



LAWS OF ALASKA

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Source
CSHB 189(FIN)

Chapter No.
82

AN ACT

Establishing the Alaska heritage endowment fund and amending the responsibilities of the Alaska State Museum and of the Museum Collections Advisory Committee; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 17, 1992
Actual Effective Date: July 1, 1992

AN ACT

1 Establishing the Alaska heritage endowment fund and amending the responsibilities of the Alaska State
2 Museum and of the Museum Collections Advisory Committee; and providing for an effective date.

3

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

5 (1) cultural, natural heritage, artistic, archival, and scientific materials represent and
6 document Alaska's land and people from prehistoric times to the present;

7 (2) archival material and artifacts relate historical events and personalities, provide for
8 advancement of historical and scientific research; and communicate information about the history of the
9 state from one generation to another;

10 (3) Alaska Native art, historical art, and contemporary artistic achievements are an
11 integral part of the state's cultural diversity and provide a basis for understanding our individual and
12 collective identity;

13 (4) much of Alaska's cultural and historic resources have been and remain in great

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1 demand nationally and internationally, as a consequence of which the state has been stripped of a
2 substantial portion of its material cultural heritage; the process continues with sale from in-state
3 collections to nonresidents of works of significant artistic or historical value;

4 (5) acquisition, a primary function of museums, is a process that is necessarily carefully
5 planned and highly selective in order that collections be capable of supporting the long-range goals of
6 a large and diverse constituency;

7 (6) it is not possible for museums to develop a balanced and planned collection by means
8 of donations alone; recent changes in federal tax laws have diminished donations as a principal source
9 of money to sustain the development of balanced and planned collections; at the same time, while many
10 individuals who possess materials important to Alaska would like to assure that those materials remain
11 in the state or return to it, they often find it impossible to make the necessary financial sacrifice that
12 attaches to donation of those materials;

13 (7) purchased acquisitions enable museums to develop their collections systematically in
14 accordance with established long-range plans;

15 (8) museums that are charged with responsibility for development and maintenance of
16 collections must respond to acquisition opportunities as they arise, but the availability of premiere
17 Alaskan objects and collections by acquisition cannot be predicted;

18 (9) a lack of access at all times to funding for major acquisitions results in the loss of
19 opportunity to acquire essential material; once missed, the acquisition opportunity may be one that is
20 gone forever;

21 (10) the establishment of an endowment as a source of income would materially assist
22 the Alaska State Museum to compete successfully to acquire exceptional cultural and historical materials
23 and resources for retention within the state and for return to the state.

24 (b) To secure to Alaskans in this and future generations the pride, identity, and importance that
25 attaches to the state's heritage of cultural and natural heritage, the legislature is establishing the Alaska
26 heritage endowment fund, the income from which will provide a stable source of money for the
27 acquisition of outstanding objects and collections.

28 * Sec. 2. AS 14.57.050(b) is amended to read:

29 (b) Artifacts, natural history specimens, art objects, collections, or other items, materials
30 or properties that relate to the history of Alaska and are appropriate for preservation in the state
31 museum of a value of \$1,000 or more may not be acquired by purchase, gift, or exchange, or

1 otherwise [,] nor may any item owned by, or in the custody of, the state museum be disposed of
 2 by sale, gift, exchange, or otherwise, without the written approval of the committee. In
 3 recommending the acquisition or disposal of an item under this subsection for the state
 4 museum, the committee shall evaluate the need for the item or collection proposed for
 5 acquisition or disposal with reference to the scope of collections of the state museums.

6 * Sec. 3. AS 14.57.080 is amended to read:

7 Sec. 14.57.080. **DEFINITION** [DEFINITIONS]. In AS 14.57.020 - 14.57.080, [THIS
 8 CHAPTER] "committee" means the state Museum Collections Advisory Committee.

9 * Sec. 4. AS 14.57 is amended by adding new sections to read:

10 ARTICLE 2. USE OF NET INCOME OF ALASKA HERITAGE ENDOWMENT FUND.

11 Sec. 14.57.100. **ACQUISITIONS**. Subject to appropriation by the legislature under
 12 AS 37.14.430, the director may use the balance of the net income account of the Alaska heritage
 13 endowment fund to acquire culturally or historically significant artifacts, natural history
 14 specimens, art objects, collections, and other items, materials, or properties that represent and
 15 document Alaska's land, natural history, and people for

- 16 (1) the Alaska State Museum; and
- 17 (2) the Sheldon Jackson Museum.

18 Sec. 14.57.110. **OWNERSHIP OF ACQUIRED ITEMS**. Except when ownership of an
 19 item is transferred under AS 14.57.120, an item acquired under AS 14.57.100 becomes the
 20 property of the state museum.

21 Sec. 14.57.120. **CRITERIA APPLICABLE TO ACQUISITIONS FROM THE FUND**.
 22 Subject to approval given by the Museum Collections Advisory Committee under
 23 AS 14.57.050(b), the director may

24 (1) establish by contract the terms and conditions of custody, protection,
 25 conservation, and exhibition of an item acquired by the state museum if the item is acquired and
 26 custody of it is assigned to another institution;

27 (2) transfer ownership of an item to an institution having custody of an item
 28 acquired from the net income account of the fund if the director is satisfied that the institution
 29 will provide necessary care and protection of the item; or

30 (3) assign long-term custody of an item to an institution having custody of an
 31 item acquired from the net income account of the fund if the director is satisfied that the

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1 institution to which custody of the item is transferred will provide necessary care and protection
2 of the item in accordance with a contract entered into under (1) of this section.

3 Sec. 14.57.130. DISPOSITION OF ACQUIRED ITEMS. Subject to approval of the
4 Museum Collections Advisory Committee under AS 14.57.050(b), the director may establish a
5 deaccession policy under which the director may exchange or otherwise convey title to an item
6 acquired from the net income account of the fund in accordance with generally accepted
7 principles governing the disposal of these items.

8 Sec. 14.57.199. DEFINITIONS. In AS 14.57.100 - 14.57.199,

9 (1) "director" means the director of the division of state libraries, archives, and
10 museums;

11 (2) "fund" means the Alaska heritage endowment fund established in
12 AS 37.14.400;

13 (3) "net income account" means the account established in AS 37.14.410.

14 * Sec. 5. AS 37.14 is amended by adding new sections to read:

15 ARTICLE 5. ALASKA HERITAGE ENDOWMENT FUND.

16 Sec. 37.14.400. ALASKA HERITAGE ENDOWMENT FUND ESTABLISHED. The
17 Alaska heritage endowment fund is established as a separate endowment trust fund of the state.
18 The principal of the fund consists of

19 (1) legislative appropriations to the fund; and

20 (2) gifts, bequests, and contributions of cash or other assets made by a person who
21 has specified their placement in the fund principal.

22 Sec. 37.14.410. NET INCOME ACCOUNT. (a) The net income account is established
23 in the Alaska heritage endowment fund. The net income account of the fund consists of

24 (1) money and other assets given by persons to the fund whose placement in the
25 principal of the fund is not required by AS 37.14.400(2); and

26 (2) amounts earned on the investment of gifts, bequests, and contributions of cash
27 or other assets whose placement in the principal of the fund is required under AS 37.14.400(2).

28 (b) The legislature may appropriate from the net income account to the principal of the
29 fund under AS 37.14.400(1).

30 (c) The net income of the fund shall be determined by the commissioner of revenue in
31 accordance with investment accounting principles and in a manner that preserves the distinction

1 between principal and income.

2 (d) Unless otherwise provided by the act making an appropriation under (b) of this
3 section, an amount appropriated to the net income account under (b) of this section does not
4 lapse.

5 Sec. 37.14.420. POWERS AND DUTIES OF THE COMMISSIONER OF REVENUE.

6 The commissioner of revenue is the treasurer of the fund and has the power and duty to

7 (1) act as official custodian of the cash and investments belonging to the fund by
8 securing adequate and safe custodial facilities;

9 (2) receive all items of cash and investments belonging to the fund;

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

12 (4) invest and reinvest the assets of the fund as provided in this section and as
13 provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

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

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

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

19 (8) enter into and enforce contracts or agreements considered necessary for the
20 investment purposes of the fund;

21 (9) report to the commission the condition and investment performance of the
22 fund;

23 (10) do all acts, whether or not expressly authorized, that the commissioner of
24 revenue considers necessary or proper in administering the assets of the fund.

25 Sec. 37.14.430. USE OF FUND. (a) The principal of the fund and any capital gains or
26 losses realized on the principal shall be retained perpetually in the fund for investment as
27 specified in AS 37.14.420.

28 (b) The net income account of the fund may be appropriated for the following purposes:

29 (1) reimbursement to the Department of Revenue for the costs of establishing and
30 managing the fund;

31 (2) the administrative expenses of the Museum Collection Advisory Committee

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1 relating to acquisitions from the fund, as determined by the legislature;

2 (3) acquisitions authorized by AS 14.57.100 - 14.57.199; and

3 (4) reimbursement of other costs of administration of the fund.

4 (c) The balance remaining in the net income account that, at the end of the fiscal year,
5 has not been appropriated, or that has been appropriated but not expended, shall be invested until
6 appropriated or expended.

7 Sec. 37.14.440. DEFINITION. In AS 37.14.400 - 37.14.440, "fund" means the Alaska
8 heritage endowment fund established by AS 37.14.400.

9 * Sec. 6. This Act takes effect July 1, 1992.