

CS FOR HOUSE BILL NO. 49(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered: 3/20/13

Referred: Finance

Sponsor(s): REPRESENTATIVES HERRON, Edgmon, Feige, Tuck, Foster, Kerttula, Kreiss-Tomkins, Tarr

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Chinook salmon research and restoration endowment**
2 **fund and relating to grants from the fund; and providing for an effective date."**

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

4 *** Section 1.** AS 37.14 is amended by adding new sections to read:

5 **Article 7A. Alaska Chinook Salmon Research and Restoration Endowment Fund.**

6 **Sec. 37.14.650. Fund established.** (a) The Alaska Chinook salmon research
7 and restoration endowment fund is established as a separate endowment trust fund of
8 the state consisting of

9 (1) appropriations to the fund;

10 (2) donations to the fund; and

11 (3) income earned on investments of fund assets if that income is
12 appropriated by the legislature to the fund.

13 (b) The commissioner of revenue shall manage the fund as an endowment,
14 with the goal that the purchasing power of the fund will not diminish over time

1 without regard to additional contributions that may be made to the fund. The
 2 commissioner shall invest the assets of the fund in a manner likely to yield at least a
 3 five percent real rate of return over time. The commissioner may comingle the assets
 4 of the fund with other public funds for purposes of investment.

5 (c) In carrying out the investment duties for the fund, the commissioner of
 6 revenue has the powers and duties set out in AS 37.10.071. The commissioner shall

7 (1) provide annual reports to the board on the condition and investment
 8 performance of the fund;

9 (2) maintain records for all donations to the fund; the records must
 10 reflect, for each donation, the amount of the donation, the date of the donation, and the
 11 donor's intent, if any, with respect to how the donation is to be used; and

12 (3) monitor use of money by the board.

13 (d) Nothing in this section creates a dedicated fund.

14 **Sec. 37.14.655. Grant account established.** The Alaska Chinook salmon
 15 research and restoration grant account is established as an account in the general fund.

16 **Sec. 37.14.660. Appropriations to the grant account.** (a) As soon as
 17 practicable after July 1 of each year, the commissioner of revenue shall identify as
 18 available for appropriation to the Alaska Chinook salmon research and restoration
 19 grant account the greater of

20 (1) five percent of the average of the market values of the fund on
 21 June 30 for the immediately preceding three fiscal years;

22 (2) one-half of the earnings of the fund as averaged annually over the
 23 immediately preceding three fiscal years; and

24 (3) if the principal of the fund is valued at more than \$50,000,000
 25 based on the market value of the fund on June 30 for the immediately preceding fiscal
 26 year, the total earnings of the fund for that fiscal year.

27 (b) The legislature may appropriate amounts to the grant account

28 (1) as calculated under (a) of this section; or

29 (2) from any source in any amount.

30 **Sec. 37.14.665. Use of the grant account.** (a) Appropriations to the grant
 31 account established by AS 37.14.655 may be used for

1 (1) grants for research and restoration projects for Chinook salmon
 2 stocks located in the state, including block grants to Alaska organizations identifying
 3 and administering research and restoration projects for Chinook salmon stocks, if

4 (A) the project is consistent with a research and restoration plan
 5 adopted by the organization and the plan has been approved by the Department
 6 of Fish and Game; and

7 (B) the grant applicant provides matching funds in an amount
 8 equal to 25 percent of the grant amount;

9 (2) reimbursement of the Department of Revenue for the costs of
 10 establishing and managing the fund;

11 (3) reimbursement of the Department of Commerce, Community, and
 12 Economic Development for the costs of establishing, maintaining, and administering
 13 the board and the grant program;

14 (4) matching funds for private and federal grants; and

15 (5) solicitation of contributions for purposes consistent with
 16 establishment of the fund.

17 (b) The board may expend private donations for Chinook salmon research and
 18 restorations projects and other uses consistent with the purposes of the fund and in
 19 conformity with the donor's restrictions.

20 **Sec. 37.14.670. Board established.** The Alaska Chinook Salmon Research and
 21 Restoration Endowment Fund Board is established in the Department of Commerce,
 22 Community, and Economic Development.

23 **Sec. 37.14.675. Board members.** (a) The board consists of the following
 24 members appointed by the governor:

25 (1) the commissioner of fish and game or the commissioner's designee;
 26 and

27 (2) six public members, one of whom resides in each of the following
 28 regions and engages in subsistence, personal, commercial, or sport use of Chinook
 29 salmon stocks in that region:

30 (A) Southeast Alaska, consisting of all land and water between
 31 Cape Suckling and Dixon Entrance that are Gulf of Alaska or mainland

1 drainages; the Guyot Hills; islands in Stephens Passage and Lynn Canal;
2 Coronation Island, Kuiu Island, Kupreanof Island, Mitkof Island, Zarembo
3 Island, Kashevarof Island, Woronkofski Island, Etolin Island, Wrangell Island,
4 Deer Island, Admiralty Island, Baranof Island, Chichagof Island, Yakobi
5 Island, Inian Island, Lemesurier Island, Pleasant Island; and adjacent marine
6 water and land within three miles of the coastline;

7 (B) Southcentral Alaska, consisting of all land and water in
8 those drainages south and east of the Alaska Range that drain into the Gulf of
9 Alaska, Cook Inlet, and Prince William Sound between Cape Suckling and
10 Kennedy Entrance; the land and drainages between Redoubt Creek and Cape
11 Douglas that flow into Cook Inlet; the Chitina drainage east to the Canadian
12 border; the drainages into the Delta River upstream from Falls Creek and
13 Black Rapids Glacier; and adjacent marine water and land within three miles
14 of the coastline;

15 (C) Southwest Alaska, consisting of all land and water between
16 Kennedy Entrance and Cape Newenham that drain into Bristol Bay and the
17 Bering Sea; the Alaska Peninsula; Hagemeister Island, Walrus Island, High
18 Island, Summit Island, Kodiak Archipelago, Barren Island, Pribilof Island,
19 Unimak Island, and Aleutian Islands; and adjacent marine water and land
20 within three miles of the coastline;

21 (D) Western Alaska, consisting of all land and water between
22 Cape Newenham and the Pastolik River near Kotlik that drain into the Bering
23 Sea from the Yukon River downstream from a straight line drawn between
24 Lower Kalskag and Kotlik; the George River drainage; the Kuskokwim River
25 drainage downstream from the George River drainage; the Holitna River
26 drainage; the Hoholitna River drainage; and adjacent marine water and land
27 within three miles of the coastline;

28 (E) Arctic Alaska, consisting of all land and water between the
29 Pastolik River near Kotlik and Harrison Bay west of the Ilkillik River drainage
30 that drain into the Arctic Ocean, the Chukchi Sea, Kotzebue Sound, or Norton
31 Sound; Saint Lawrence Island and adjacent islands; and the adjacent marine

1 water and land within three miles of the coastline;

2 (F) Interior Alaska, consisting of all land and water of the
3 Kuskokwim River drainage upstream from the George River drainage; all
4 drainages into the east bank of the Robertson River; White River drainage to
5 the Canadian border; Tozitna River drainage; Yukon River drainage upstream
6 from the Tozitna River drainage; Hamlin Creek drainage; all drainages into the
7 south bank of the Yukon River upstream from and including the Charley River
8 drainage; the Ladue River drainage; Fortymile River drainage; Tanana River
9 drainage north of the Alaska Range; and the Koyukuk River drainage.

10 (b) The public members appointed under (a)(2) of this section shall include at
11 least one member who uses Chinook salmon stock primarily for each of the following:

- 12 (1) subsistence;
- 13 (2) personal use;
- 14 (3) commercial harvest; and
- 15 (4) sport fishing.

16 (c) When appointing public members of the board, the governor shall take into
17 consideration recommendations of the fish advisory committees established under
18 AS 16.05.260 for the region in which the prospective member resides.

19 (d) Members shall serve terms of five years and may be reappointed by the
20 governor.

21 (e) Except as provided in AS 37.14.680(b)(5), the board shall act by a vote of
22 a majority of the members of the board. Members may participate in board meetings
23 telephonically and vote telephonically. In this subsection, "telephonically" means live
24 two-way communication by telephone, video conferencing, or other similar means of
25 communication, but does not include communication by facsimile or electronic mail.

26 **Sec. 37.14.680. Duties of the board.** (a) The Alaska Chinook Salmon
27 Research and Restoration Endowment Fund Board shall administer the grant program.

28 (b) The board shall

29 (1) within 90 days after the appointment of the seventh board member,
30 adopt bylaws governing the board's operation and identify an organization
31 incorporated in Alaska to provide clerical and administrative support to the board in

1 performing its duties;

2 (2) monitor approved projects for compliance with specific grant
3 conditions;

4 (3) keep electronic recordings of each meeting of the board to be made
5 available on request;

6 (4) adopt regulations creating a process for soliciting, awarding, and
7 monitoring research and restoration grants and ensuring peer review for grant projects;
8 the board shall consider the process and structure of the North Pacific Research Board
9 in adopting its regulations;

10 (5) award grants upon affirmative vote of the six public members; and

11 (6) provide an opportunity for the public to comment on the merits,
12 methods, and parameters of research, restoration projects, or other matters relating to
13 the board and the fund.

14 (c) On February 1 of each year following the calendar year grants are first
15 awarded, the board shall prepare and submit a report to the governor and make the
16 report available to the legislature. The report must include, for the last calendar year,

17 (1) the number of applicants and the number and type of grants
18 awarded;

19 (2) the dollar amount of grants awarded;

20 (3) the research and restoration projects funded and the results of those
21 projects;

22 (4) the expense to administer the fund, the grants, and the board; and

23 (5) the amount of private contributions, if any, to the fund and how
24 those contributions were used.

25 **Sec. 37.14.685. Review of grants.** (a) When reviewing grant applications, the
26 board shall give weight to the following factors:

27 (1) whether the Chinook salmon stocks targeted in the grant
28 application provide a significant commercial, subsistence, sport, or personal use
29 fishery for Alaska residents;

30 (2) the importance of the Chinook salmon stocks targeted in the grant
31 application and the fisheries those stocks support, taking into consideration the use of

1 stocks by Alaska residents for nutritional, economic, social, and cultural well-being;

2 (3) whether the applicant has experience in administering research or
3 restoration projects for Chinook salmon;

4 (4) recommendations of state agencies or organizations involved in
5 Chinook salmon management in the state.

6 (b) The board shall give priority to grant applications for research or
7 restoration projects targeting Chinook salmon stocks that, within the preceding 10
8 years,

9 (1) were listed by the Department of Fish and Game as stocks of
10 concern;

11 (2) were the subject of a state or federal fisheries disaster declaration;

12 (3) were closed or significantly restricted for commercial, sport, or
13 personal use, or restricted for subsistence uses; or

14 (4) declined significantly from historic yield levels.

15 **Sec. 37.14.695. Definitions.** In AS 37.14.650 - 37.14.695,

16 (1) "board" means the Alaska Chinook Salmon Research and
17 Restoration Endowment Fund Board established under AS 37.14.670;

18 (2) "Chinook salmon" means Alaska king salmon of the genus
19 *Oncorhynchus*, species *tshawytscha*;

20 (3) "fund" means the Alaska Chinook salmon research and restoration
21 endowment fund established under AS 37.14.650;

22 (4) "grant account" means the Alaska Chinook salmon research and
23 restoration grant account established under AS 37.14.655.

24 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 **TRANSITION.** (a) The governor shall appoint three members under AS 37.14.675 to
27 an initial term of three years and four members to an initial term of five years. After a
28 member's initial term has expired, appointments shall comply with AS 37.14.675(b).

29 (b) Under AS 37.14.660, enacted by sec. 1 of this Act, for the first three fiscal years
30 after the effective date of this Act, as soon as practicable after July 1 of each fiscal year, the
31 commissioner of revenue shall identify as available for appropriation to the Alaska Chinook

1 salmon research and restoration grant account established under AS 37.14.655, and the
2 legislature may appropriate to the grant account, five percent of the market value of the
3 Alaska Chinook salmon research and restoration endowment fund.

4 * **Sec. 3.** This Act takes effect July 1, 2013.