues under statute, and the amount appropriated to the Resource Development Fund is made from the general fund from the money appropriated. Up to 20% of the amount, after accounting for expenses associated with the administration of work of the Resource Development Board, is authorized for appropriation to the new Business Incentive fund, to fund new business incentive grants to encourage businesses to locate and operate in Alaska.

Prepared by: Greg Wolf, Director
 Division: International Trade and Market Development
 Approved by: Commissioner Deborah B. Sedwick
 Agency: Department of Community and Economic Development

Phone 907-269-8110
 Date/Time 04/05/2001 8:15a.m.
 Date 4/5/2001

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB136
 (S) Publish Date: 3/20/01
 Dept. Affected: Natural Resources
 BRU: Management & Admin.
 Component: Commissioner's Office
 Component Number: 424

Revision Date/Time (Note if correction): _____
 Title: An Act relating to resource development and to
grants for the purpose of promoting resource development...
 Sponsor: Senate Resources Committee
 Requester: (S) RES

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	115.9	115.9	115.9	115.9	115.9	115.9
Travel	6.0	6.0	6.0	6.0	6.0	6.0
Contractual	19.0	19.0	19.0	19.0	19.0	19.0
Supplies	0.8	0.8	0.8	0.8	0.8	0.8
Equipment	13.3					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	155.0	141.7	141.7	141.7	141.7	141.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	*	*	*	*	*	*
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
NEW - Res. Dev. Fund	155.0	141.7	141.7	141.7	141.7	141.7
TOTAL	155.0	141.7	141.7	141.7	141.7	141.7

Estimate of any current year (FY2001) cost: none
 Check this box (X) if funding for this bill is included in the Governor's FY2002 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill allows for establishment of and appropriation to a Resource Development Fund, and creation of a Resource Development Board. The appropriation amount can be equal to 1/4 of 1% of ALL mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state under AS 38.05. DNR estimates this amount to be \$2.6 million annually, calculated on the total amount of ALL those revenue sources BEFORE distributions are made to the Permanent Fund, School Fund, and Constitutional Budget Reserve Fund. DNR assumes those three funds receive their full share of revenues under statute, and the amount appropriated to the Resource Development Fund is made from the general fund.

Prepared by: Carol Carroll, Director Phone 465-4730
 Division: Support Services Date/Time 19-Mar-01
 Approved by: Pat Pourchot Date 19-Mar-01
 Agency: Natural Resources

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

* Change in Revenue: The amount the legislature appropriates to the new Resource Development Fund

* Change in Revenue: The amount the legislature appropriates to the new Resource Development Fund results in an equal amount of reduction to the state general fund.

Fiscal Impact

Factors which will influence the actual cost of this legislation include:

1. The actual annual appropriation amount made to the Resource Development Fund.
2. The number of grants awarded by the Board annually. The cost of administering and processing the grants will be vastly different if the Board awards one grant for \$2.6 million or 260 grants for \$10.0 each.

Costs may be significantly different based on decisions made by the Board which are not quantifiable at this time.

The following assumptions are used in calculating the costs identified in this fiscal note.

1. All costs of operating the Board are paid out of the newly established Resource Development Fund.
2. The Board may hire staff. Assumption is an Executive Director (R21) and an Administrative Assistant (R13) to provide guidance and grant administration support. Annual cost estimated at \$115.9.
3. Travel and per diem costs assume 4 annual meetings, for 7 board members. Depending on number of board positions actually filled, location of board members, location and duration of meetings, this number will vary. Best estimate is \$6.0 annually.
4. Contractual costs of Board and staff include office space for staff; and operational costs such as telephone/network charges, meeting location rentals, postage/copiers, advertisement costs for grant proposals, indirect administrative costs etc. Estimate is \$19.0 annually.
5. Annual basic operating supplies for the Board staff estimated at \$0.8/year.
6. One-time equipment purchases necessary to set up the Board staff office space are estimated at \$13.3. This includes computers, printer, phones, fax, and furniture.

Additional Potential Costs not included in this fiscal note:

1. Additional contractual costs such as outside consultant contracts the Board may want to enter into are not included in this estimate, and may require additional funding.
2. The bill allows for the department (DNR) as well as Fish & Game and Environmental Conservation to provide technical staffing and information as needed by the board. DNR assumes that the Board will reimburse the departments for technical staffing and support costs when the time spent on Board activities is substantial. There is no reasonable way to estimate this cost. This item is not included in the fiscal note, and may require additional funding.

Personal Services New Position Detail

Department of Natural Resources

Scenario: DNR FY2002 Gov Amended with Fiscal Notes (1842)
 Component: Commissioner's Office (423)
 BRU Name: Management and Administration (135)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
10-#069	Exec Director Res Dev Board	FT	A	XE	Anchorage	AA	21 A	12.0		51,624	1,253	0	17,960	70,837
Justification:							Funding Detail:							
SB136 - Resource Development Board							1004	General Fund Receipts					100.00%	70,837
												Total Funding:	100.00%	70,837
10-#070	Administrative Assistant	FT	A	GG	Anchorage	1A	13 A	12.0		31,068	377	0	13,659	45,104
Justification:							Funding Detail:							
SB136 - Resource Development Board							1004	General Fund Receipts					100.00%	45,104
												Total Funding:	100.00%	45,104

Component Summary:

Total New Positions: 2

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	115,941
Total Funding:	100.00%	115,941

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

22-LS0803\C
Chenoweth
4/5/01

CS FOR HOUSE BILL NO. 205()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE FATE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to resource development, to the new business incentive program, and**
2 **to matching grants for the purpose of promoting resource development from**
3 **appropriations of a portion of the revenue derived from the extraction of certain state**
4 **natural resources."**

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

6 *** Section 1.** AS 39.50.200(b) is amended by adding a new paragraph to read:

7 (57) Resource Development Board (AS 44.33.913).

8 *** Sec. 2.** AS 44.33 is amended by adding new sections to read:

9 **Article 14. Resource Development.**

10 **Sec. 44.33.911. Resource development fund.** (a) The resource development
11 fund is established in the Department of Community and Economic Development.

12 (b) From the money received in the administration of the resources of the state
13 under AS 38.05, the legislature may appropriate an amount equal to one-quarter of one
14 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral

1 revenue sharing payments, and bonuses received by the state as follows:

2 (1) for expenses associated with costs of administration of the work of
3 the Resource Development Board under AS 44.33.913 - 44.33.917;

4 (2) after allowance for the expenses described in (1) of this subsection,
5 not more than 20 percent of the remaining estimated balance of the amount authorized
6 for appropriation under this subsection to the new business incentive fund for purposes
7 authorized by AS 45.81.010 - 45.81.050; and

8 (3) the remaining estimated balance of the amount authorized for
9 appropriation under this subsection to the resource development fund.

10 **Sec. 44.33.913. Resource Development Board.** (a) The Resource
11 Development Board is established in the Department of Community and Economic
12 Development. The board is composed of five members, one of whom is the
13 commissioner of community and economic development, and four persons appointed
14 by the governor, of whom

15 (1) one member shall be appointed from a list of three persons
16 submitted by the oil industry through its state trade association;

17 (2) one member shall be appointed from a list of three persons
18 submitted by the gas industry through its state trade association;

19 (3) one member shall be appointed from a list of three persons
20 submitted by the forest industry through its state trade association; and

21 (4) one member shall be appointed from a list of three persons
22 submitted by the mining industry through its state trade association.

23 (b) Except for the commissioner of community and economic development,
24 the board members appointed under (a) of this section serve at the pleasure of the
25 governor for a four-year term. Each board member appointed under (a)(1) - (4) of this
26 section

27 (1) shall be a state resident and qualified voter at the time of
28 appointment and shall comply with the requirements of AS 39.50 (public official
29 financial disclosure);

30 (2) holds office for the term of appointment and until a successor has
31 been appointed and complies with the requirements of AS 39.50; and

1 (3) is eligible for reappointment.

2 (c) A vacancy in a board membership appointed under (a)(1) - (4) of this
3 section occurring other than by expiration of term shall be filled in the same manner as
4 the original appointment but for the unexpired term only.

5 (d) Members of the board do not receive compensation but are entitled to per
6 diem and travel expenses authorized for boards and commissions under AS 39.20.180.

7 **Sec. 44.33.915. Board organization and operation.** (a) The board shall

8 (1) establish procedures for scheduling and organizing board meetings;

9 (2) annually elect one of its members as board chair and one of its
10 members as vice-chair; a member may be reelected to serve additional terms as chair
11 or vice-chair; and

12 (3) subject to appropriation for the purpose, employ persons to serve as
13 staff to the board in the exercise of its responsibilities.

14 (b) Three members of the board constitute a quorum. Each decision of the
15 board requires the affirmative vote of a majority of the board members.

16 (c) The Departments of Community and Economic Development, Fish and
17 Game, Environmental Conservation, and Natural Resources shall provide technical
18 staffing and information as needed by the board.

19 **Sec. 44.33.917. Duties of the Resource Development Board.** (a) The
20 Resource Development Board shall facilitate the commercial development of the
21 state's natural resources by authorizing matching grants from the resource
22 development fund established under AS 44.33.911 to private nonprofit corporations to
23 assist in the promotion of the development of resources having commercial promise
24 using methods of responsible resource extraction. To that end, the board shall review
25 proposals for projects and, if the project is found feasible under standards for
26 evaluation of proposed projects approved by the board, may, after setting out the terms
27 and conditions for use of the grant, award a matching grant for conducting market
28 research, advertising, promotion, education, establishing and operating a system for
29 responding to inquiries, and publishing and distributing information, including
30 establishing and maintaining Internet sites. To qualify for a grant under this section, a
31 private nonprofit corporation shall provide from other sources at least that percent of

1 the estimated total cost of the project for which the financial assistance is sought that
2 the board requires. The board shall set out the terms and conditions of the use of the
3 grant in a contract.

4 (b) In the award of matching grants under (a) of this section, the Resource
5 Development Board shall give preference to a private nonprofit corporation organized
6 under AS 10.20.

7 (c) The amount of a grant from the resource development fund provided to a
8 private nonprofit corporation under (a) of this section may not exceed \$500,000.

9 (d) A grant or portion of a grant made under (a) of this section may not be
10 used for the purpose of influencing the outcome of an election on a ballot proposition
11 or question or influencing issue-specific legislation at the state or local government
12 level.

13 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 TRANSITIONAL PROVISION. Notwithstanding AS 44.33.913(b), added by sec. 2
16 of this Act, the persons first appointed by the governor to the Resources Development Board
17 serve initial terms as follows:

- 18 (1) one member appointed under AS 44.33.913(a) serves a one-year term;
19 (2) one member appointed under AS 44.33.913(a) serves a two-year term; and
20 (3) one member appointed under AS 44.33.913(a) serves a three-year term.

Alaska State Legislature

REPRESENTATIVE
HUGH "BUD" FATE

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 452-4448
Fax: (907) 456-3346



House Of Representatives

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4976
Fax: (907) 465-3883

House District 33

CSHB 205 (Resource Development Board) Proposed Changes to HB 205

- The Resource Development Fund and Board have been placed under the Department of Community and Economic Development to reduce the costs associated with administering and processing the grants.
- Twenty percent of the balance of the Resource Development Fund, after administrative costs, will be appropriated to the New Business Incentive Fund authorized under AS 45.811.010 – 050. The New Business Incentive Program was an economic development grant program established by the legislature in 1998 to attract companies to Alaska that build on our resource base.
- The Resource Development Board members have been reduced from seven members to five to improve efficiency of the board. Four of the board members to be appointed by the Governor will be submitted by the forest, mining, oil, and gas industries', state trade associations, and the fifth member will be the Commissioner of the Department of Community and Economic Development.
- The Resource Development Board will authorize matching grants and will determine the matching percentage for each grant.
- Each grant authorized by the Resource Development Board will be limited to \$500,000.
- Nonprofit corporations organized under the Alaska Nonprofit Corporation Act, AS 10.20., will be given preference for receiving grants from the Resource Development Board.
- Grants may not be used for influencing the outcome of an election or a ballot proposition or influencing issue-specific legislation at the state or local government level.

22-LS0803C
Chenoweth
4/5/01

CS FOR HOUSE BILL NO. 205()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE FATE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to resource development, to the new business incentive program, and**
2 **to matching grants for the purpose of promoting resource development from**
3 **appropriations of a portion of the revenue derived from the extraction of certain state**
4 **natural resources."**

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

6 *** Section 1. AS 39.50.200(b) is amended by adding a new paragraph to read:**

7 **(57) Resource Development Board (AS 44.33.913).**

8 *** Sec. 2. AS 44.33 is amended by adding new sections to read:**

9 **Article 14. Resource Development.**

10 **Sec. 44.33.911. Resource development fund. (a) The resource development**
11 **fund is established in the Department of Community and Economic Development.**

12 **(b) From the money received in the administration of the resources of the state**
13 **under AS 38.05, the legislature may appropriate an amount equal to one-quarter of one**
14 **percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral**

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revenue sharing payments, and bonuses received by the state as follows:

(1) for expenses associated with costs of administration of the work of the Resource Development Board under AS 44.33.913 - 44.33.917;

(2) after allowance for the expenses described in (1) of this subsection, not more than 20 percent of the remaining estimated balance of the amount authorized for appropriation under this subsection to the new business incentive fund for purposes authorized by AS 45.81.010 - 45.81.050; and

(3) the remaining estimated balance of the amount authorized for appropriation under this subsection to the resource development fund.

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Sec. 44.33.913. Resource Development Board. (a) The Resource Development Board is established in the Department of Community and Economic Development. The board is composed of five members, one of whom is the commissioner of community and economic development, and four persons appointed by the governor, of whom

(1) one member shall be appointed from a list of three persons submitted by the oil industry through its state trade association;

(2) one member shall be appointed from a list of three persons submitted by the gas industry through its state trade association;

(3) one member shall be appointed from a list of three persons submitted by the forest industry through its state trade association; and

(4) one member shall be appointed from a list of three persons submitted by the mining industry through its state trade association.

(b) Except for the commissioner of community and economic development, the board members appointed under (a) of this section serve at the pleasure of the governor for a four-year term. Each board member appointed under (a)(1) - (4) of this section

(1) shall be a state resident and qualified voter at the time of appointment and shall comply with the requirements of AS 39.50 (public official financial disclosure);

(2) holds office for the term of appointment and until a successor has been appointed and complies with the requirements of AS 39.50; and

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(3) is eligible for reappointment.

(c) A vacancy in a board membership appointed under (a)(1) - (4) of this section occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only.

(d) Members of the board do not receive compensation but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

Sec. 44.33.915. Board organization and operation. (a) The board shall

(1) establish procedures for scheduling and organizing board meetings;

(2) annually elect one of its members as board chair and one of its members as vice-chair; a member may be reelected to serve additional terms as chair or vice-chair; and

(3) subject to appropriation for the purpose, employ persons to serve as staff to the board in the exercise of its responsibilities.

(b) Three members of the board constitute a quorum. Each decision of the board requires the affirmative vote of a majority of the board members.

(c) The Departments of Community and Economic Development, Fish and Game, Environmental Conservation, and Natural Resources shall provide technical staffing and information as needed by the board.

Beverly's Point.

Sec. 44.33.917. Duties of the Resource Development Board. (a) The

Resource Development Board shall facilitate the commercial development of the state's natural resources by authorizing matching grants from the resource development fund established under AS 44.33.911 to private nonprofit corporations to assist in the promotion of the development of resources having commercial promise using methods of responsible resource extraction. To that end, the board shall review proposals for projects and, if the project is found feasible under standards for evaluation of proposed projects approved by the board, may, after setting out the terms and conditions for use of the grant, award a matching grant for conducting market research, advertising, promotion, education, establishing and operating a system for responding to inquiries, and publishing and distributing information, including establishing and maintaining Internet sites. To qualify for a grant under this section, a private nonprofit corporation shall provide from other sources at least that percent of

1 the estimated total cost of the project for which the financial assistance is sought that
2 the board requires. The board shall set out the terms and conditions of the use of the
3 grant in a contract.

4 (b) In the award of matching grants under (a) of this section, the Resource
5 Development Board shall give preference to a private nonprofit corporation organized
6 under AS 10.20.

7 (c) The amount of a grant from the resource development fund provided to a
8 private nonprofit corporation under (a) of this section may not exceed \$500,000.

9 (d) A grant or portion of a grant made under (a) of this section may not be
10 used for the purpose of influencing the outcome of an election on a ballot proposition
11 or question or influencing issue-specific legislation at the state or local government
12 level.

13 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 TRANSITIONAL PROVISION. Notwithstanding AS 44.33.913(b), added by sec. 2
16 of this Act, the persons first appointed by the governor to the Resources Development Board
17 serve initial terms as follows:

18 (1) one member appointed under AS 44.33.913(a) serves a one-year term;

19 (2) one member appointed under AS 44.33.913(a) serves a two-year term; and

20 (3) one member appointed under AS 44.33.913(a) serves a three-year term.