

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 86/2

1914 SRES SB 658 - SB 697

Cordova District Fisheries Union

RECEIVED

DEC 31 1981

Headquarters: Box 939, Cordova, Alaska 99574

(907) 424-3447 (907) 424-7473

FISHERMEN'S FUND

12/29/81

Ms. Elaine VanderSande, Administrator
Fishermen's Fund
Alaska Dept. of Labor
P.O. Box 1149
Juneau, Alaska 99811

Dear Elaine;

As per review of the Fishermen's Fund report prepared for Senator Mulcahy.

On page 11 the report fails to mention that the UFA's occupational accident plan has a \$2500.00 deductible which meshes with Fishermen's Fund.

My opinion on the recommendations starting page 11.

- #1 - For the time being at least, I would rather see a \$30.00 Resident - \$60.00 Non-resident crew member (Commercial Fishing) license fee rather than a \$30-90 increase. I feel it would be much more equitable to put up more revenue from one of the long range recommendations.
- #2 - For immediate addition - if possible with #1 recommendation pick up the \$6.00 and \$18.00 each from the multiple permit renewals.
- #3 - I would approve of if it actually assists in administering the Fund without excess confusion.
- #4 - Definitely not. - I really feel we should not become more reliant on the legislature and definitely not be funded directly out of the General Fund per se.
- #5 - No Workman's Compensation - P and I is costly enough and does the job when it has to - Workman's compensation makes it too easy for free loaders.
- #6 - I would not be opposed to a, say, \$50.00 deductible for Fishermen's Fund. The administrative cost of small claims exceeds benefits, besides I personally feel fishermen should be able to pay their own really small bills.

I feel that both long range recommendations as outlined are excellent ideas and should be pursued if possible. By the time these analysis are ready we will have a considerably better handle on just what effect the recent changes in medical coverage will have on the Fund.

I hope this review will be of some assistance. Please let me know if I can be of further aid during the session.

Sincerely,

Bob Blake

RECEIVED

DEC 31 1981

FISHERMEN'S FUND



MR. EARL MULOHAN
PO BOX 137
NANAIK ALASKA 99833

January 22, 1982



The Honorable Robert Mulahy, Chairman
Senate Labor and Commerce Committee
Alaska State Legislature
Pouca V State Capitol
Juneau, Alaska 99811

Re; Fishermen's Fund

Dear Sir;

I received your special report by R.G. Austerman, and the memorandum from the Legislative Affairs. I still don't see the problem (Constitutional), if this is done properly.

Alaska Statute Sec. 23.35.010 to 150 establishes the Fishermen's Fund, which is protected by the Constitution of the State, as a dedicated fund. Sec. 23.35.060 states that the fund shall be composed of 60 per cent of the money derived by the state from all fishermen's licenses (commercial). This has nothing to do with establishing a license fee, only that whatever the license fee is, 60 per cent goes to the Fishermen's Fund.

If we leave the above part alone there is no further constitutional question. The action in 1966, was to determine the legal differential that could be used between the resident fee and the non-resident fee. This was by court ruling and a new license fee was established. We could charge no more than three times the resident fee for the non-resident fee.

If we only make the changes in Sec. 16.05.460 to raise the license fee there is no constitutional question involved. Of course that is as long as we stay within the ruling of no more than three times the resident fee for the non-resident fee. However there does need to some changes in the wording of Sec. 16.05.460 & possibly follow through in Sec. 16.05.160 so that 60 per cent of all fees (commercial fishermen) and that portion of limited entry permits that go to the Fishermen's Fund as required by Sec 23.35.060.

I am enclosing parts of a report from the Department of Law, dated April 4, 1969 in regard to the "constitutionality of a tax" Since Limited Entry Permits and commercial fishermen's licenses are issued for the purpose of protection of the fishery and management of the fishery for conservation purposes as set out in the constitution of the State, Article VIII Sec.15 as amended, and not for the purpose of raising money for the general fund. This might have a bearing on all of this.

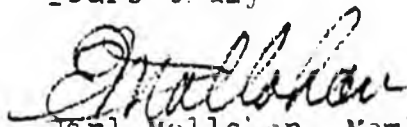
The above might also be useful in the question of Limited Entry which I don't doubt will come up.

Another item that we have been concerned with is that any unused portion of the fund is invested along with the General Fund money but we do not get any investment credit for this. It is still dedicated money regardless of where it is. I don't know whether anything can be done in regard to this.

I will be in Juneau possibly on March 14th and by all means by March 15 and will be available at the Department of Labor on the 16th-17th & 18th.

Thanks for your attention.

Yours truly



Earl Mollen, Member
Fishermen's Fund Advisory
and Appeals Council

FISHERMEN'S FUND SOURCES OF REVENUE FOR FY 1981

Resident Limited Entry Permits-	14,559 x 6 = \$87,354
Non-resident Limited Entry Permits-	3,359 x 18= 63,702
Resident Crew Member Licenses-	15,737 x 6 = 94,422
Non-resident Crew Member Licenses-	9,131 x 18= 164,358
Total Revenue for FY 1981-	409,836

FISHERMEN'S FUND REVENUE USING FY 1981 AS BASE YEAR

Resident Limited Entry Permits-	14,559 x 18=\$262,062
Non-resident Limited Entry Permits-	3,359 x 54= 191,106
Resident Crew Member Licenses-	15,737 x 18= 283,266
Non-resident Crew Members-	9,131 x 54= 493,074
Total Revenue-	1,229,508

Under SB 658 there would be a difference of \$819,672 in revenues into the Fishermen's Fund.

THE LEGISLATURE OF THE STATE OF ALABAMA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 658
 Title "An Act increasing the fees for a commercial fishing license."
 Requested by Senate Labor & Commerce Date 1/18/82

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Fishermen's fund
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Revenue from commercial fishing license fees and permits is inadequate to support the Fishermen's Fund which receives sole support from these fees. This legislation would increase the revenue and continue the program to aid fishermen on a self-supporting basis. Income projections from this legislation are:

	FY 83	FY 84	FY 85	FY 86	FY 87
Limited Entry Permits	420.0	450.0	450.0	450.0	450.0
Crewmember Licenses	457.6	780.0	780.0	780.0	780.0
Totals	877.6	1,230.0	1,230.0	1,230.0	1,230.0

Assumes January 1, 1983 effective date.

IV. DATE 1/18/82 PREPARED BY Michael W. Smith
 AGENCY Department of Labor
 Original: Legislative Finance PHONE 465-2720
 cc: Budget and Management
 Prime Sponsor (First Legislator Named
 15-001 (Rev. 12/81)

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

February 15, 1982
1:35 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Bradley
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

Hearing:

SB 658 An Act increasing the fees for a commercial fishing license.

SB 732 An Act relating to issuance of production licenses for mineral extraction from state land; and providing for an effective date.

SB 658

Senator Mulcahy stated that this bill, which was heard in the fisheries subcommittee, is supported by United Fishermen of Alaska and the Department of Labor. Raising the current license fees should keep the Fishermen's Fund solvent.

Senator Gilman moved the adoption of an amendment adding an effective date of 1/1/83. He moved SB 658 with individual recommendations.

SB 732

Phil Holdsworth, Alaska Miners' Association, referred to Constitutional language requiring a permit, lease, or transferable license for mineral extraction on State land. The miners prefer a transferable license, and support SB 732.

John Katz, Commissioner, Department of Natural Resources, expressed support for the bill, with the addition of four amendments:

#1 page 1, line 16 add "believes that it satisfies the requirements of"

#2 page 2, line 8 add "in the case of conflicting claims the Commissioner may, but is not required to, adjudicate the conflict."

#3 change effective date to 1/1/83

#4 page 2, line 11 add a new subsection "The provisions of this section do not apply to a production license for mineral extraction issued under AS 38.05.207."

The Department has determined that \$80,000 is needed to hire two employees necessary to promulgate the regulations.

(Recess to attend session from 2:00 to 3:00.)

Senator Gilman moved amendments #1, #2, #3, #4.

Senator Mulcahy moved SB 732 as a Committee Substitute as amended, with individual recommendations.

The meeting was adjourned at 3:05 p.m.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

Received 3:50 pm
2/11/82
JAY S. HAMMOCK, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

February 11, 1982

The Honorable Bettye Fahrenkamp
Chairwoman
Senate Resource Committee
Room 113 - Capitol Building
Juneau, Alaska

Dear Senator Fahrenkamp:

Re: Senate Bill No. 658

Senate Bill No. 658, an Act increasing the fees for a commercial fishing license, was introduced in the Senate on January 11, 1982 and was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing copies of two Fiscal Notes prepared by Ms. Linda Gene Lockridge, Supervisor, Fish and Game Licensing Section, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

Enclosure

cc: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Linda Gene Lockridge, Supervisor
Fish and Game Licensing Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill No. 658
 Title An Act increasing the fees for a commercial fishing license
 Requested by Labor & Commerce Committee Date January 14, 1982

II. FISCAL DETAIL
 Agency Affected Revenue
 Program Category Affected Revenue Collection & Management
 BRU, Program, Or Subprogram(s) Affected Administration & Support
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	481.6	519.6	560.8	605.7	654.7
FEDERAL FUNDS						
OTHER (Specify Source)						
Sick & Disabled						
Fishermen	-0-	850.2	917.1	990.0	1069.4	1155.9

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Projections based on an assumed increase in annual sales of Crewmember Licenses of 4% for residents and 10% for nonresidents.

IV. DATE January 19, 1982 PREPARED BY Linda Gene Lockridge
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2376
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 658
 Title An Act increasing the fees for a commercial fishing license
 Requested by Labor and Commerce Committee Date January 14, 1982

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, Or Subprogram(s) Affected Administration & Support
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

There would be no cost of administration provided the increase became effective with the next licensing year (January 1, 1983.)

IV. DATE January 19, 1982 PREPARED BY Linda Gene Lockridge
 AGENCY Revenue

Original: Legislative Finance PHONE 465-2376
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



Official Business

Alaska State Legislature

Senate Resources Committee

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senate Resources Committee
FROM: Senate Resources Committee Staff
RE: Committee Meeting, 2/15/82
DATE: February 11, 1982

Please find attached background information on the following two bills which will be heard in Committee Monday, February 15, 1982, at 1:30 p.m. in the Beltz Room.

SB 658 An Act increasing the fees for a commercial fishing license.

SB 732 An Act relating to issuance of production licenses for mineral extraction from state land; and providing for an effective date.

Additionally, in regard to SB 732, DNR will be sending over a Fiscal Note and an amendment with an effective date clause of 12/31/82.

TAPE LOG 1982

tape no. Eleven

committee: Senate Resource subCommittee on Fisheries date 2/1/82 to _____

bill numbers: SB 47 | SB 658 | SJR 60 | _____ | _____ | _____

other information: Senators Gilman, Eliason and Mulcahy present.

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
2/1/82 3:05	004		Meeting called to order by Chairman Mulcahy.
	012	SJR 60	Brought before the Committee.
	020		Mr. Roger Painter with United Fishermen of Alaska gives testimony on SJR 60.
	107		Senator Eliason asks a question of Mr. Painter.
	131		Mr. Painter excused.
	144		Mr. Fred Gaffney with the Dept. of Fish & Game gives testimony on SJR 60.
	223		Chairman Mulcahy suggested reviewing this resolution after Mr. Gaffney talks this over with Mr. Painter.
	233		Senator Gilman asks a question of Mr. Gaffney.
	249		Mr. Gaffney excused.
	254	SB 658	Brought before the Committee.
	306		Mr. Rodger Painter with United Fishermen of Alaska gives testimony on SB 658
	390		Mr. Painter excused.
	394		Mr. John Gaguine from the Dept. of Law gives testimony on SB 658.
	488		Mr. John Gaguine excused.
	491		Ms. Judy Knight, Special Assistant with the Dept. of Labor gives testimony on SB 658.
	518		Ms. Knight excused.
	530		Senator Gilman made a motion to move SB 658 with individual recommendations.
	540	SB 47	Brought before the Committee
	544		Mr. Bob Clasby with the Dept. of Fish & Game gives testimony on SB 47.
	567		Senator Eliason ask a question of Mr. Clasby.
	604		Mr. Clasby excused.
	609	SJR 60	Brought before the Committee again - Mr. Rodger Painter back for more testimony on SJR 60.
	630		Mr. Gaffney returns to continue testimony on SJR 60.
	651		Senator Eliason make a motion to move SJR 60 with Amendment #1
	665 to 710		Open discussion by Committee members. Bill moved.

COMMITTEE MINUTES FORM

This form is to be prepared and submitted to the Committee Records Staff within the next legislative day following the public hearing or committee meeting. Please submit this form completed with the following information pursuant to Rule 23 of the Uniform Rules.

Committee Name: Resources Subcommittee on Fisheries Date: 2/1/82
Members Present: Senator Mulcahy, Chairman
 Senator Eliason
 Senator Gilman

Public hearing or committee meeting on:

COMMITTEE CALENDAR

<u>SJR 60</u>	Requesting the Secretary of Commerce to disapprove certain portions of the Bering-Chukchi Sea Fishery Management Plan
<u>bill number</u>	<u>bill title</u>
SB 658	An Act increasing the fees for a commercial fishing license.
<u>SB 47</u>	<u>An Act relating to reports and records of fishermen, fish</u>
<u>bill number</u>	<u>bill title</u>
	fish buyers and fish processors; and providing for an effective date.

WITNESS REGISTER

Witness Name: Rodger Painter, Executive Director
Affiliation: United Fishermen of Alaska
Address: 197 S. Franklin St., Juneau, AK 99801
Phone: 586-2820
Summarized Position Statement: Mr. Painter testified in support of SB 658 and SJR 60.

PREVIOUS ACTION

Reference Number:
Statutory Reference:
Amendments Formally Considered: Senator Eliason moved SJR 60 and amendment.
Member Moving Adoption: Senator Gilman moved SB 658 and amendment.
Action: Passed or Failed Passed.
Voting Record: All Do Pass.

ACTION NARRATIVE

Tape Recording
Number 0000 Chair opens at 004 with members 3 present
 etc.
Mr. Painter testified on SJR 60 from tape reading 012 to 131 and on SB 658 from tape reading 306 to 390.

COMMITTEE MINUTES FORM

This form is to be prepared and submitted to the Committee Records Staff within the next legislative day following the public hearing or committee meeting. Please submit this form completed with the following information pursuant to Rule 23 of the Uniform Rules.

Committee Name: Resources Subcommittee on Fisheries Date: 2/1/82
Members Present: Senator Mulcahy, Chairman
 Senator Eliason
 Senator Gilman

Public hearing or committee meeting on:

COMMITTEE CALENDAR

SJR 60 .	Requesting the Secretary of Commerce to disapprove certain portions of the Bering-Chukchi Sea Fishery Management Plan
<u>bill number</u>	<u>bill title</u>
SB 658	An Act increasing the fees for a commercial fishing license.
SB 47	An Act relating to reports and records of fishermen, fish
<u>bill number</u>	<u>bill title</u>
	fish buyers and fish processors; and providing for an effective date.

WITNESS REGISTER

Witness Name: John Gaguine
Affiliation: Department of Law
Address: Touch K, Juneau, AK 99811
Phone: 465-3600

Summarized Position Statement: Mr. Gaguine made reference to some technical matters in SB 658. No changes made.

PREVIOUS ACTION

Reference Number:
Statutory Reference:
Amendments Formally Considered:

Senator Eliason moved SJR 60 and amendment.

Member Moving Adoption: Senator Gilman moved SB 658 and amendment.

Action: Passed or Failed Pass

Voting Record: All Do Pass

ACTION NARRATIVE

Tape Recording
Number 0000

Chair opens at 004 with members 3 present
etc.

Mr. Gaguine testified on SB 658 from tape reading 394 to 488.

- 53 658 -

SEARCH - QUERY

00001 '27.09.010'.CITATION. OR '16.05.480'.CITATION. OR '39.25.120'.CITATION. OR '46.40.010'.CITATION. OR '46.40.060'.CITATION. OR '46.40.140'.CITATION. OR '46.40.170'.CITATION. OR '46.40.190'.CITATION.

AS16.05.480 DOCUMENT# 1 OF 8

HEADINGS TITLE 16.
FISH AND GAME.
CHAPTER 05.
FISH AND GAME CODE.
ARTICLE 4.
LICENSING OF COMMERCIAL FISHING CREWMEMBERS AND VESSELS.

CITATION SEC. 16.05.480.

CATCH LINE
COMMERCIAL FISHING LICENSE.

TEXT (A) A PERSON ENGAGED IN COMMERCIAL FISHING SHALL OBTAIN A COMMERCIAL FISHING LICENSE. THE FEE FOR THE LICENSE IS \$10 FOR RESIDENTS, AND \$30 FOR NONRESIDENTS. EXCEPT FOR THOSE WHICH ARE ALSO ENTRY OR INTERIM-USE PERMITS, ALL COMMERCIAL FISHING LICENSES ARE NONTRANSFERABLE. THE COMMERCIAL FISHING LICENSE SHALL BE RETAINED IN THE POSSESSION OF THE LICENSEE, READILY ACCESSIBLE FOR INSPECTION AT ALL TIMES. NO MORE THAN ONE FEE MAY BE CHARGED ANNUALLY AGAINST A PERSON. FOR THE PURPOSES OF THIS SECTION, "COMMERCIAL FISHING LICENSE" INCLUDES ENTRY PERMITS AND INTERIM-USE PERMITS ISSUED UNDER CH. 43 OF THIS TITLE AND CREWMEMBER FISHING LICENSES.

(B) A PERSON APPLYING FOR A RESIDENT COMMERCIAL LICENSE UNDER THIS SECTION SHALL PROVIDE THE PROOF OF RESIDENCE WHICH THE DEPARTMENT REQUIRES BY REGULATION.

(C) REPEALED BY SEC. 12 CH 123 SLA 1978.

HISTORY (SEC. 6 ART III CH 94 SLA 1959; AM SEC. 19 CH 131 SLA 1960; AM SEC. 1 CH 93 SLA 1966; AM SEC. 2 CH 42 SLA 1968; AM SEC. 8 CH 105 SLA 1977; AM SECS. 1, 2, 12 CH 123 SLA 1978)

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COMMITTEE REPORT
SENATE

FURTHER: Finance

1/19/82

Date: 1-29-82

Mr. President:

The Committee on RESOURCES has had SB 666

mining loan fund

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

CHAIRMAN

SENATE AMENDMENT

By Senate Resources Committee

To: _____ SENATE BILL No. 666

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 12

Delete "and Interest"

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3833

Senate

Committee on Resources

January 29, 1982
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

Hearing:

SB 666 An Act relating to the mining loan fund (AS 27.09) and providing for an effective date.

Phil Holdsworth, Alaska Miners Association, stated that the Board of Directors supported the bill. He also stated that SB 666 will make the mining loan program more self supporting as it will not rely entirely on an annual appropriation from the legislature.

Senator Sturgulewski expressed concern about amount of money the legislature is putting into revolving funds, as the legislature loses its power to annually appropriate.

Phil Holdsworth suggested that the principal return to the mining fund and the interest go into the general fund.

Dave Massey, Deputy Director, Division of Business Loans and Veterans Affairs, Department of Commerce and Economic Development, stated the Department favors the bill. Because the FY 82 budget was passed at a late date, and because of the seasonal nature of the mining industry, loans totaled only \$5 million. Without passage of SB 666, the remaining \$25 million will lapse back to the general fund.

Senate Resources Committee

January 29, 1982

Page 2

Senator Mulcahy put forth an amendment to SB 666 to delete "and interest" from page 1, line 12. The amendment was approved.

Senator Mulcahy made a motion to move the bill as amended with individual recommendations.

Senator Fahrenkamp suggested that the committee be thinking over a possible substitute for SB 275, which would add a new section to provide for a resident 5-year sport fishing, hunting and/or trapping license.

The Committee adjourned at 2:05 p.m.



Alaska State Legislature

Official Business

Resources Committee

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senate Resources Committee

FROM: Senate Resources Committee Staff

RE: *file*
SB 666, "An Act relating to the mining
loan fund"

DATE: February 2, 1982

Please find attached a memorandum from Legal regarding the dedication of repayments of loans from revolving funds. During the 1/29/82 Committee hearing on SB 666, Senator Eliason requested that we obtain this information in writing.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 2, 1982

SUBJECT: Dedication of repayments of loans from revolving funds (SB 666) (Work Order No. 12-2384)

TO: Senator Bettye Fahrenkamp
Chairman, Senate Resources Committee

FROM: *EHA* Linn H. Asper
Legislative Counsel

You have asked if the dedication of repayments of principal and interest from loans made from a revolving fund to that fund is an unconstitutional dedication of funds under the Alaska State Constitution. Article IX, Sec. 7 of the Constitution states in part that "the proceeds of any state tax or license shall not be dedicated to any special purpose . . ." On its face the dedication of money received by a state revolving fund as repayment of loans made from that revolving fund is not the dedication of "the proceeds of any state tax or license". It is my opinion that SB 666 does not make a dedication prohibited by the constitution. Nevertheless, the Attorney General, in a May 2, 1975 opinion, concluded that the framers of the constitution intended that all state revenues, regardless of source, were to be included in the prohibition on dedicated funds. The opinion is well reasoned and apparently still represents the position of the administration, but the issue has yet to be resolved in the courts. Until such time that a dedication of funds case is decided by the court all dedications of state revenues are somewhat questionable. When the permanent fund was established the Alaska Constitution was amended to avoid the dedication of funds issue raised by the Attorney General (Article IX, Sec. 15).

The practice of committing repayments of loans made from a revolving fund to that fund is now specifically authorized by law for at least five state revolving funds:

Senator Bettye Fahrenkamp
Page 2
February 2, 1982

AS 14.40.751 (scholarship revolving loan fund)

AS 14.40.815 (memorial scholarship revolving loan fund)

AS 26.15.040 (veterans revolving fund)

AS 45.87.020 (bulk fuel revolving loan fund)

AS 45.95.020 (small business revolving loan fund)

To date no court challenge has been made to this method of committing state money to revolving funds.

LHA:ljb

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

JAN 27 1982

JAY S. HAMMOND, GOVERNOR

POUCH D
JUNEAU, ALASKA 99811
PHONE: 465-2500

January 27, 1982

Honorable Bettye Fahrenkamp
Chairman
Senate Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

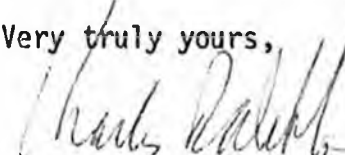
Following are comments on Senate Bill 66 which changes the current mining loan fund to a revolving loan program. The Department of Commerce and Economic Development supports this bill.

It is our opinion that the presently funded Mining Loan Program will be considerably improved by changing it to a revolving fund with interest and debt retirement revenues returned to the fund and made available for making new loans.

Under the present system, annual funding levels for the program are determined by the Administration and the Legislature with the passage of the State budget. Experience has shown that funding infusions occur after the start of the short Alaska mining season whereas most borrowers require capital during late winter and early spring. Thus, funding provisions are totally out of phase with the Alaska mining season and therefore inappropriate for the mines. Efforts to determine the appropriate level of funding for the present program by canvassing the industry have met with minimal success.

The mining loan program is addressing a need in this traditional and vital sector of the Alaskan economy and the proposed modification is a definite enhancement to a sound program.

Very truly yours,


Charles R. Webber
Commissioner

CRW/kkk3/1

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 666
Title An Act relating to the mining loan fund (AS 27.09), and providing for an effective date.

Requested by Fahrenkamp, Bennett & Parr Date 1/19/82

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development
Program Category Affected Economic Development
BRU, Program, Or Subprogram(s) Affected Division of Loans and Veterans' Affairs
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-0-					
PART TIME	-0-					
TEMPORARY	-0-					

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

This bill has no effect on short term expenditures and minimal effect on long term expenditures.

IV. DATE 1/26/82 PREPARED BY Don Hostak, Director
AGENCY Department of Commerce & Economic Development
Original: Legislative Finance PHONE 465-2555 Division of Loans and
cc: Budget and Management or 465-2510 Veterans' Affairs
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

AS27.09.010 DOCUMENT=

2 OF

8

HEADINGS TITLE 27.

MINING.

CHAPTER 09.

MINING LOAN FUND.

CITATION SEC. 27.09.010.

CATCH LINE

MINING LOAN FUND.

TEXT THERE IS ESTABLISHED IN THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT THE MINING LOAN FUND. THE DEPARTMENT MAY MAKE LOANS FROM THE FUND TO UNDERWRITE ADVANCED MINERAL EXPLORATION, DEVELOPMENT, OR MINING IN THE STATE.

HISTORY (SEC. 35 CH 106 SLA 1980)

-SB 666-

LEGISLATION SUMMARY

SB 666 am (Res): "An Act relating to the mining loan fund (AS 27.09); and providing for an effective date."

Sec. 1: Amends existing law to provide that funds appropriated and principal of loans repaid to the fund will remain in the fund and not lapse back to the general fund. Interest on loans will return to the general fund.

Sec. 2: Immediate "ffective date.

PRIME SPONSOR: Fahrenkamp

CO-SPONSOR(S): Bennett; Parr

SB 666

SUMMARY

An Act relating to the mining loan fund.

Sec. 1 This amendment will allow the money that is appropriated to or repaid to the fund to remain within the fund and not lapse back to the general fund.

Sec. 2 It takes effect immediately.

PRIME SPONSOR: Fahrenkamp

CO-SPONSOR(S): Bennett; Parr

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

BILL NUMBER SB 666

IDENTIFICATION:

BILL NAME: *re: the mining loan fund (AS 27.09)*

SPONSOR(S): *Fahrenkamp
Bennett
Parr*

RELATED BILLS PENDING:

DATE INTRODUCED: *1-19-82*

REFERRALS *Resources
Finance*

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED *✓ + state
SB 666 am (Res) ✓*

SUMMARY BY LEGAL DIVISION:
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP MATERIALS *✓ in Mark possible amendments*

FISCAL NOTE:
Hopefully F.N. By 1/27/82

AGENCY RESPONSE: *Katie Wallen, DCED, 1/25
(- should have met, FH, 1/25)
Don Haftak, Dir. of Revenue
Bia. Loans Files - Don Haftak his supervisor
John Siro*

OTHER INTERESTED SENATORS OR REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

** 2/26/82
- Info (10 pages)
transmitted to House
Room 40*

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET: *1/29/82*

STAFF MEMO TO COMMITTEE:

TELECONFERENCE: *---*

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED:

*✓ Phil Haldsworth 6-1383 AK Miners Assoc favors it
Commerce & Econ. Development
Dept. of Revenue:*

✓ Don Haftak, dir. Business Loans, DCED - Notified 1/26 - Per Katie Wallen he will be here.

SB 666

TO: John Manley
Representative Fanning's Office

DATE: 2/26/82

From: Resa King
Senate Resources Committee

RE: SB 666 - Mining Loan
Fund

SB 666 Has passed the Senate and is enroute to the House.
Attached is background information for the use of your Committee
when it is scheduled for a hearing.

If you have any questions, please let me know.

Attachments

*10/29/82
marked on
back in red*

S

B

6

9

7

COMMITTEE REPORT

SENATE

FURTHER: Finance

Date: 1/26/82

Mr. President:

The Committee on RESOURCES has had 24 607

Alaska Renewable Resources Corporation

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN



Alaska State Legislature

SENATE Resources Committee

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Official Business

BETTYE FAHRENKAMP, Chairman
VIC FISCHER, Vice-Chairman
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturuglewski

March 26, 1982
1:40 p.m.

Beltz Room
Room 211 - Capitol

Hearing:

- SB 772 Making a special appropriation to the Department of Natural Resources for construction of a plant quarantine station at the plant material center operated in cooperation with the Institute of Agricultural Sciences.
- SB 803 Establishing the land clearing account in the agricultural revolving loan fund.
- SB 804 Making a continuing appropriation of repayments of the principal and interest on loans made by the Alaska Agriculture Action Council for land clearing to the land clearing account in the agricultural revolving loan fund.
- SB 843 Relating to surface coal mining and the underground effects of underground coal mining.
- SB 697 An Act relating to the Alaska Renewable Resources Corporation.

SB 772

Paul Huppert, Matanuska Valley farmer, explained that a quarantine center is needed at the latitudes of the Matanuska Valley for plants brought in from that latitude. This would require modification of existing facilities at the plant material center, and employment of a person to collect plant material worldwide.

Nick Carney, Director, Division of Agriculture, Department of Natural Resources, explained that the appropriation would pay for construction of a "screen house". Bud materials would be reproduced inside, with the screen restricting movement of insects, thus inhibiting the spread of disease. The long term fiscal needs are minor, as most of the infrastructure is already in place.

Bob Palmer, Alaska Agriculture Action Council, expressed support for the bill, stating that it was long overdue.

Senator Sturgulewski moved SB 772 with individual recommendations.

March 26, 1982

Page 2

SB 803 and SB 804

Nick Carney expressed support for SB 803. It helps small farmers who do not presently qualify for land clearing loans.

Bob Palmer said he supports both SB 803 and SB 804.

Senator Sturgulewski pointed out that SB 804 has a negative impact on the general fund, by allowing repayment of principal and interest of loans to the revolving loan fund rather than to the general fund, and thinks this should be reflected in a fiscal note.

Senator Fahrenkamp stated this should be brought to the attention of the Finance Committee.

Ken Vassar, Assistant Attorney General, Department of Law, expressed concern over the constitutionality of SB 804, specifically the dedicated fund prohibition.

Paul Ruppert supports SB 803 as curing the current inequity, by allowing all farmers to obtain land clearing loans.

Senator Mulcahy moved SB 803 and SB 804 with individual recommendations.

SB 843

Mark Wittow, Special Assistant to the Commissioner, Department of Natural Resources, discussed several amendments DNR is proposing, mostly of a technical nature.

Howard Roitman, Consultant to DNR, explained DNR's suggested solution to the issue raised by the Office of Surface Mining, namely the prepayment of penalties into an escrow account pending appeal. DNR's proposed alternative would require submitting a bond for the amount of the penalty.

Phil Holdsworth, COAL, expressed the coal operators support for the bond alternative.

Senator Gilman moved and asked unanimous consent for several amendments to SB 843. (For brevity's sake, please see attached copy of memo to Billy Berrier, Legal Division.)

Senator Fischer moved and asked unanimous consent for several amendments which serve to neuter SB 843. (Again, see attached copy of memo.)

Senator Mulcahy moved CSSB 843, as amended, with individual recommendations.

SB 697

Senator Fahrenkamp explained that three Committee Substitutes had been prepared for SB 697.

Senator Rodey testified in support of Committee Substitute #3, which reflects the work done by the Banking Committee.

Senate Resources Committee

March 20, 1982

Page 3

Dean Olson, Chairman of the Board, Alaska Renewable Resources Corporation, endorsed Committee Substitute #3.

Senator Sturgulewski emphasized the drastic changes Committee Substitute #3 makes to the Corporation, and expressed concern over what impact these changes would have on the current investments made through ARRC.

Wayne Littleton, President, ARRC, stated that funding is adequate to continue the Corporation.

Senator Rodey explained that the sunset provision for ARRC, which is much longer than most other sunset provisions, is a traditional banking concept, as a longer period is required to adequately judge the competency of such a corporation. He also explained that there is a confusing section at the top of page 5, and that correct language will be prepared by the time the bill goes to Finance Committee.

Don Hostak, Director, Division of Business Loans, Department of Commerce, stated that a fiscal note is needed, because the Department of Commerce will need operating funds for ARRC.

Senator Fischer moved the acceptance of Committee Substitute #3.

Senator Sturgulewski moved CSSB 697 with individual recommendations.

The meeting was adjourned at 3:05 p.m.



Alaska State Legislature

SENATE Resources Committee

Official Business

BETTYE FAHRENKAMP, Chairman
VIC FISCHER, Vice-Chairman
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

June 3, 1982
10:40 a.m.

Beltz Room
Room 211 Capitol

HCS CSSB 697 (Fin) Establishing the Alaska Resources Corporation in place of the Alaska Renewable Resources Corporation.
HCS CSSB 418 (Rls) Relating to the disposal of land for agricultural development.

SB 697

Senator Fahrenkamp pointed out the change in the House-passed version of the bill on page 10, line 13 that would allow the Corporation to continue and sustain investments that have already been made.

Dave Gray, Alaska Food Company, expressed support for the change.

Senator Sturgulewski expressed support for the House-passed version, stating that the State must keep its commitments to these investments.

Senator Gilman moved that the Committee recommend passage of HCS CSSB 697 (Fin) and asked unanimous consent.

SB 418

Senator Gilman explained that the language in the House-passed version came from the Attorney General's office, and is sufficient to rectify the problem that caused the State to be involved in the McKenzie Sale lawsuit. He recommended that the Committee support HCS CSSB 418 (Rls).

Senator Sturgulewski asked unanimous consent.

The meeting was adjourned at 10:50 a.m.

Date: 5/5/82
From: Resa King
Phone: 465-3834

MEMORANDUM

From the Office of
Senat'or Bettye Fahrenkamp
Senate Resources Committee

To: Cheryl Frasca
HOUSE FINANCE COMMITTEE *100-301*

MESSAGE:
Attached please find background information
on SB 697 and SB 872. If you have any questions
please let me know.

LEGISLATION SUMMARY

SB 697: "An Act relating to the Alaska Renewable Resources Corporation."

GENERAL: The bill expands the ARRC board of trustees from 3 to 5 members, alters their compensation from annual salary to a per diem arrangement, and eliminates their authorization to make grants.

- Sec. 1: Changes the number of members on the ARRC board of trustees from 3 to 5.
- Sec. 2: Replaces language establishing the members initial terms at 2, 3, and 4 years with staggered terms of 4 years each.
- Sec. 3: Changes the quorum requirement from 2 to 3 members.
- Sec. 4: Eliminates the annual salary for board members, replacing it with compensation for board meeting attendance determined by the board, not to exceed \$200 per day. Members are also entitled to per diem and travel for members of boards and commissions under existing law.
- Sec. 5: Requires the board to hire an executive director to serve at the pleasure of the board, at a salary determined by the board. The director may not be a member of the board. The executive director may hire other staff with the board's approval. The director and staff positions are in the exempt service classification.
- Sec. 6: Amends existing provision for financial assistance to prohibit grants.
- Sec. 7: Eliminates language pertaining to grants from provision for financial assistance.
- Sec. 8: Adds language prohibiting the ARRC from making grants.
- Sec. 9: Deletes language authorizing the board to make grants.
- Sec. 10: Transitional provisions. Provides for the completion of terms of members serving on the effective date of the bill. Establishes the initial terms of the new member positions at 2 and 3 years.

NOTE: The bill has no effective date.

PRIME SPONSOR: Kerttula (by request)

CO-SPONSOR(S): None

MARKUP COPY

From:
ARRE

#2

Proposed Substitute for
Senate Bill No. 697

For an act entitled: "An Act relating to the Alaska Renewable Resources Corporation"

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

① →

Sec. 3. AS 37 is amended by adding a new chapter to read:

CHAPTER 12. ALASKA VENTURE ENTERPRISE CORPORATION [ALASKA RENEWABLE RESOURCES CORPORATION].

Sec. 1.37.12.010. ALASKA VENTURE ENTERPRISE CORPORATION CREATED. [ALASKA RENEWABLE RESOURCES CORPORATION CREATED.] There is created the Alaska Venture Enterprise Corporation [ALASKA RENEWABLE RESOURCES CORPORATION] to carry out the purposes of this chapter. The corporation is a public corporation of the state and an instrumentality of the state within the Department of Commerce & Economic Development [DEPARTMENT OF REVENUE] but has a legal existence independent of and separate from the state. The exercise by the corporation of the powers conferred by this chapter is considered an essential function of the state.

② →

Sec. 2. AS 37.12.020 is amended to read:

Sec. 37.12.020. ALLOCATION. (a) There is created the Alaska Venture Enterprise Corporation () Fund to carry out this chapter. This fund shall be used for no other purpose.

(b) The principal and interest repayments of the corporation shall be used to reinvest in additional investments as determined by the Board of Directors and for operating budget expenses of the corporation.

[(a) THERE SHALL BE ALLOCATED TO THE CORPORATION FROM THE RECEIPTS DESCRIBED IN AS 37.11.020 FIVE PER CENT OF THE TOTAL RECEIPTS PAID THE STATE FROM MINERAL LEASE BONUSES AND RENTALS FOR STATE LAND AND ROYALTIES DERIVED FROM MINERALS PRODUCED ON STATE LAND. PAYMENTS OF THE AMOUNT ALLOCATED BY THIS SECTION SHALL BE MADE TO THE CORPORATION BY THE DEPARTMENT OF REVENUE ON A MONTHLY BASIS.]

(b) FIFTY PER CENT OF ALL ACTUAL RECEIPTS OF THE CORPORATION FROM WHATEVER SOURCE EXCEPT RECEIPTS FROM THE CORPORATION'S INVESTMENTS, SHALL BE DEPOSITED INTO THE RENEWABLE RESOURCES INVESTMENT FUND (AS 37.11.050).]

Sec. 3. AS 37.12.025 is amended to read:

Sec. 37.12.025. BOARD OF DIRECTORS. [BOARD OF TRUSTEES.] A board of directors [TRUSTEES] of the corporation is established as its governing body.

Sec. 4. AS 37.12.030 is amended to read:

Sec. 37.12.030. COMPOSITION OF THE BOARD OF DIRECTORS [TRUSTEES]. The board of directors [TRUSTEES] consists of seven [THREE] members appointed by the governor and confirmed by a majority of the members of the legislature in joint session. The Commissioner of Commerce & Economic Development and Chairman of the Permanent Fund Board shall serve as ex-officio members of the board of directors and shall not be counted for purposes of quorum or vote. The board shall annually elect a chairman from among its members. A chairman may not succeed himself.

Sec. 5. AS 37.12.035 TERM OF OFFICE. The members of the board of directors [TRUSTEES] shall be appointed for terms of four years, and they may be reappointed. Terms shall be staggered. The initial terms shall be three [ONE] members serving for two years, two [ONE] members serving for three years, and two [ONE] members serving for four years.

Sec. 6. AS 37.12.050 is amended to read:

Sec. 37.12.050. QUORUM. Four [TWO] members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of the board.

Sec. 7. AS 37.12.055 is amended to read:

Sec. AS 37.12.055. COMPENSATION OF BOARD MEMBERS. Board members are in the exempt service under AS 39.25. A board member receives compensation for each day the member attends a meeting of the board. This compensation is determined by the board, but may not exceed \$200 per day. A board member is also entitled to per diem and travel allowances provided by law for members of state boards and commissions]AND RECEIVE AN ANNUAL SALARY WITHIN RANGE 30 OF THE SALARY SCHEDULE FOR STATE EMPLOYEES ESTABLISHED BY AS 37.27.011].

Sec. 8. AS 37.12.060 is repealed and reenacted to read:

Sec. 37.12.060. PRESIDENT AND STAFF. (a) The board shall employ a president and chief executive officer to administer the corporation in accordance with this chapter, and to perform other duties that the board may prescribe. The president serves at the pleasure of the board and may not be a member of the board. The board determines the salary of the ~~executive director~~ *president*.

(b) The president may, with the approval of the board, select and employ additional staff as necessary. The president and all employees of the board are in the exempt service.

Sec. 9. AS 37.12.070(12) ⁽¹⁴⁾ ~~is~~ repealed. *+ the section renumbered as appropriate.*

Sec. 10. AS 37.12.075(2) is amended to read:

(2) provide financial assistance other than grants, for projects which the board finds will accomplish the purposes of the corporation as set out in AS 37.12.015;

Sec. 11. AS 37.12.080(a)(2) is amended to read:

(2) use the financial mechanism most appropriate to the conditions of the applicant and the proposed project and which will most effectively utilize the funds available; [GRANTS MAY BE MADE BY THE BOARD OF UP TO 90 PERCENT OF THE TOTAL PROJECT COSTS FOR THE FOLLOWING PURPOSES:

(A) PROJECTS FOR THE APPLIED RESEARCH AND DEVELOPMENT OF PRODUCTS, TECHNOLOGIES, OR INNOVATIONS FOR THE REHABILITATION, ENHANCEMENT, OR DEVELOPMENT OF THE STATE'S RENEWABLE RESOURCES;

(B) PROJECTS FOR THE DEMONSTRATION, ON A ONE-TIME BASIS, OF THE ECONOMIC OR TECHNICAL FEASIBILITY OF A NEW PRODUCT, MARKET, OR TECHNOLOGY INVOLVING A RENEWABLE RESOURCE; OR

(C) PROJECTS FOR THE REHABILITATION ENHANCEMENT, OR DEVELOPMENT OF A COMMON-PROPERTY RESOURCE WHERE THE BENEFITS FROM THE PROJECT CANNOT BE CAPTURED BY ANY SINGLE ECONOMIC UNIT;]

Sec. 12. AS 37.12.080(a) is amended by adding:

(5) require equity investments to contain provisions for divestment of the shares held in a period not to exceed ¹⁵ years.

③ *
replace with

④ +
⑤

Sec. 13. AS 37.12.080(b)(6) is amended to read:

(6) make grants [ALLOCATE TO GRANTS MORE THAN 10 PERCENT OF THE ANNUAL APPROPRIATION OF THE CORPORATION].

Sec. 14. AS 37.12.095 is amended to read:

Sec. 37.12.095. BUDGET AND APPROPRIATIONS. (a) The corporation may expend money only as appropriated by the legislature. The corporation is subject to the Executive Budget Act (AS 37.07) except as provided in (b) [AND (C) OF THIS SECTION].

(b) The budget of the corporation shall include the categories and amounts of proposed financial assistance broken down by financing mechanism and resource sector affected and all funds received by the corporation whether through allocations made by this chapter, appropriation or otherwise. The total amount of the corporation's operating budget shall be specified separately in its budget and be appropriated from program receipts [THE GENERAL FUND].

Sec. 15. AS 37.12.125(2) is amended to read:

(2) "board" means the Board of directors [TRUSTEES] of the Alaska Venture Enterprise Corporation [ALASKA RENEWABLE RESOURCES CORPORATION];

Sec. 16. AS 37.12.125(3) is amended to read:

(3) "corporation" means the Alaska Venture Enterprise Corporation [ALASKA RENEWABLE RESOURCES CORPORATION].

Sec. 17. AS 37.12.125(4) is amended to read:

(4) "project" means products, markets, innovations, or technological developments for the rehabilitation, enhancement, or development of [RENEWABLE] resources and includes applied research for those products, markets or technological developments;

Sec. 18. AS 37.12.125(5) is amended to read:

(5) "rehabilitation, enhancement, and development" means any activity or program which improves the health and well-being of a [RENEWABLE] resource or [RENEWABLE] resource population leading to an increase in the quality or productivity of the resource and to an increase in the benefits derived from the resource to the citizens of the state;

4

Sec. 19. AS 37.12.125(6) is amended to read:

(6) "[RENEWABLE] resource" means [NON-HUMAN LIVING ORGANISMS] natural components of the environment including but not limited to fisheries, agriculture, forest products, renewable energy, tourism, and mining [THE AIR, LAND, AND WATERS; AND ENERGY SYSTEMS WHICH ARE NATURALLY RECURRING OR REPLENISHED]. Oil and gas resources are excluded.

Sec. 20. AS 37.11.040 is repealed.

Sec. 21. AS 37.11.050 is repealed.

Sec. 22. AS 37.11.060 is repealed.

Sec. 23. AS 37.11.070 is repealed.

Sec. 24. AS 37.11.080 is repealed.

Sec. 25. AS 37.11.090 is repealed.

Sec. 26. TRANSITIONAL PROVISIONS. A member of the board of trustees of the Alaska Renewable Resources Corporation serving on the effective date of this act continues as a member for the duration of the term for which appointed.

Sec 27 EFFECTIVE DATE. This legislation shall take effect July 1, 1982.

ALASKA RENEWABLE RESOURCES CORPORATION

Legislative Recommendations

1982

Principal Problem Experienced	Reason	Possible Remedy	Recommended Solution
1. Redundant/ambiguous top management authority	1. Three trustees of equal authority and responsibility	1. Change Board structure	1. P/T board of seven members, majority from private sector
2. Goal ambiguity/strategic confusion	2. Unclear/unfocused legislation	2. Restrict investments to R&D, start-ups, and expansions of ventures with less than \$2 million net worth. Drop granting powers.	2. Legislated focus as shown to left under "possible remedy"
3. Operational bureaucracy	3. Department of Revenue/ Department of Administration perceptions of their responsibilities over ARRC operation. Legal opinions about constitutionality of funding.	3. Capitalize ARRC. Remove from Executive Budget Act. ARRC operates and invests from capital and earnings	3. Strengthen accountability requirements by requiring quarterly statements. Legislative Budget & Audit also contracts for additional audit by experienced firm.
4. Public concerns about market power	4. Narrow focus in industry targets/use of ARRC for emergency stabilization of fisheries industry	4. Broaden industry focus. Don't legislate emergency anticyclical investment goals. Be more realistic about portfolio balance.	4. Include all manufacturing/ processing in target industries



#3

ALASKA STATE LEGISLATURE
SENATE BANKING COMMITTEE
POUCH V, JUNEAU 99811M E M O R A N D U M

DATE: March 26, 1982

TO: Senator Pat Rodey

FROM: Jim Kelly

RE: Proposed CS SB 697: "An Act establishing the Alaska Resources Corporation in place of the Alaska Renewable Resources Corporation (AS 37.12)."

This proposed committee substitute establishes a new, more viable investment institution in place of the ARRC. The proposed succeeding organization would be different from the ARRC, not only in name, but also in terms of purpose, tools, capitalization, legal and management structure, and accountability.

Purpose: ARC's purpose is simple and straightforward: to provide development capital to small enterprises in resource industries in the state in ways that enhance private capital investment.

This purpose is based on a number of assumptions: (1) development of the state's resource industries, other than oil, is now more important than ever, given recent experience which clearly demonstrates the inadvisability of too great a dependence on one source of revenue; (2) this economic development can best be facilitated by the provision of a state-chartered, development capital investment institution which works in collaboration with the existing private financial institutions; and (3) the type of financing to be provided by the ARC is otherwise unavailable for Alaska enterprises.

Tools: ARC would make equity or near-equity investments, and

loans; there would be no grants. ARC would be empowered to use a broad range of financial instruments to accomplish its purpose; for example: senior or junior debt, secured or unsecured, intermediate or long-term, equity kickers, stock, share in the profits, royalty arrangements, etc.

Use of the above tools would be constrained in the following important ways: (1) if ARC makes an equity investment, it would be required to divest itself of ownership within 10 years; (2) there would be a limit on the maximum investment ARC could make in one project - \$500,000; (3) ARC would be limited to 49 percent of the combined equity and debt obligations of an applicant.

Capitalization: All appropriations, assets and liabilities would be transferred from the ARRC to ARC. These funds, as well as the interest from the use of these funds, would remain with the corporation to fund future loans and investments, as well as its annual operating budgets. It is anticipated that these are the only funds the corporation will ever need.

This method of capitalization ensures that ARC will make careful investments, as the corporation's future well-being depends on the success of its investments.

Legal and Management Structure: ARC would remain an instrumentality of the state, but under the Department of Commerce and Economic Development rather than Revenue. The three full-time trustees would be replaced with five part-time directors - four public members and the commissioner of commerce and economic development. These directors would be authorized to meet electronically, be required to hire an executive director to administer day-to-day operations, and be eligible to receive compensation of \$200 for every day spent on official business.

Accountability: This would be accomplished by making the operating budget of the corporation subject to the Executive Budget Act, and by expanding the reporting requirements of the board of directors. In addition, ARC would be subject to a sunset review in 10 years, a length of time truly sufficient to gauge the success or failure of an organization of this type.

Sectional Analysis

Section 1: Changes the name of the corporation, and transfers the instrumentality from Revenue to Commerce.

Section 2: Repeals and reenacts the purposes of the corporation.

Section 3: Addresses the question of capitalization by establishing a development capital fund. This fund consists of all appropriations to the corporation, payments of principal and interest on loans and equity investments of the corporation. The fund is to finance projects, pay operating expenses, and shall be invested otherwise in the same list of allowable investments as the General Fund.

Section 4: Replaces the trustees with directors.

Section 5: Establishes the composition of the board of directors, provides that the commissioner may appoint a designee, and allows for the chairman to serve successive terms, if that is the board's wish.

Section 6: Provides for term of office.

Section 7: Establishes the quorum, and allows for electronic meetings.

Section 8: Provides that members of the board receive \$200 for each day spent on official business of the corporation.

Section 9: Requires the board to hire an executive director to

administer day-to-day operations of the corporation.

Section 10: Technical amendment.

Section 11: States the duties of the board.

Section 12: Disallows grants.

Section 13: Requires the corporation to divest itself of ownership of investments within a period of 10 years.

Section 14: Provides a maximum investment size of \$500,000.

Section 15: Limits investments to 49 percent of the combined equity and debt obligations of an applicant.

Section 16: Technical amendment.

Section 17: Technical amendment.

Section 18: Disallows grants.

Section 19: Expands the section relating to reports and publications to ensure that the legislature and the public are kept informed of the quantity and quality of the corporation's activities.

Section 20: Places ARC under the Executive Budget Act.

Section 21: Technical amendment.

Section 22: Technical amendment.

Section 23: Technical amendment.

Section 24: Further defines the purpose of the corporation.

Section 25: Defines the meaning of "resource".

Section 26: Defines "small enterprise" to mean a business with gross income of \$10 million or less.

Section 27: Technical amendment.

Section 28: Technical amendment.

Section 29: Provides for a sunset review in the year 1992.

Section 30: Technical amendment.

Section 31: Provides for the initial terms of members, and that the governor shall appoint the public members with 75 days of the effective date of the Act.

Section 32: Dissolves the ARRC on the effective date of the Act.

Section 33: Transfers the assets and liabilities of ARRC to ARC.

Section 34: Repeals 020: previous source of funding; 040: previous language on removals and vacancies; 070 (12) and (14): previous language authorizing grants, and investment of surplus funds; 080: previous language which was rhetorical and unnecessary; 085: previous residency requirement; 115: previous language authorizing technical assistance.

Section 35: Provides that the \$500,000 maximum investment limit only applies to investments made after the effective date of the Act.

SECTIONAL COMPARISON: CSSB 697, DRAFTS No. 1 & No. 3

<u>1st draft</u>	<u>3rd draft</u>	<u>Comments</u>
Sec. 1	Sec. 1	Identical.
Sec. 2	Sec. 2	#3 adds a provision to the purposes for providing development capital for small resource industries enterprises.
	Sec. 3	Provision for Development Capital Fund.
Sec. 3	Sec. 4	Identical.
Sec. 4	Sec. 5	#3 adds a provision allowing the commissioner to appoint a designee.
Sec. 5	Sec. 6	Identical.
Sec. 6	Sec. 7(a)	Identical.
	Sec. 7(b)	Provision for meeting by electronic media.
Sec. 7	Sec. 8	#3 adds a payment of \$200 per day in addition to per diem.
	Sec. 9	Provision for executive director and staff.
Sec. 8	Sec. 10	Identical.
Sec. 9(1)	Sec. 11(1)	Identical.
Sec. 9(2)	Sec. 11(2)	#3 replaces this with a provision on meeting minutes.
Sec. 9(3)	Sec. 11(3)	Identical.
Sec. 9(4)	Sec. 11(4)	Identical.
Sec. 9(5)		Not included in #3.
Sec. 10		Not included in #3.
Sec. 11	Sec. 12	#3: "...proposed <u>resource</u> project..."
Sec. 12	Sec. 13	Substantively the same; different wording.
	Sec. 14	Reduces the maximum assistance per project or applicant to \$500,000 (presently \$1,500,00); eliminates exemptions by concurrent resolution.
Sec. 13		Not included in #3.
	Sec. 15	Prohibits financing exceeding 49% of debts and equity.
	Sec. 16	Eliminates exemptions by concurrent resolution to the 30 year loan time-limit.
	Sec. 17	Eliminates provision allowing funds to state agencies by inclusion in the corporation's annual budget.
	Sec. 18	Prohibits grants.
	Sec. 19	Rewrites reports and publications provisions.
	Sec. 20	Operating budget subject to the Executive Budget Act.
Sec. 14	Sec. 21	Identical.
Sec. 15	Sec. 22	Identical.
Sec. 16	Sec. 23	Identical.
	Sec. 24	Eliminates "renewable" from the definition of "rehabilitation, enhancement and development"
Sec. 17	Sec. 25	Identical.

<u>1st draft</u>	<u>3rd draft</u>	<u>Comments</u>
	Sec. 26	Adds new definition for "small enterprise".
Sec. 18	Sec. 27	Identical.
Sec. 19	Sec. 28	Identical.
	Sec. 29	Termination date for Corporation--1992.
Sec. 20	Sec. 30	Identical.
Sec. 21	Sec. 31	#3 adds a 75 day time limit (from effective date) for the appointment of directors.
Sec. 22	Sec. 32	identical.
Sec. 23	Sec. 33	Identical.
Sec. 24	Sec. 34	<u>Repealers:</u>
	37.12.020	Allocations to corporation.
37.12.040	37.12.040	
37.12.070(12)	37.12.070(12)	
	37.12.070(14)	Provision for depositing/investing surplus funds
	37.12.080(a)(1)(D)	Provision that applicant keep new industry activity in state for period of time.
	37.12.080(a)(1)(G)	Resource use conflicts provision.
	37.12.080(a)(3)	Provision requiring that the Board consider the preferences and priorities of residents of the project location region.
	37.12.085(2)	Residency requirement for financial assistance.
	37.12.115	Provision for financing preliminary technical assistance activities.
37.12.125(5)		Not included in #3.
	Sec. 35	Sec. 15 applies to financial assistance provided after the effective date of this Act.

ALASKA RENEWABLE RESOURCES CORPORATION

Legislative Recommendations

1982

Principal Problem Experienced	Reason	Possible Remedy	Recommended Solution
Redundant/ambiguous top management authority	1. Three trustees of equal authority and responsibility	1. Change Board structure	1. P/T board of seven members, majority from private sector
Goal ambiguity/strategic confusion	2. Unclear/unfocused legislation	2. Restrict investments to R&D, start-ups, and expansions of ventures with less than \$2 million net worth. Drop granting powers.	2. Legislated focus as shown to left under "possible remedy"
Operational bureaucracy	3. Department of Revenue/ Department of Administration perceptions of their responsibilities over ARRC operation. Legal opinions about constitutionality of funding.	3. Capitalize ARRC. Remove from Executive Budget Act. ARRC operates and invests from capital and earnings	3. Strengthen accountability requirements by requiring quarterly statements. Legislative Budget & Audit also contracts for additional audit by experienced firm.
Public concerns about market power	4. Narrow focus in industry targets/use of ARRC for emergency stabilization of fisheries industry	4. Broaden industry focus. Don't legislate emergency anticyclical investment goals. Be more realistic about portfolio balance.	4. Include all manufacturing/ processing in target industries

MARKUP COPY

From:
ARRC
#2

Proposed Substitute for
Senate Bill No. 697

For an act entitled: "An Act relating to the Alaska Renewable Resources Corporation"

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

① → Sec. 3. AS 37 is amended by adding a new chapter to read:

CHAPTER 12. ALASKA VENTURE ENTERPRISE CORPORATION [ALASKA RENEWABLE RESOURCES CORPORATION].

Sec. 1.37.12.010. ALASKA VENTURE ENTERPRISE CORPORATION CREATED. [ALASKA RENEWABLE RESOURCES CORPORATION CREATED.] There is created the Alaska Venture Enterprise Corporation [ALASKA RENEWABLE RESOURCES CORPORATION] to carry out the purposes of this chapter. The corporation is a public corporation of the state and an instrumentality of the state within the Department of Commerce & Economic Development [DEPARTMENT OF REVENUE] but has a legal existence independent of and separate from the state. The exercise by the corporation of the powers conferred by this chapter is considered an essential function of the state.

② → Sec. 2. AS 37.12.020 is amended to read:

Sec. 37.12.020. ALLOCATION. (a) There is created the Alaska Venture Enterprise Corporation () Fund to carry out this chapter. This fund shall be used for no other purpose.

(b) The principal and interest repayments of the corporation shall be used to reinvest in additional investments as determined by the Board of Directors and for operating budget expenses of the corporation.

[(a) THERE SHALL BE ALLOCATED TO THE CORPORATION FROM THE RECEIPTS DESCRIBED IN AS 37.11.020 FIVE PER CENT OF THE TOTAL RECEIPTS PAID THE STATE FROM MINERAL LEASE BONUSES AND RENTALS FOR STATE LAND AND ROYALTIES DERIVED FROM MINERALS PRODUCED ON STATE LAND. PAYMENTS OF THE AMOUNT ALLOCATED BY THIS SECTION SHALL BE MADE TO THE CORPORATION BY THE DEPARTMENT OF REVENUE ON A MONTHLY BASIS.]

(b) FIFTY PER CENT OF ALL ACTUAL RECEIPTS OF THE CORPORATION FROM WHATEVER SOURCE EXCEPT RECEIPTS FROM THE CORPORATION'S INVESTMENTS, SHALL BE DEPOSITED INTO THE RENEWABLE RESOURCES INVESTMENT FUND (AS 37.11.050).]

Sec. 3. AS 37.12.025 is amended to read:

Sec. 37.12.025. BOARD OF DIRECTORS. [BOARD OF TRUSTEES.] A board of directors [TRUSTEES] of the corporation is established as its governing body:

Sec. 4. AS 37.12.030 is amended to read:

Sec. 37.12.030. COMPOSITION OF THE BOARD OF DIRECTORS [TRUSTEES]. The board of directors [TRUSTEES] consists of seven [THREE] members appointed by the governor and confirmed by a majority of the members of the legislature in joint session. The Commissioner of Commerce & Economic Development and Chairman of the Permanent Fund Board shall serve as ex-officio members of the board of directors and shall not be counted for purposes of quorum or vote. The board shall annually elect a chairman from among its members. A chairman may not succeed himself.

Sec. 5. AS 37.12.035 TERM OF OFFICE. The members of the board of directors [TRUSTEES] shall be appointed for terms of four years, and they may be reappointed. Terms shall be staggered. The initial terms shall be three [ONE] members serving for two years, two [ONE] members serving for three years, and two [ONE] members serving for four years.

Sec. 6. AS 37.12.050 is amended to read:

Sec. 37.12.050. QUORUM. Four [TWO] members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of the board.

Sec. 7. AS 37.12.055 is amended to read:

Sec. AS 37.12.055. COMPENSATION OF BOARD MEMBERS. Board members are in the exempt service under AS 39.25. A board member receives compensation for each day the member attends a meeting of the board. This compensation is determined by the board, but may not exceed \$200 per day. A board member is also entitled to per diem and travel allowances provided by law for members of state boards and commissions]AND RECEIVE AN ANNUAL SALARY WITHIN RANGE 30 OF THE SALARY SCHEDULE FOR STATE EMPLOYEES ESTABLISHED BY AS 37.27.011].

Sec. 8. AS 37.12.060 is repealed and reenacted to read:

Sec. 37.12.060. PRESIDENT AND STAFF. (a) The board shall employ a president and chief executive officer to administer the corporation in accordance with this chapter, and to perform other duties that the board may prescribe. The president serves at the pleasure of the board and may not be a member of the board. The board determines the salary of the ~~executive director~~ president.

(b) The president may, with the approval of the board, select and employ additional staff as necessary. The president and all employees of the board are in the exempt service.

Sec. 9. AS 37.12.070(12) ⁽¹⁴⁾ is repealed. *the section renumbered as appropriate.*

Sec. 10. AS 37.12.075(2) is amended to read:

(2) provide financial assistance other than grants, for projects which the board finds will accomplish the purposes of the corporation as set out in AS 37.12.015;

Sec. 11. AS 37.12.080(a)(2) is amended to read:

(2) use the financial mechanism most appropriate to the conditions of the applicant and the proposed project and which will most effectively utilize the funds available; [GRANTS MAY BE MADE BY THE BOARD OF UP TO 90 PERCENT OF THE TOTAL PROJECT COSTS FOR THE FOLLOWING PURPOSES:

(A) PROJECTS FOR THE APPLIED RESEARCH AND DEVELOPMENT OF PRODUCTS, TECHNOLOGIES, OR INNOVATIONS FOR THE REHABILITATION, ENHANCEMENT, OR DEVELOPMENT OF THE STATE'S RENEWABLE RESOURCES;

(B) PROJECTS FOR THE DEMONSTRATION, ON A ONE-TIME BASIS, OF THE ECONOMIC OR TECHNICAL FEASIBILITY OF A NEW PRODUCT, MARKET, OR TECHNOLOGY INVOLVING A RENEWABLE RESOURCE; OR

(C) PROJECTS FOR THE REHABILITATION ENHANCEMENT, OR DEVELOPMENT OF A COMMON-PROPERTY RESOURCE WHERE THE BENEFITS FROM THE PROJECT CANNOT BE CAPTURED BY ANY SINGLE ECONOMIC UNIT;]

Sec. 12. AS 37.12.080(a) is amended by adding:

(5) require equity investments to contain provisions for divestment of the shares held in a period not to exceed ¹⁵ ~~10~~ years.

(3) →
replace with

(4) +
(5)

Sec. 13. AS 37.12.080(b)(6) is amended to read:

(6) make grants [ALLOCATE TO GRANTS MORE THAN 10 PERCENT OF THE ANNUAL APPROPRIATION OF THE CORPORATION].

Sec. 14. AS 37.12.095 is amended to read:

Sec. 37.12.095. BUDGET AND APPROPRIATIONS. (a) The corporation may expend money only as appropriated by the legislature. The corporation is subject to the Executive Budget Act (AS 37.07) except as provided in (b) [AND (C) OF THIS SECTION].

(b) The budget of the corporation shall include the categories and amounts of proposed financial assistance broken down by financing mechanism and resource sector affected and all funds received by the corporation whether through allocations made by this chapter, appropriation or otherwise. The total amount of the corporation's operating budget shall be specified separately in its budget and be appropriated from program receipts [THE GENERAL FUND].

Sec. 15. AS 37.12.125(2) is amended to read:

(2) "board" means the Board of directors [TRUSTEES] of the Alaska Venture Enterprise Corporation [ALASKA RENEWABLE RESOURCES CORPORATION];

Sec. 16. AS 37.12.125(3) is amended to read:

(3) "corporation" means the Alaska Venture Enterprise Corporation [ALASKA RENEWABLE RESOURCES CORPORATION].

Sec. 17. AS 37.12.125(4) is amended to read:

(4) "project" means products, markets, innovations, or technological developments for the rehabilitation, enhancement, or development of [RENEWABLE] resources and includes applied research for those products, markets or technological developments;

Sec. 18. AS 37.12.125(5) is amended to read:

(5) "rehabilitation, enhancement, and development" means any activity or program which improves the health and well-being of a [RENEWABLE] resource or [RENEWABLE] resource population leading to an increase in the quality or productivity of the resource and to an increase in the benefits derived from the resource to the citizens of the state;

Sec. 19. AS 37.12.125(6) is amended to read:

(6) "[RENEWABLE] resource" means [NON-HUMAN LIVING ORGANISMS] natural components of the environment including but not limited to fisheries, agriculture, forest products, renewable energy, tourism, and mining [THE AIR, LAND, AND WATERS; AND ENERGY SYSTEMS WHICH ARE NATURALLY RECURRING OR REPLENISHED]. Oil and gas resources are excluded.

Sec. 20. AS 37.11.040 is repealed.

Sec. 21. AS 37.11.050 is repealed.

Sec. 22. AS 37.11.060 is repealed.

Sec. 23. AS 37.11.070 is repealed.

Sec. 24. AS 37.11.080 is repealed.

Sec. 25. AS 37.11.090 is repealed.

Sec. 26. TRANSITIONAL PROVISIONS. A member of the board of trustees of the Alaska Renewable Resources Corporation serving on the effective date of this act continues as a member for the duration of the term for which appointed.

Sec 27 EFFECTIVE DATE. This legislation shall take effect July 1, 1982.

SEARCH - QUERY

00001 '37.12.080'.CITATION. OR '37.12.090'.CITATION. OR '37.12.095'.CITATION. OR
'37.12.125'.CITATION. OR '24.20.201'.CITATION. OR '24.20.206'.CITATION. OR '44.
66.010'.CITATION. OR '46.12.120'.CITATION.

STATUTES - SB 697

1 + 3 drafts

AS24.20.201 DOCUMENT- 1 OF 8
HEADINGS TITLE 24.

LEGISLATURE.
CHAPTER 20.
AGENCIES OF THE LEGISLATURE.
ARTICLE 2.
LEGISLATIVE BUDGET AND AUDIT COMMITTEE.

CITATION SEC. 24.20.201.

CATCH LINE

POWERS.

TEXT (A) THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE HAS THE POWER
TO:

- (1) ORGANIZE, ADOPT RULES FOR THE CONDUCT OF ITS BUSINESS AND PRESCRIBE PROCEDURES FOR THE COMPREHENSIVE FISCAL ANALYSIS, BUDGET REVIEW AND POST-AUDIT FUNCTIONS;
- (2) HOLD PUBLIC HEARINGS, ADMINISTER OATHS, ISSUE SUBPOENAS, COMPEL THE ATTENDANCE OF WITNESSES AND PRODUCTION OF PAPERS, BOOKS, ACCOUNTS, DOCUMENTS AND TESTIMONY, AND HAVE THE DEPOSITION OF WITNESSES TAKEN IN A MANNER PRESCRIBED BY COURT RULE OR LAW FOR TAKING DEPOSITIONS IN CIVIL ACTIONS;
- (3) REQUIRE ALL STATE OFFICIALS AND AGENCIES OF STATE GOVERNMENT TO GIVE FULL COOPERATION TO THE COMMITTEE OR ITS STAFF IN ASSEMBLING AND FURNISHING REQUESTED INFORMATION;
- (4) REVIEW REVENUE PROJECTIONS, STATE AGENCY APPROPRIATION REQUESTS, THE EXPENDITURE OF STATE FUNDS, INCLUDING THE RELATIONSHIP BETWEEN STATE AGENCY PROGRAM ACCOMPLISHMENTS AND LEGISLATIVE INTENT, AND THE FISCAL POLICIES AND PROCEDURES OF STATE GOVERNMENT;
- (5) REVIEW AND APPROVE PROPOSED CHANGES TO AGENCY AUTHORIZED BUDGETS AS PROVIDED IN THE EXECUTIVE BUDGET ACT (AS 37.07.010 - 37.07.130);
- (6) MAKE RECOMMENDATIONS CONCERNING APPROPRIATIONS, THEIR EXPENDITURE AND THE FISCAL POLICIES AND PROCEDURES OF STATE GOVERNMENT TO THE GOVERNOR WHEN APPROPRIATE, AND TO THE LEGISLATURE;
- (7) PREPARE AND DISTRIBUTE REPORTS, MEMORANDA OR OTHER NECESSARY MATERIALS;
- (8) SUE IN THE NAME OF THE LEGISLATURE DURING THE INTERIM BETWEEN SESSIONS IF AUTHORIZED BY MAJORITY VOTE OF THE FULL MEMBERSHIP OF THE COMMITTEE;
- (9) HOLD PUBLIC HEARINGS ON THE CONFIRMATION OF THE MEMBERS OF THE BOARD OF TRUSTEES OF THE ALASKA PERMANENT FUND CORPORATION, AND THE MEMBERS OF THE BOARD OF TRUSTEES OF THE ALASKA RENEWABLE RESOURCES CORPORATION;
- (10) MAKE RECOMMENDATIONS TO THE LEGISLATURE AND TO AGENCIES OF THE STATE WHICH PERFORM LENDING OR INVESTMENT FUNCTIONS CONCERNING THE STRUCTURE AND OPERATING PRACTICES OF THE AGENCIES;
- (11) ENTER INTO AND ENFORCE ALL CONTRACTS NECESSARY OR DESIRABLE FOR THE FUNCTIONS OF THE COMMITTEE;
- (12) PROVIDE FOR ANNUAL POST AUDITS OF THE ALASKA

HOUSING FINANCE CORPORATION AND THE ALASKA INDUSTRIAL
DEVELOPMENT AUTHORITY.

(B) NOTHING IN THIS CHAPTER PREVENTS THE REFERRAL BY THE
PRESIDING OFFICER OF LEGISLATION TO THE COMMITTEE AT REGULAR OR
SPECIAL SESSIONS OF THE LEGISLATURE.

HISTORY (SEC. 2 CH 95 SLA 1971; AM SEC. 1 CH 71 SLA 1977; AM SEC. 2 CH 57
SLA 1979; AM SEC. 3 CH 18 SLA 1980; AM SEC. 32 CH 106 SLA 1980)

AS21.20.206 DOCUMENT- 2 OF 8

HEADINGS TITLE 24.
LEGISLATURE.
CHAPTER 20.
AGENCIES OF THE LEGISLATURE.
ARTICLE 2.
LEGISLATIVE BUDGET AND AUDIT COMMITTEE.

CITATION SEC. 21.20.206.

CATCH LINE

DUTIES.

TEXT THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE SHALL

(1) REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS
RELATING TO THE CONFIRMATION OF APPOINTEES TO THE BOARD OF
TRUSTEES OF THE ALASKA PERMANENT FUND CORPORATION AND THE
BOARD OF TRUSTEES OF THE ALASKA RENEWABLE RESOURCES
CORPORATION;

(2) ANNUALLY REVIEW THE LONG-RANGE OPERATING PLANS OF
ALL AGENCIES OF THE STATE WHICH PERFORM LENDING OR INVESTMENT
FUNCTIONS;

(3) REVIEW PERIODIC REPORTS FROM ALL AGENCIES OF THE
STATE WHICH PERFORM LENDING OR INVESTMENT FUNCTIONS;

(4) PRESENT A COMPLETE REPORT OF INVESTMENT PROGRAMS,
PLANS, PERFORMANCE, AND POLICIES OF ALL AGENCIES OF THE STATE
WHICH PERFORM LENDING OR INVESTMENT FUNCTIONS TO THE
LEGISLATURE WITHIN 30 DAYS AFTER THE CONVENING OF EACH
REGULAR SESSION;

(5) PRESENT TO THE LEGISLATURE WITHIN 30 DAYS AFTER THE
CONVENING OF EACH REGULAR SESSION A REVIEW OF THE REPORT OF
THE GOVERNOR UNDER AS 37.07.020(D) WITH RECOMMENDATIONS FOR
NEEDED LEGISLATION;

(6) IN CONJUNCTION WITH THE FINANCE COMMITTEE OF EACH
HOUSE RECOMMEND ANNUALLY TO THE LEGISLATURE THE INVESTMENT
POLICY FOR THE GENERAL FUND SURPLUS AND FOR THE INCOME FROM
THE PERMANENT FUND;

(7) PROVIDE FOR AN ANNUAL POST AUDIT AND ANNUAL
OPERATIONAL AND PERFORMANCE EVALUATION OF THE ALASKA
PERMANENT FUND CORPORATION INVESTMENTS AND INVESTMENT
PROGRAMS;

(8) PROVIDE FOR AN ANNUAL OPERATIONAL AND PERFORMANCE
EVALUATION OF THE ALASKA HOUSING FINANCE CORPORATION AND THE
ALASKA INDUSTRIAL DEVELOPMENT AUTHORITY; THE PERFORMANCE
EVALUATION SHALL INCLUDE, BUT IS NOT LIMITED TO, A COMPARISON
OF THE IMPACT ON VARIOUS SECTORS OF THE ECONOMY BY PUBLIC AND
PRIVATE LENDING, THE IMPACT ON RESIDENT AND NONRESIDENT
EMPLOYMENT, THE IMPACT ON REAL WAGES, AND THE IMPACT ON STATE
AND LOCAL OPERATING AND CAPITAL BUDGETS OF THE PROGRAMS OF
THE ALASKA HOUSING FINANCE CORPORATION AND THE ALASKA
INDUSTRIAL DEVELOPMENT AUTHORITY.

HISTORY (SEC. 2 CH 18 SLA 1980; AM SEC. 33 CH 106 SLA 1980)

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.080.

CATCH LINE

FINANCIAL ASSISTANCE.

TEXT

(A) IN PROVIDING FINANCIAL ASSISTANCE, THE BOARD SHALL
(1) CONSIDER THE PROPOSALS OF QUALIFIED APPLICANTS ONLY
AFTER THE APPLICANT HAS SUBMITTED A DETAILED PROPOSAL IN THE
FORM PRESCRIBED BY THE BOARD; NO ASSISTANCE MAY BE APPROVED
BY THE BOARD UNLESS IT FINDS, IN WRITING, THAT

(A) THE PROPOSED PROJECT, IF SUCCESSFUL, WILL
FURTHER THE PURPOSES OF THE CORPORATION AS SET OUT IN
SEC. 15 OF THIS CHAPTER;

(B) THE APPLICATION CONTAINS AN ADEQUATE PLAN FOR
PROJECT IMPLEMENTATION, INCLUDING, WHEN APPLICABLE, A
COMPLETE BUSINESS, FINANCIAL AND MARKETING PLAN FOR
COMMERCIAL ACTIVITIES;

(C) SUFFICIENT CAPITAL IS NOT AVAILABLE FROM OTHER
SOURCES ON REASONABLE TERMS;

(D) THE APPLICANT HAS AGREED THAT IF NEW RENEWABLE
RESOURCE INDUSTRIAL ACTIVITY RESULTS FROM THE PROPOSED
PROJECT, HIS BEST EFFORTS WILL BE EMPLOYED TO KEEP THAT
ACTIVITY IN THE STATE FOR A MINIMUM PERIOD OF TIME
SPECIFIED BY THE BOARD;

(E) THE APPLICANT DEMONSTRATES THAT SUFFICIENT
TECHNICAL AND BUSINESS EXPERTISE TO ACCOMPLISH THE
OBJECTIVES OF THE PROPOSED PROJECT IS AVAILABLE;

(F) ALL COSTS, INCLUDING ADDITIONAL GOVERNMENTAL
COST, ASSOCIATED WITH AND ANCILLARY TO THE PROJECT AND
FUTURE OBLIGATIONS GENERATED BY THE PROJECT HAVE BEEN
IDENTIFIED, INCLUDING ANY NECESSARY OPERATING,
MAINTENANCE, OR OTHER SUPPORT COSTS FOR THE LIFE OF THE
PROJECT;

(G) POTENTIAL RESOURCE USE CONFLICTS THAT MAY
RESULT FROM THE PROPOSED PROJECT ARE IDENTIFIED AND
EVALUATED, AND WHEN NECESSARY, PLANS TO MITIGATE OR
RESOLVE THOSE CONFLICTS AND TO PRESERVE FOR THE FUTURE
OPTIONS FOR THE USE OF THE STATE'S RENEWABLE RESOURCES
ARE INCLUDED IN THE APPLICATION;

(2) USE THE FINANCIAL MECHANISM MOST APPROPRIATE TO THE
CONDITIONS OF THE APPLICANT AND THE PROPOSED PROJECT AND
WHICH WILL MOST EFFECTIVELY UTILIZE THE FUNDS AVAILABLE;
GRANTS MAY BE MADE BY THE BOARD OF UP TO 90 PER CENT OF THE
TOTAL PROJECT COSTS FOR THE FOLLOWING PURPOSES:

(A) PROJECTS FOR THE APPLIED RESEARCH AND
DEVELOPMENT OF PRODUCTS, TECHNOLOGIES, OR INNOVATIONS
FOR THE REHABILITATION, ENHANCEMENT, OR DEVELOPMENT OF
THE STATE'S RENEWABLE RESOURCES;

(B) PROJECTS FOR THE DEMONSTRATION, ON A ONE-TIME
BASIS, OF THE ECONOMIC OR TECHNICAL FEASIBILITY OF A NEW
MARKET, OR TECHNOLOGY INVOLVING A RENEWABLE
RESOURCE; OR

(C) PROJECTS FOR THE REHABILITATION, ENHANCEMENT,

OR DEVELOPMENT OF A COMMON-PROPERTY RESOURCE WHERE THE BENEFITS FROM THE PROJECT CANNOT BE CAPTURED BY ANY SINGLE ECONOMIC UNIT;

(3) IN EVALUATING PROJECTS, CONSIDER THE PREFERENCES AND PRIORITIES OF THE RESIDENTS OF THE REGION IN WHICH THE PROJECT IS TO BE LOCATED;

(4) REQUIRE INVESTMENTS MADE BY THE CORPORATION TO BE SECURED BY MEANS DETERMINED TO BE APPROPRIATE BY THE BOARD.

(B) THE BOARD MAY NOT

(1) INVEST OR OTHERWISE PROVIDE ASSISTANCE OF MORE THAN FIVE PER CENT OF THE RESOURCES OF THE CORPORATION OR \$1,500,000, WHICHEVER IS LESS, IN A SINGLE PROJECT OR APPLICANT UNLESS THE LEGISLATURE HAS APPROVED THE INVESTMENT BY CONCURRENT RESOLUTION;

(2) INVEST IN MORE THAN 49 PER CENT OF THE OUTSTANDING CORPORATE STOCK OR OTHER CORPORATE OBLIGATION ISSUED BY AN APPLICANT UNLESS THE LEGISLATURE HAS APPROVED THE INVESTMENT BY CONCURRENT RESOLUTION;

(3) MAKE A LOAN FOR A PERIOD IN EXCESS OF 30 YEARS UNLESS THE LEGISLATURE HAS APPROVED THE LOAN BY CONCURRENT RESOLUTION;

(4) ASSUME THE RESPONSIBILITY FOR MANAGEMENT OF ANY PROJECT IN WHICH IT HAS INVESTED AND MAY NOT EXERCISE VOTING RIGHTS FOR THAT PURPOSE OR FOR ANY OTHER PURPOSE WHICH IS WITHIN THE SCOPE OF MANAGERIAL CONTROL; OR

(5) PROVIDE FUNDS TO ANY STATE AGENCY UNLESS THAT EXPENDITURE IS INCLUDED IN THE CORPORATION'S ANNUAL BUDGET;

(6) ALLOCATE TO GRANTS MORE THAN 10 PER CENT OF THE ANNUAL APPROPRIATION OF THE CORPORATION.

(C) NOTHING IN THIS SECTION PREVENTS THE BOARD FROM TAKING SUCH ACTION AND EXERCISING SUCH RIGHTS AS IT CONSIDERS NECESSARY FOR THE PROTECTION OF ITS FINANCIAL INTERESTS IN THE EVENT OF

(1) ACTUAL OR THREATENED DEFAULT ON ANY OF THE BOARD'S INVESTMENTS;

(2) ACTUAL OR THREATENED INSOLVENCY OF A PROJECT IN WHICH THE BOARD HAS MADE AN INVESTMENT; OR

(3) ANY OTHER IMMEDIATE OR ACTUAL CIRCUMSTANCE OR EVENT WHICH JEOPARDIZES AN INVESTMENT MADE BY THE BOARD.

(D) PROJECTS FOR WHICH FINANCIAL ASSISTANCE IS GRANTED SHALL COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.090 DOCUMENT- 4 OF 8

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.090.

CATCH LINE

REPORTS AND PUBLICATIONS.

TEXT (A) THE BOARD SHALL PREPARE AND DISTRIBUTE IN NON-TECHNICAL LANGUAGE MATERIALS DESCRIBING THE PURPOSES AND ACTIVITIES OF THE CORPORATION.

(B) THE BOARD SHALL PUBLISH AN ANNUAL REPORT FOR THE GOVERNOR, THE LEGISLATURE, AND THE PUBLIC AT THE TIME OF SUBMITTING ITS ANNUAL BUDGET REQUEST. EACH ANNUAL REPORT SHALL INCLUDE FINANCIAL STATEMENTS AND AUDIT REPORTS, A STATEMENT

DETAILING THE SOURCES FROM WHICH THE CORPORATION RECEIVED MONEY, A STATEMENT DETAILING THE INVESTMENTS MADE BY THE CORPORATION, A SUMMARY AND EVALUATION OF THE DATA REQUIRED BY SEC. 75(5) AND (6) OF THIS CHAPTER, A LIST OF PUBLIC FACILITIES REQUIRED BY OR COMPLEMENTARY TO THE CORPORATION'S INVESTMENT ACTIVITY, AND ANY OTHER INFORMATION THAT THE BOARD OF TRUSTEES BELIEVES WOULD BE OF INTEREST TO THE RECIPIENTS OF THE REPORT.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.095 DOCUMENT# 5 OF 8

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.095.

CATCH LINE

BUDGET AND APPROPRIATIONS.

TEXT (A) THE CORPORATION MAY EXPEND MONEY ONLY AS APPROPRIATED BY THE LEGISLATURE. THE CORPORATION IS SUBJECT TO THE EXECUTIVE BUDGET ACT (AS 37.07) EXCEPT AS PROVIDED IN (B) AND (C) OF THIS SECTION.

(B) THE BUDGET OF THE CORPORATION SHALL INCLUDE THE CATEGORIES AND AMOUNTS OF PROPOSED FINANCIAL ASSISTANCE BROKEN DOWN BY FINANCING MECHANISM AND RESOURCE SECTOR AFFECTED AND ALL FUNDS RECEIVED BY THE CORPORATION WHETHER THROUGH ALLOCATIONS MADE BY THIS CHAPTER, APPROPRIATION, OR OTHERWISE. THE TOTAL AMOUNT OF THE CORPORATION'S OPERATING BUDGET SHALL BE SPECIFIED SEPARATELY IN ITS BUDGET AND BE APPROPRIATED FROM THE GENERAL FUND.

(C) THE UNEXPENDED AND UNOBLIGATED PORTION OF THE APPROPRIATIONS, OTHER THAN APPROPRIATIONS FOR OPERATING EXPENSES, DOES NOT LAPSE INTO THE GENERAL FUND AT THE END OF A FISCAL YEAR, BUT REMAINS AVAILABLE FOR APPROPRIATION AS PROVIDED IN THIS SECTION IN SUBSEQUENT FISCAL YEARS.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.125 DOCUMENT# 6 OF 8

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.125.

CATCH LINE

DEFINITIONS.

TEXT IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES,

(1) "APPLICANT" MEANS A PERSON MAKING APPLICATION TO THE CORPORATION FOR FINANCIAL ASSISTANCE;

(2) "BOARD" MEANS THE BOARD OF TRUSTEES OF THE ALASKA RENEWABLE RESOURCES CORPORATION;

(3) "CORPORATION" MEANS THE ALASKA RENEWABLE RESOURCES CORPORATION;

(4) "PROJECT" MEANS PRODUCTS, MARKETS, INNOVATION OR TECHNOLOGICAL DEVELOPMENTS FOR THE REHABILITATION, ENHANCEMENT, OR DEVELOPMENT OF RENEWABLE RESOURCES AND INCLUDES APPLIED RESEARCH FOR THOSE PRODUCTS, MARKETS, OR TECHNOLOGICAL DEVELOPMENTS;

(5) "REHABILITATION, ENHANCEMENT, AND DEVELOPMENT" MEANS ANY ACTIVITY OR PROGRAM WHICH IMPROVES THE HEALTH AND

WELL-BEING OF A RENEWABLE RESOURCE OR RENEWABLE RESOURCE POPULATION LEADING TO AN INCREASE IN THE QUALITY OR PRODUCTIVITY OF THE RESOURCE AND TO AN INCREASE IN THE BENEFITS DERIVED FROM THE RESOURCE TO THE CITIZENS OF THE STATE;

(6) "RENEWABLE RESOURCE" MEANS NON-HUMAN LIVING ORGANISMS; NATURAL COMPONENTS OF THE ENVIRONMENT, INCLUDING THE AIR, LAND, AND WATER; AND ENERGY SYSTEMS WHICH ARE NATURALLY RECURRING OR REPLENISHED.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS44.66.010 DOCUMENT# 7 OF 8

HEADINGS TITLE 44.

STATE GOVERNMENT.

CHAPTER 66.

REVIEW OF THE ACTIVITIES OF AGENCIES, BOARDS AND COMMISSIONS.

CITATION SEC. 44.66.010.

CATCH LINE

TERMINATION OF STATE BOARDS AND COMMISSIONS.

TEXT (A) BOARDS AND COMMISSIONS LISTED IN THIS SUBSECTION EXPIRE ON THE DATE SET OUT AFTER EACH:

(1) ALCOHOLIC BEVERAGE CONTROL BOARD (AS 04.06.010) - JUNE 30, 1983;

(2) ALASKA TRANSPORTATION COMMISSION (AS 42.07.011) - JUNE 30, 1983;

(3) STATE BOARD OF PAROLE (AS 33.15.010) - JUNE 30, 1982;

(4) ALASKA PUBLIC UTILITIES COMMISSION (AS 42.05.010) - JUNE 30, 1985;

(5) REPEALED BY SEC. 20 CH 110 SLA 1981.

(6) ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY (AS 44.21.241) - JUNE 30, 1983;

(7) ALASKA RENEWABLE RESOURCES CORPORATION (AS 37.12.010) - JUNE 30, 1982;

(8) ALASKA CODE REVISION COMMISSION (AS 24.20.075) - JUNE 30, 1982;

(9) RURAL DEVELOPMENT COUNCIL (AS 44.47.160 44.47.190) - JUNE 30, 1987;

(10) OLDER ALASKANS COMMISSION (AS 44.21.206) JUNE 30, 1985;

(11) COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT - JUNE 30, 1985.

(b) UPON TERMINATION, A COMMISSION LISTED IN (A) OF THIS SECTION SHALL CONTINUE IN EXISTENCE UNTIL JUNE 30 OF THE NEXT SUCCEEDING YEAR FOR THE PURPOSE OF CONCLUDING ITS AFFAIRS.

(c) A COMMISSION SCHEDULED FOR TERMINATION UNDER AS 44.66.010 - 44.66.060 MAY BE CONTINUED OR REESTABLISHED BY THE LEGISLATURE FOR A PERIOD NOT TO EXCEED FOUR YEARS.

HISTORY

(SEC. 3 CH 149 SLA 1977; AM SEC. 3 CH 101 SLA 1978; AM SEC. 10 CH 179 SLA 1978; AM SEC. 3 CH 44 SLA 1980; AM SEC. 1 CH 115 SLA 1980; AM SEC. 11 CH 131 SLA 1980; AM SEC. 11 CH 136 SLA 1980; AM SEC. 3 CH 172 SLA 1980; AM SEC. 1 CH 32 SLA 1981; AM SEC. 1 CH 64 SLA 1981; AM SEC. 4 CH 79 SLA 1981; AM SEC. 3 CH 101 SLA 1981; SEC. 20 CH 110 SLA 1981; AM EXECUTIVE ORDER NO. 48, SEC. 5 (1981))

AS46.12.120 DOCUMENT# 8 OF 8

HEADINGS TITLE 46.

WATER, AIR, ENERGY, AND ENVIRONMENTAL CONSERVATION.

CHAPTER 12.

ALASKA ENERGY CENTER.

CITATION SEC. 16.12.120.

CATCH LINE

DUTIES.

TEXT THE BOARD SHALL

- (1) PROMOTE THE COMMERCIAL DEVELOPMENT AND USE OF MORE EFFICIENT ENERGY TECHNOLOGIES;
- (2) SUBJECT TO THE AVAILABILITY OF MONEY,
 - (A) SPONSOR ENERGY RESEARCH PROJECTS INTENDED TO ACCOMPLISH THE PURPOSES OF THE CENTER;
 - (B) CONDUCT AND SPONSOR APPLIED RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS OF ENERGY TECHNOLOGIES;
 - (C) PROVIDE FINANCIAL AND OTHER SUPPORT TO INVENTORS AND BUSINESSMEN ENGAGED IN THE DEVELOPMENT, DEMONSTRATION, AND COMMERCIALIZATION OF ENERGY TECHNOLOGIES;
- (3) MANAGE PROJECTS FOR WHICH FINANCING HAS BEEN APPROPRIATED BY THE LEGISLATURE;
- (4) IN DEVELOPING ITS PROGRAMS, CONSULT WITH THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY, THE ALASKA POWER AUTHORITY, THE ALASKA RENEWABLE RESOURCES CORPORATION, THE DIVISION OF ENERGY AND POWER DEVELOPMENT OF THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT, THE DEPARTMENT OF NATURAL RESOURCES, AND THE UNIVERSITY OF ALASKA; THE BOARD SHALL MEET WITH RESPONSIBLE OFFICIALS AND REPRESENTATIVES OF THESE ORGANIZATIONS AND AGENCIES AT LEAST TWICE EACH YEAR;
- (5) CONSULT WITH OTHER ENERGY RESEARCH AND DEVELOPMENT ORGANIZATIONS.

HISTORY (SEC. 3 CH 148 SLA 1980)

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

SELECT - QUERY

00003 2 SECTION EQ 37.12.020,37.12.040,37.12.070,37.12.080,37.12.085,37.12.115

AS37.12.020 DOCUMENT= 1 OF 6

HEADINGS TITLE 37.
PUBLIC FINANCE.
CHAPTER 12.
ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.020.

CATCH LINE

ALLOCATION.

TEXT (A) THERE SHALL BE ALLOCATED TO THE CORPORATION FROM THE RECEIPTS REFERRED TO IN AS 37.11.020 FIVE PER CENT OF THE TOTAL RECEIPTS PAID THE STATE FROM MINERAL LEASE BONUSES AND RENTALS FOR STATE LAND AND ROYALTIES DERIVED FROM MINERALS PRODUCED ON STATE LAND. PAYMENTS OF THE AMOUNT ALLOCATED BY THIS SECTION SHALL BE MADE TO THE CORPORATION BY THE DEPARTMENT OF REVENUE ON A MONTHLY BASIS.

(B) FIFTY PER CENT OF ALL ACTUAL RECEIPTS OF THE CORPORATION, FROM WHATEVER SOURCE EXCEPT RECEIPTS FROM THE CORPORATION'S INVESTMENTS, SHALL BE DEPOSITED INTO THE RENEWABLE RESOURCES INVESTMENT FUND (AS 37.11.050).

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.040 DOCUMENT= 2 OF 6

HEADINGS TITLE 37.
PUBLIC FINANCE.
CHAPTER 12.
ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.040.

CATCH LINE

REMOVAL AND VACANCIES.

TEXT (A) THE GOVERNOR MAY REMOVE A BOARD MEMBER FROM OFFICE BY AND WITH THE CONSENT OF A MAJORITY OF THE MEMBERS OF THE LEGISLATURE IN JOINT SESSION. A REMOVAL BY THE GOVERNOR SHALL BE IN WRITING AND STATE THE REASON FOR REMOVAL. IF THE LEGISLATURE IS NOT IN SESSION, THE GOVERNOR MAY SUSPEND A MEMBER OF THE BOARD. UPON SUSPENSION, A BOARD MEMBER MAY NOT PARTICIPATE IN BOARD BUSINESS AND MAY NOT BE COUNTED FOR THE PURPOSE OF ESTABLISHING A QUORUM. A SUSPENDED MEMBER SHALL CONTINUE TO RECEIVE HIS SALARY AS A BOARD MEMBER UNTIL THE LEGISLATURE IN JOINT SESSION CONSENTS TO HIS REMOVAL. THE JOINT SESSION SHALL BE HELD WITHIN 30 DAYS FROM THE DATE OF REMOVAL IF THE REMOVAL OCCURS WHILE THE LEGISLATURE IS IN SESSION OR WITHIN 30 DAYS OF CONVENING OF THE LEGISLATURE IF THE LEGISLATURE IS NOT IN SESSION. IF THE LEGISLATURE REFUSES TO CONSENT TO HIS REMOVAL, THE BOARD MEMBER SHALL BE REINSTATED TO HIS POSITION.

(B) A VACANCY ON THE BOARD SHALL BE PROMPTLY FILLED BY APPOINTMENT BY THE GOVERNOR AND CONFIRMATION BY A MAJORITY OF MEMBERS OF THE LEGISLATURE IN JOINT SESSION. AN APPOINTEE TO FILL A VACANCY SHALL HOLD OFFICE FOR THE BALANCE OF THE TERM FOR WHICH HIS PREDECESSOR ON THE BOARD WAS APPOINTED. IF A VACANCY ARISES ON THE BOARD WHILE THE LEGISLATURE IS NOT IN SESSION, THE GOVERNOR MAY APPOINT AN INTERIM BOARD MEMBER UNTIL SUCH TIME AS THE LEGISLATURE IN JOINT SESSION FAILS TO CONFIRM THE INTERIM MEMBER'S APPOINTMENT.

(C) A VACANCY ON THE BOARD DOES NOT IMPAIR THE AUTHORITY OF

A QUORUM OF THE BOARD TO EXERCISE ALL THE POWERS AND PERFORM ALL THE DUTIES OF THE BOARD.

HISTORY (SEC. 3 CH 179 SLA 1978)
AS37.12.070 DOCUMENT= 3 OF 6

HEADINGS TITLE 37.
PUBLIC FINANCE.
CHAPTER 12.
ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.070.
CATCH LINE

POWERS.

TEXT IN CARRYING OUT THE CORPORATE POWERS OF THE CORPORATION, THE BOARD MAY

- (1) ADOPT, ALTER, AND USE A CORPORATE SEAL;
- (2) PRESCRIBE, ADOPT, AMEND, AND REPEAL BYLAWS;
- (3) SUE AND BE SUED IN THE NAME OF THE CORPORATION;
- (4) ENTER INTO ANY AGREEMENTS NECESSARY TO THE EXERCISE OF ITS POWERS AND FUNCTIONS;
- (5) ACCEPT GRANTS FROM AND CONTRACT WITH THE FEDERAL GOVERNMENT AND THE STATE OR ITS POLITICAL SUBDIVISIONS AND TO THAT END COMPLY WITH THE PROVISIONS OF FEDERAL, STATE, OR LOCAL PROGRAMS WHERE NECESSARY, EXCEPT THAT IT MAY NOT ENTER INTO ANY AGREEMENTS WHEREBY ANY PERMANENT STATE OR LOCAL GOVERNMENT POSITION IS FUNDED OR PARTIALLY FUNDED IN CONNECTION WITH A PROJECT;
- (6) ACCEPT GRANTS AND LOANS FROM OTHER SOURCES THAN THOSE IN (5) OF THIS SECTION TO BE HELD AND USED FOR THE PURPOSES OF THE CORPORATION;
- (7) APPEAR IN BEHALF OF THE CORPORATION BEFORE BOARDS, COMMISSIONS, DEPARTMENTS, OR OTHER AGENCIES OF MUNICIPAL, STATE, OR FEDERAL GOVERNMENT;
- (8) ACQUIRE, HOLD, USE, LEASE, SELL, OR OTHERWISE DISPOSE OF PROPERTY OF ANY KIND, REAL, PERSONAL, OR MIXED, OR ANY INTEREST IN IT;
- (9) HOLD, AS A MEANS OF SECURING THE PROVIDING OF FINANCIAL ASSISTANCE, PATENTS, COPYRIGHTS, TRADEMARKS, ROYALTIES, OR ANY OTHER EVIDENCES OF PROTECTION OR EXCLUSIVITY ISSUED UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OR NATION;
- (10) PREPARE, PUBLISH, AND DISTRIBUTE TECHNICAL STUDIES, REPORTS, BULLETINS AND OTHER MATERIALS IT CONSIDERS APPROPRIATE;
- (11) INVEST, IN SUCH FORM AS IT CONSIDERS APPROPRIATE, IN PROJECTS WHICH ARE ECONOMICALLY VIABLE AND INCOME-PRODUCING;
- (12) PROVIDE GRANTS FOR PROJECTS HAVING BROAD PUBLIC APPLICATION WHICH DO NOT HAVE DIRECT INCOME-PRODUCING POTENTIAL;
- (13) ADOPT REGULATIONS GOVERNING THE EXERCISE OF ITS CORPORATE POWERS;
- (14) DEPOSIT FUNDS, OR INVEST SURPLUS FUNDS THROUGH THE TREASURY DIVISION OF THE DEPARTMENT OF REVENUE WHICH MAY INVEST IN ANY INVESTMENTS AUTHORIZED IN AS 39.35.110 SO LONG AS ITS INVESTMENT POLICY IS CONSISTENT WITH THE PRUDENT-MAN RULE;
- (15) DO ALL THINGS AND THINGS NECESSARY OR DESIRABLE TO

CARRY OUT THE PURPOSES OF THE CORPORATION.

LIMITED EFFECTIVE DATE

(16) TERMINATES JUNE 30, 1984E PROVIDE FUNDS TO THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY, TO BE AWARDED AND ADMINISTERED IN THE MANNER PRESCRIBED BY AS 44.21.241 - 44.21.255 WHEN THE FUNDS ARE TO BE EXPENDED TO ACCOMPLISH A CORPORATE PURPOSE UNDER AS 37.12.015.

HISTORY (SEC. 3 CH. 179 SLA 1978; AM. SEC. 2 CH 56 SLA 1979; AM EXECUTIVE ORDER NO. 48, SEC. 2 (1981))

AS37.12.090 DOCUMENT- 4 OF 6

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.090.

CATCH LINE

FINANCIAL ASSISTANCE.

TEXT (A) IN PROVIDING FINANCIAL ASSISTANCE, THE BOARD SHALL
(1) CONSIDER THE PROPOSALS OF QUALIFIED APPLICANTS ONLY AFTER THE APPLICANT HAS SUBMITTED A DETAILED PROPOSAL IN THE FORM PRESCRIBED BY THE BOARD; NO ASSISTANCE MAY BE APPROVED BY THE BOARD UNLESS IT FINDS, IN WRITING, THAT

(A) THE PROPOSED PROJECT, IF SUCCESSFUL, WILL FURTHER THE PURPOSES OF THE CORPORATION AS SET OUT IN SEC 15 OF THIS CHAPTER;

(B) THE APPLICATION CONTAINS AN ADEQUATE PLAN FOR PROJECT IMPLEMENTATION, INCLUDING, WHEN APPLICABLE, A COMPLETE BUSINESS, FINANCIAL AND MARKETING PLAN FOR COMMERCIAL ACTIVITIES;

(C) SUFFICIENT CAPITAL IS NOT AVAILABLE FROM OTHER SOURCES ON REASONABLE TERMS;

(D) THE APPLICANT HAS AGREED THAT IF NEW RENEWABLE RESOURCE INDUSTRIAL ACTIVITY RESULTS FROM THE PROPOSED PROJECT, HIS BEST EFFORTS WILL BE EMPLOYED TO KEEP THAT ACTIVITY IN THE STATE FOR A MINIMUM PERIOD OF TIME SPECIFIED BY THE BOARD;

(E) THE APPLICANT DEMONSTRATES THAT SUFFICIENT TECHNICAL AND BUSINESS EXPERTISE TO ACCOMPLISH THE OBJECTIVES OF THE PROPOSED PROJECT IS AVAILABLE;

(F) ALL COSTS, INCLUDING ADDITIONAL GOVERNMENTAL COST, ASSOCIATED WITH AND ANCILLARY TO THE PROJECT AND FUTURE OBLIGATIONS GENERATED BY THE PROJECT HAVE BEEN IDENTIFIED, INCLUDING ANY NECESSARY OPERATING, MAINTENANCE, OR OTHER SUPPORT COSTS FOR THE LIFE OF THE PROJECT;

(G) POTENTIAL RESOURCE USE CONFLICTS THAT MAY RESULT FROM THE PROPOSED PROJECT ARE IDENTIFIED AND EVALUATED, AND WHEN NECESSARY, PLANS TO MITIGATE OR RESOLVE THOSE CONFLICTS AND TO PRESERVE FOR THE FUTURE OPTIONS FOR THE USE OF THE STATE'S RENEWABLE RESOURCES ARE INCLUDED IN THE APPLICATION,

(2) USE THE FINANCIAL MECHANISM MOST APPROPRIATE TO THE CONDITIONS OF THE APPLICANT AND THE PROPOSED PROJECT AND WHICH WILL MOST EFFECTIVELY UTILIZE THE FUNDS AVAILABLE; GRANTS MAY BE MADE BY THE BOARD OF UP TO 90 PER CENT OF THE TOTAL PROJECT COSTS FOR THE FOLLOWING PURPOSES:

(A) PROJECTS FOR THE APPLIED RESEARCH AND DEVELOPMENT OF PRODUCTS, TECHNOLOGIES, OR INNOVATIONS FOR THE REHABILITATION, ENHANCEMENT, OR DEVELOPMENT OF THE STATE'S RENEWABLE RESOURCES;

(B) PROJECTS FOR THE DEMONSTRATION, ON A ONE-TIME BASIS, OF THE ECONOMIC OR TECHNICAL FEASIBILITY OF A NEW PRODUCT, MARKET, OR TECHNOLOGY INVOLVING A RENEWABLE RESOURCE; OR

(C) PROJECTS FOR THE REHABILITATION, ENHANCEMENT, OR DEVELOPMENT OF A COMMON-PROPERTY RESOURCE WHERE THE BENEFITS FROM THE PROJECT CANNOT BE CAPTURED BY ANY SINGLE ECONOMIC UNIT;

(3) IN EVALUATING PROJECTS, CONSIDER THE PREFERENCES AND PRIORITIES OF THE RESIDENTS OF THE REGION IN WHICH THE PROJECT IS TO BE LOCATED;

(4) REQUIRE INVESTMENTS MADE BY THE CORPORATION TO BE SECURED BY MEANS DETERMINED TO BE APPROPRIATE BY THE BOARD.

(B) THE BOARD MAY NOT

(1) INVEST OR OTHERWISE PROVIDE ASSISTANCE OF MORE THAN FIVE PER CENT OF THE RESOURCES OF THE CORPORATION OR \$1,500,000, WHICHEVER IS LESS, IN A SINGLE PROJECT OR APPLICANT UNLESS THE LEGISLATURE HAS APPROVED THE INVESTMENT BY CONCURRENT RESOLUTION;

(2) INVEST IN MORE THAN 49 PER CENT OF THE OUTSTANDING CORPORATE STOCK OR OTHER CORPORATE OBLIGATIONS ISSUED BY AN APPLICANT UNLESS THE LEGISLATURE HAS APPROVED THE INVESTMENT BY CONCURRENT RESOLUTION;

(3) MAKE A LOAN FOR A PERIOD IN EXCESS OF 30 YEARS UNLESS THE LEGISLATURE HAS APPROVED THE LOAN BY CONCURRENT RESOLUTION;

(4) ASSUME THE RESPONSIBILITY FOR MANAGEMENT OF ANY PROJECT IN WHICH IT HAS INVESTED AND MAY NOT EXERCISE VOTING RIGHTS FOR THAT PURPOSE OR FOR ANY OTHER PURPOSE WHICH IS WITHIN THE SCOPE OF MANAGERIAL CONTROL; OR

(5) PROVIDE FUNDS TO ANY STATE AGENCY UNLESS THAT EXPENDITURE IS INCLUDED IN THE CORPORATION'S ANNUAL BUDGET;

(6) ALLOCATE TO GRANTS MORE THAN 10 PER CENT OF THE ANNUAL APPROPRIATION OF THE CORPORATION.

(C) NOTHING IN THIS SECTION PREVENTS THE BOARD FROM TAKING SUCH ACTION AND EXERCISING SUCH RIGHTS AS IT CONSIDERS NECESSARY FOR THE PROTECTION OF ITS FINANCIAL INTERESTS IN THE EVENT OF

() ACTUAL OR THREATENED DEFAULT ON ANY OF THE BOARD'S INVESTMENTS;

(2) ACTUAL OR THREATENED INSOLVENCY OF A PROJECT IN WHICH THE BOARD HAS MADE AN INVESTMENT; OR

(3) ANY OTHER IMMEDIATE OR ACTUAL CIRCUMSTANCE OR EVENT WHICH JEOPARDIZES AN INVESTMENT MADE BY THE BOARD.

(D) PROJECTS FOR WHICH FINANCIAL ASSISTANCE IS GRANTED SHALL COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW.

HISTORY (JEC. 3 CH 179 SLA 1978)

AS37.12.095 DOCUMENT- 5 OF 6

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.095.

CATCH LINE

ELIGIBILITY FOR FINANCIAL ASSISTANCE.

TEXT THE BOARD MAY PROVIDE FINANCIAL ASSISTANCE IF IT FINDS THAT AN APPLICANT IS QUALIFIED TO RECEIVE ASSISTANCE. AN APPLICANT IS QUALIFIED IF

(1) HE HAS SUBMITTED A PROPOSAL TO THE BOARD IN ACCORDANCE WITH SEC. 39(A)(1) OF THIS CHAPTER;

(2) HE IS A RESIDENT OF THE STATE FOR THREE YEARS OR, IF THE APPLICANT IS A PARTNERSHIP, CORPORATION, OR OTHER ASSOCIATION, THE MAJORITY INTEREST IS BENEFICIALLY OWNED BY RESIDENTS OF THE STATE AND A MAJORITY OF THE OWNERS ARE RESIDENTS OF THE STATE; AND

(3) HIS PROJECTS WHICH HAVE PREVIOUSLY RECEIVED FINANCIAL ASSISTANCE FROM THE CORPORATION, IF ANY, HAVE COMPLIED WITH ALL REQUIREMENTS OF THAT ASSISTANCE AND HAVE PERFORMED WITH SUFFICIENT SUCCESS OR PROMISE TO WARRANT FURTHER AID.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.115 DOCUMENT# 6 OF 6

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.115.

CATCH LINE

TECHNICAL ASSISTANCE.

TEXT (A) THE CORPORATION MAY PROVIDE FINANCING FOR PRE-INVESTMENT ACTIVITIES INCLUDING FEASIBILITY STUDIES, WHEN, IN ITS OPINION, THE PROPOSED PROJECT IS OF HIGH PRIORITY AND THE FINANCING IS NOT AVAILABLE FROM OTHER SOURCES ON REASONABLE TERMS AND CONDITIONS. AMOUNTS SO ADVANCED MAY FORM A PART OF A LATER INVESTMENT IF THE ENTERPRISE OR PROJECT IS FINANCED BY THE CORPORATION.

(B) THE CORPORATION MAY PROVIDE FUNDING FOR TECHNICAL AND MANAGEMENT ADVICE AND ASSISTANCE TO QUALIFIED APPLICANTS AS IT CONSIDERS NECESSARY IN THE CIRCUMSTANCES.

HISTORY (SEC. 3 CH 179 SLA 1978)

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

SB 697

SEARCH - QUERY

00001 '37.12.030'.CITATION. OR '37.12.035'.CITATION. OR '37.12.050'.CITATION. OR '37.12.055'.CITATION. OR '37.12.060'.CITATION. OR '37.12.075'.CITATION. OR '37.12.080'.CITATION. OR '37.12.070'.CITATION.

AS37.12.030 DOCUMENT= 1 OF 8

HEADINGS TITLE 37.
PUBLIC FINANCE.
CHAPTER 12.
ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.030.

CATCH LINE

COMPOSITION OF THE BOARD OF TRUSTEES.
TEXT THE BOARD OF TRUSTEES CONSISTS OF THREE MEMBERS APPOINTED BY THE GOVERNOR AND CONFIRMED BY A MAJORITY OF THE MEMBERS OF THE LEGISLATURE IN JOINT SESSION. THE BOARD SHALL ANNUALLY ELECT A CHAIRMAN FROM AMONG ITS MEMBERS. A CHAIRMAN MAY NOT SUCCEED HIMSELF.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.035 DOCUMENT= 2 OF 8

HEADINGS TITLE 37.
PUBLIC FINANCE.
CHAPTER 12.
ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.035.

CATCH LINE

TERM OF OFFICE.
TEXT THE MEMBERS OF THE BOARD OF TRUSTEES SHALL BE APPOINTED FOR TERMS OF FOUR YEARS, AND THEY MAY BE REAPPOINTED. TERMS SHALL BE STAGGERED. THE INITIAL TERMS SHALL BE ONE MEMBER SERVING FOR TWO YEARS, ONE MEMBER SERVING FOR THREE YEARS, AND ONE MEMBER SERVING FOR FOUR YEARS.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.050 DOCUMENT= 3 OF 8

HEADINGS TITLE 37.
PUBLIC FINANCE. ()
CHAPTER 12.
ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.050.

CATCH LINE

QUORUM.
TEXT TWO MEMBERS OF THE BOARD CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AND THE EXERCISE OF THE POWERS AND DUTIES OF THE BOARD.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.055 DOCUMENT= 4 OF 8

HEADINGS TITLE 37.
PUBLIC FINANCE.
CHAPTER 12.
ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.055.

CATCH LINE

COMPENSATION OF BOARD MEMBERS.
TEXT BOARD MEMBERS ARE IN THE EXEMPT SERVICE UNDER AS 39.25 AND RECEIVE AN ANNUAL SALARY WITHIN RANGE 30 OF THE SALARY SCHEDULE FOR STATE EMPLOYEES ESTABLISHED BY AS 39.27.011.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.060 DOCUMENT= 5 OF 8

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.060.

CATCH LINE

EMPLOYMENT OF PERSONNEL.

TEXT THE BOARD MAY EMPLOY AND DETERMINE THE SALARY OF AN EXECUTIVE DIRECTOR. THE EXECUTIVE DIRECTOR MAY, WITH THE APPROVAL OF THE BOARD, SELECT AND EMPLOY ADDITIONAL STAFF AS NECESSARY. THE EXECUTIVE DIRECTOR AND ALL EMPLOYEES OF THE BOARD ARE IN THE EXEMPT SERVICE UNDER AS 39.25.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.070 DOCUMENT= 6 OF 8

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.070.

CATCH LINE

POWERS.

TEXT IN CARRYING OUT THE CORPORATE POWERS OF THE CORPORATION, THE BOARD MAY

- (1) ADOPT, ALTER, AND USE A CORPORATE SEAL;
- (2) PRESCRIBE, ADOPT, AMEND, AND REPEAL BYLAWS;
- (3) SUE AND BE SUED IN THE NAME OF THE CORPORATION;
- (4) ENTER INTO ANY AGREEMENTS NECESSARY TO THE EXERCISE OF ITS POWERS AND FUNCTIONS;
- (5) ACCEPT GRANTS FROM AND CONTRACT WITH THE FEDERAL GOVERNMENT AND THE STATE OR ITS POLITICAL SUBDIVISIONS AND TO THAT END COMPLY WITH THE PROVISIONS OF FEDERAL, STATE, OR LOCAL PROGRAMS WHERE NECESSARY, EXCEPT THAT IT MAY NOT ENTER INTO ANY AGREEMENTS WHEREBY ANY PERMANENT STATE OR LOCAL GOVERNMENT POSITION IS FUNDED OR PARTIALLY FUNDED IN CONNECTION WITH A PROJECT;
- (6) ACCEPT GRANTS AND LOANS FROM OTHER SOURCES THAN THOSE IN (5) OF THIS SECTION TO BE HELD AND USED FOR THE PURPOSES OF THE CORPORATION;
- (7) APPEAR IN BEHALF OF THE CORPORATION BEFORE BOARDS, COMMISSIONS, DEPARTMENTS, OR OTHER AGENCIES OF MUNICIPAL, STATE, OR FEDERAL GOVERNMENT;
- (8) ACQUIRE, HOLD, USE, LEASE, SELL, OR OTHERWISE DISPOSE OF PROPERTY OF ANY KIND, REAL, PERSONAL, OR MIXED, OR ANY INTEREST IN IT;
- (9) HOLD, AS A MEANS OF SECURING THE PROVIDING OF FINANCIAL ASSISTANCE, PATENTS, COPYRIGHTS, TRADEMARKS, ROYALTIES, OR ANY OTHER EVIDENCES OF PROTECTION OR EXCLUSIVITY ISSUED UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OR NATION;
- (10) PREPARE, PUBLISH, AND DISTRIBUTE TECHNICAL STUDIES, REPORTS, BULLETINS AND OTHER MATERIALS IT CONSIDERS APPROPRIATE;
- (11) INVEST, IN SUCH FORM AS IT CONSIDERS APPROPRIATE, IN PROJECTS WHICH ARE ECONOMICALLY VIABLE AND

INCOME-PRODUCING;

(12) PROVIDE GRANTS FOR PROJECTS HAVING BROAD PUBLIC APPLICATION WHICH DO NOT HAVE DIRECT INCOME-PRODUCING POTENTIAL;

(13) ADOPT REGULATIONS GOVERNING THE EXERCISE OF ITS CORPORATE POWERS;

(14) DEPOSIT FUNDS, OR INVEST SURPLUS FUNDS THROUGH THE TREASURY DIVISION OF THE DEPARTMENT OF REVENUE WHICH MAY INVEST IN ANY INVESTMENTS AUTHORIZED IN AS 39.35.110 SO LONG AS ITS INVESTMENT POLICY IS CONSISTENT WITH THE PRUDENT-MAN RULE;

(15) DO ALL ACTS AND THINGS NECESSARY OR DESIRABLE TO CARRY OUT THE PURPOSES OF THE CORPORATION.

LIMITED EFFECTIVE DATE

(16) TERMINATES JUNE 30, 1984E PROVIDE FUNDS TO THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY, TO BE AWARDED AND ADMINISTERED IN THE MANNER PRESCRIBED BY AS 44.21.241 - 44.21.255 WHEN THE FUNDS ARE TO BE EXPENDED TO ACCOMPLISH A CORPORATE PURPOSE UNDER AS 37.12.015.

HISTORY (SEC. 3 CH. 179 SLA 1978; AM. SEC. 2 CH 56 SLA 1979; AM EXECUTIVE ORDER NO. 48, SEC. 2 (1981))

AS37.12.075 DOCUMENT= 7 OF 8

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.075.

CATCH LINE

DUTIES.

TEXT IN CARRYING OUT THE PURPOSES OF THIS CHAPTER, THE BOARD SHALL

(1) SEEK TO MAINTAIN THE PRODUCTIVITY OF HEALTHY RENEWABLE RESOURCES AND EXPAND THE PRODUCTIVITY OF DEPLETED OR UNDERUTILIZED RENEWABLE RESOURCES;

(2) PROVIDE FINANCIAL ASSISTANCE FOR PROJECTS WHICH THE BOARD FINDS WILL ACCOMPLISH THE PURPOSES OF THE CORPORATION AS SET OUT IN SEC. 15 OF THIS CHAPTER;

(3) PROMOTE THE UTILIZATION OF THE STATE'S RENEWABLE RESOURCES IN THE STATE AND THE DEVELOPMENT OF IMPORT SUBSTITUTION AND EXPORT MARKETS;

(4) ANNUALLY PREPARE LONG-RANGE OPERATING AND FINANCIAL PLANS AND THE BUDGET FOR THE FORTHCOMING YEAR;

(5) MONITOR APPROVED PROJECTS FOR COMPLIANCE WITH THIS CHAPTER AND PROVIDE OPERATIONAL AND PERFORMANCE EVALUATIONS (POST-AUDITS) OF PROJECTS RECEIVING FINANCIAL ASSISTANCE AND AN OVERALL ASSESSMENT, EXPRESSED IN QUALITATIVE AND QUANTITATIVE TERMS, OF THE DEGREE TO WHICH THE PURPOSES OF THE CORPORATION, AS SET OUT IN SEC. 15 OF THIS CHAPTER, HAVE BEEN ACHIEVED; AND

(6) ATTEMPT TO FUND ACTIVITIES WHICH WILL TEND TO MAXIMIZE RETURNS TO THE STATE AND LOCAL GOVERNMENTS AND ITS CITIZENS IN SUCH FORMS AS TAX REVENUES AND RESIDENT EMPLOYMENT AND INCOME.

HISTORY (SEC. 3 CH 179 SLA 1978)

AS37.12.080 DOCUMENT= 8 OF 8

HEADINGS TITLE 37.

PUBLIC FINANCE.

CHAPTER 12.

ALASKA RENEWABLE RESOURCES CORPORATION.

CITATION SEC. 37.12.080.

CATCH LINE

FINANCIAL ASSISTANCE.

TEXT

(A) IN PROVIDING FINANCIAL ASSISTANCE, THE BOARD SHALL
(1) CONSIDER THE PROPOSALS OF QUALIFIED APPLICANTS ONLY
AFTER THE APPLICANT HAS SUBMITTED A DETAILED PROPOSAL IN THE
FORM PRESCRIBED BY THE BOARD; NO ASSISTANCE MAY BE APPROVED
BY THE BOARD UNLESS IT FINDS, IN WRITING, THAT

(A) THE PROPOSED PROJECT, IF SUCCESSFUL, WILL
FURTHER THE PURPOSES OF THE CORPORATION AS SET OUT IN
SEC. 15 OF THIS CHAPTER;

(B) THE APPLICATION CONTAINS AN ADEQUATE PLAN FOR
PROJECT IMPLEMENTATION, INCLUDING, WHEN APPLICABLE, A
COMPLETE BUSINESS, FINANCIAL AND MARKETING PLAN FOR
COMMERCIAL ACTIVITIES;

(C) SUFFICIENT CAPITAL IS NOT AVAILABLE FROM OTHER
SOURCES ON REASONABLE TERMS;

(D) THE APPLICANT HAS AGREED THAT IF NEW RENEWABLE
RESOURCE INDUSTRIAL ACTIVITY RESULTS FROM THE PROPOSED
PROJECT, HIS BEST EFFORTS WILL BE EMPLOYED TO KEEP THAT
ACTIVITY IN THE STATE FOR A MINIMUM PERIOD OF TIME
SPECIFIED BY THE BOARD;

(E) THE APPLICANT DEMONSTRATES THAT SUFFICIENT
TECHNICAL AND BUSINESS EXPERTISE TO ACCOMPLISH THE
OBJECTIVES OF THE PROPOSED PROJECT IS AVAILABLE;

(F) ALL COSTS, INCLUDING ADDITIONAL GOVERNMENTAL
COST, ASSOCIATED WITH AND ANCILLARY TO THE PROJECT AND
FUTURE OBLIGATIONS GENERATED BY THE PROJECT HAVE BEEN
IDENTIFIED, INCLUDING ANY NECESSARY OPERATING,
MAINTENANCE, OR OTHER SUPPORT COSTS FOR THE LIFE OF THE
PROJECT;

(G) POTENTIAL RESOURCE USE CONFLICTS THAT MAY
RESULT FROM THE PROPOSED PROJECT ARE IDENTIFIED AND
EVALUATED, AND WHEN NECESSARY, PLANS TO MITIGATE OR
RESOLVE THOSE CONFLICTS AND TO PRESERVE FOR THE FUTURE
OPTIONS FOR THE USE OF THE STATE'S RENEWABLE RESOURCES
ARE INCLUDED IN THE APPLICATION;

(2) USE THE FINANCIAL MECHANISM MOST APPROPRIATE TO THE
CONDITIONS OF THE APPLICANT AND THE PROPOSED PROJECT AND
WHICH WILL MOST EFFECTIVELY UTILIZE THE FUNDS AVAILABLE;
GRANTS MAY BE MADE BY THE BOARD OF UP TO 90 PER CENT OF THE
TOTAL PROJECT COSTS FOR THE FOLLOWING PURPOSES:

(A) PROJECTS FOR THE APPLIED RESEARCH AND
DEVELOPMENT OF PRODUCTS, TECHNOLOGIES, OR INNOVATIONS
FOR THE REHABILITATION, ENHANCEMENT, OR DEVELOPMENT OF
THE STATE'S RENEWABLE RESOURCES;

(B) PROJECTS FOR THE DEMONSTRATION, ON A ONE-TIME
BASIS, OF THE ECONOMIC OR TECHNICAL FEASIBILITY OF A NEW
PRODUCT, MARKET, OR TECHNOLOGY INVOLVING A RENEWABLE
RESOURCE; OR

(C) PROJECTS FOR THE REHABILITATION, ENHANCEMENT,
OR DEVELOPMENT OF A COMMON-PROPERTY RESOURCE WHERE THE
BENEFITS FROM THE PROJECT CANNOT BE CAPTURED BY ANY
SINGLE ECONOMIC UNIT;

(3) IN EVALUATING PROJECTS, CONSIDER THE PREFERENCES AND PRIORITIES OF THE RESIDENTS OF THE REGION IN WHICH THE PROJECT IS TO BE LOCATED;

(4) REQUIRE INVESTMENTS MADE BY THE CORPORATION TO BE SECURED BY MEANS DETERMINED TO BE APPROPRIATE BY THE BOARD.

(B) THE BOARD MAY NOT

(1) INVEST OR OTHERWISE PROVIDE ASSISTANCE OF MORE THAN FIVE PER CENT OF THE RESOURCES OF THE CORPORATION OR \$1,500,000, WHICHEVER IS LESS, IN A SINGLE PROJECT OR APPLICANT UNLESS THE LEGISLATURE HAS APPROVED THE INVESTMENT BY CONCURRENT RESOLUTION;

(2) INVEST IN MORE THAN 49 PER CENT OF THE OUTSTANDING CORPORATE STOCK OR OTHER CORPORATE OBLIGATIONS ISSUED BY AN APPLICANT UNLESS THE LEGISLATURE HAS APPROVED THE INVESTMENT BY CONCURRENT RESOLUTION;

(3) MAKE A LOAN FOR A PERIOD IN EXCESS OF 30 YEARS UNLESS THE LEGISLATURE HAS APPROVED THE LOAN BY CONCURRENT RESOLUTION;

(4) ASSUME THE RESPONSIBILITY FOR MANAGEMENT OF ANY PROJECT IN WHICH IT HAS INVESTED AND MAY NOT EXERCISE VOTING RIGHTS FOR THAT PURPOSE OR FOR ANY OTHER PURPOSE WHICH IS WITHIN THE SCOPE OF MANAGERIAL CONTROL; OR

(5) PROVIDE FUNDS TO ANY STATE AGENCY UNLESS THAT EXPENDITURE IS INCLUDED IN THE CORPORATION'S ANNUAL BUDGET;

(6) ALLOCATE TO GRANTS MORE THAN 10 PER CENT OF THE ANNUAL APPROPRIATION OF THE CORPORATION.

(C) NOTHING IN THIS SECTION PREVENTS THE BOARD FROM TAKING SUCH ACTION AND EXERCISING SUCH RIGHTS AS IT CONSIDERS NECESSARY FOR THE PROTECTION OF ITS FINANCIAL INTERESTS IN THE EVENT OF

(1) ACTUAL OR THREATENED DEFAULT ON ANY OF THE BOARD'S INVESTMENTS;

(2) ACTUAL OR THREATENED INSOLVENCY OF A PROJECT IN WHICH THE BOARD HAS MADE AN INVESTMENT; OR

(3) ANY OTHER IMMEDIATE OR ACTUAL CIRCUMSTANCE OR EVENT WHICH JEOPARDIZES AN INVESTMENT MADE BY THE BOARD.

(D) PROJECTS FOR WHICH FINANCIAL ASSISTANCE IS GRANTED SHALL COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW.

HISTORY (SEC. 3 CH 179 SLA 1978)

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

ALASKA RENEWABLE RESOURCES CORPORATION

Balance Sheets and Schedules

December 31 and June 30, 1981

(Unaudited - See Accompanying Compilation
Report of Peat, Marwick, Mitchell & Co.)



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

Alaska Mutual Bank Building
601 West 5th Avenue, Suite 700
Anchorage, Alaska 99501

Board of Trustees
Alaska Renewable Resources Corporation:

We have compiled the accompanying balance sheet and supplementary data included in Schedules 1 and 2 of the Development Fund of Alaska Renewable Resources Corporation as of December 31, 1981.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying balance sheet and supplementary data and, accordingly, we do not express an opinion or any other form of assurance on them.

We examined the balance sheet as of the year ended June 30, 1981 and, in our report dated August 29, 1981, we expressed a qualified opinion on it subject to the valuation of loans and investments. Such valuation involved subjective judgment, which is not susceptible to substantiation by auditing procedures. We have not performed any audit procedures after the date of our report on the June 30, 1981 balance sheet.

Peat, Marwick, Mitchell & Co.

January 21, 1982

ALASKA RENEWABLE RESOURCES CORPORATION

Balance Sheets

December 31 and June 30, 1981

(Unaudited - See Accompanying Compilation
Report of Peat, Marwick, Mitchell & Co.)

<u>Assets</u>	<u>December 31</u>	<u>June 30</u>
Cash	\$ 397,381	1,782,509
Interest bearing deposits	14,767,677	17,770,880
Certificates of deposit, pledged (note 3)	525,000	525,000
Other assets	58,401	72,376
Accrued interest receivable, loans (note 2)	2,158,349	1,175,909
Less reserve for possible uncollectible interest	384,528	384,528
Accrued interest receivable, loans, net	<u>1,773,821</u>	<u>791,381</u>
Loans receivable (note 2):		
Agriculture	488,240	273,910
Commercial Fish Processors Assistance Fund	10,950,210	10,748,823
Fisheries	7,109,281	5,964,990
Forest assistance	792,309	164,276
Forest products	560,667	531,667
Total loans receivable	<u>19,900,707</u>	<u>17,683,666</u>
Less reserve for possible uncollectible loans	261,147	261,147
Loans receivable, net	<u>19,639,560</u>	<u>17,422,519</u>
Investments in capital stock (notes 2 and 5)	<u>7,646,460</u>	<u>5,679,067</u>
	<u>\$ 44,808,300</u>	<u>44,043,732</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	1,225	2,558
Payable to Operating Fund	-	57,466
Excess interest earned, payable to State of Alaska	1,097,226	589,374
Fund balance	43,709,849	43,394,334
Commitments (note 4)		
	<u>\$ 44,808,300</u>	<u>44,043,732</u>

See accompanying notes to financial statements.

ALASKA RENEWABLE RESOURCES CORPORATION

Notes to Balance Sheets

December 31, 1981

(Unaudited - See Accompanying Compilation
Report of Peat, Marwick, Mitchell & Co.)

(1) Summary of Significant Accounting Policies

Alaska Renewable Resources Corporation (ARRC) is a public corporation created by the Alaska Legislature in 1978 to promote the development and sustained use of Alaska's renewable resources. Funds for ARRC have been appropriated by the Legislature from proceeds received by the State from mineral leases, rentals, bonuses and royalties on minerals produced on State lands. The significant accounting policies applied in accounting for these funds are as follows:

State Appropriations - Funds appropriated by the State for operating purposes are accounted for as revenues in the Operating Fund. Funds appropriated for loans, investments, technical assistance and grants are accounted for in the Development Fund.

Interest Income - Interest on loans is recognized as income only to the extent that management considers it collectible.

Loan Principal - Principal repayments on loans are available to ARRC for additional loans.

Non-accrual Loans - The accrual of interest on loans is discontinued when payment of principal or interest is considered to be doubtful of collection. Interest income on non-accrual loans is recognized only to the extent payments are received.

Equity Investments - Investments in capital stock are carried at net realizable value as determined by management.

Income Taxes - ARRC is a political subdivision of the State of Alaska and, therefore, by statute, is exempt from state and federal income taxes.

Retirement Plan - All employees of ARRC participate in the State of Alaska Public Employees Retirement System (PERS). All pension costs are funded by the State as they accrue.

(Continued)

ALASKA RENEWABLE RESOURCES CORPORATION

Notes to Balance Sheets

(Unaudited - See Accompanying Compilation
Report of Peat, Marwick, Mitchell & Co.)

(2) Valuation of Loans and Investments

Loans are made at interest rates of 10% to prime plus 3% and for terms of several months to several years. Most loans are secured by property or equipment. A valuation allowance is provided for loans and accrued interest receivable when management and the Board of Trustees determine that a loan or accrued interest receivable may not be collectible and that the collateral securing the loan or accrued interest receivable may be insufficient to recover the recorded balance. At December 31, 1981, management has established a \$261,147 provision for possible uncollectible loans, and a \$384,528 provision for possible uncollectible accrued interest receivable.

In determining the necessity for a valuation reserve, management relies on financial data of investees and estimates the effects of future developments on the investee companies. All equity investments were valued at cost since, in management's opinion, insufficient time had elapsed since initial investment to determine any appreciation or depreciation in the investments, although management has determined that underlying collateral would be sufficient to liquidate its investments without loss.

(3) Pledged Assets

Rather than loaning funds directly to investees, ARRC may assist them in obtaining loans from banks by depositing funds at a bank as security for a loan. At December 31, 1981, \$5,000,000 was deposited with banks as security for loans made by the banks.

(4) Commitments

In the normal course of business, there are outstanding various commitments, such as guarantees and commitments to extend credit, which are not included in the accompanying financial statements, including loan guarantees of \$180,000, undisbursed loan funds of approximately \$3,595,000 and \$6,538,000 of tentative loan commitments to investees. No material losses are anticipated as a result of these transactions.

ARRC has agreed to participate with a bank in a loan to Marvin Clark. ARRC's committed participation of approximately \$395,000 was not disbursed as of December 31, 1981, pending the bank's request for such funds.

(5) Equity Investment

ARRC has recorded its equity investment of \$1,800,000 in the Schnabel Lumber Company and placed an amount equal to its investment in a restricted bank account. Funds may be disbursed only for construction related activities with ARRC retaining final approval authority for all disbursements. At December 31, 1981, no funds had been disbursed from the account.

ALASKA RENEWABLE RESOURCES CORPORATION

Loans Receivable

December 31 and June 30, 1981

(Unaudited - See Accompanying Compilation
Report of Peat, Marwick, Mitchell & Co.)

<u>Company</u>	<u>December 31</u>	<u>June 30</u>
A. Agriculture:		
Alyeska Candy Kitchen	\$ 33,918	34,785
Anchor Renewable Farms	119,468	119,125
Greatland Farms	272,754	120,000
Rice Fur Farm	62,100	-
	<u>488,240</u>	<u>273,910</u>
B. Commercial Fish Processors Assistance Fund:		
Ball Brothers, Inc.	3,350,000	3,000,000
Salamatof Seafoods, Inc.	2,495,210	2,575,491
Martin Clark	-	373,332
American Eagle	50,000	50,000
Alaska Food Co.	3,440,000	3,000,000
Icicle Seafoods, Inc.	400,000	400,000
New Seward, Inc.	1,215,000	1,350,000
	<u>10,950,210</u>	<u>10,748,823</u>
C. Fisheries:		
Kokechik	278,588	293,778
Pacific Barge	132,059	121,980
Sea Fisher	150,000	200,000
TEPA	335,000	348,489
SeaWard Shipyard	480,000	480,000
American Eagle	150,000	250,000
Martin's Seafood	458,259	450,000
Trinity Resources	-	296,048
Alaska Fish	103,703	125,000
Alaska Bait Producers	400,000	292,129
Sterling Seafoods	125,000	1,125,000
Alaska Food Co.	1,860,000	1,232,566
Ball Brothers, Inc.	300,000	750,000
Salamatof Seafoods, Inc.	671,331	-
Robert and Jean Wyman	987,341	-
Kachemak Seafoods	250,000	-
Seafoods of Alaska	428,000	-
	<u>7,109,281</u>	<u>5,964,990</u>

(Continued)

ALASKA RENEWABLE RESOURCES CORPORATION

Loans Receivable, Continued

(Audited - See Accompanying Compilation
Report of Peat, Marwick, Mitchell & Co.)

<u>Company</u>	<u>December 31</u>	<u>June 30</u>
D. Forest Assistance:		
Alaska Timber Corporation	\$ 469,896	164,276
Schnabel Lumber Company	<u>322,413</u>	-
	<u>792,309</u>	<u>164,276</u>
E. Forest Products:		
Woodyard	39,167	39,167
Steik	55,000	55,000
SeaWard Shipyard	100,000	100,000
Pine's Sawmill	16,500	22,500
Mastercraft	315,000	315,000
Chugach Natives, Inc.	<u>35,000</u>	-
	<u>560,667</u>	<u>531,667</u>
Total loans	\$ <u>19,900,707</u>	<u>17,683,666</u>