Introduced by: Mayor, Fischer, & Davis
Date: Jan. 20, 1981
Vote: 14 YES; 2 NO
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 81-25

URGING THE LEGISLATURE AND ADMINISTRATION TO ESTABLISH A "PASS THRU" CORPORATION CONSISTING OF ALL CITIZENS OF THE STATE OF ALASKA, WHICH CORPORATION SHALL OWN ALL MINERAL RIGHTS VESTED OR WHICH SHALL BE VESTED IN THE FUTURE IN THE STATE OF ALASKA. ALL ROYALTIES AND INCOME TO PERIODICALLY BE DISTRIBUTED TO ALL SHAREHOLDERS.

WHEREAS, the State of Alaska currently receives several billion dollars per year in revenues from petroleum and other mineral leases held by the State for commercial exploitation; and

WHEREAS, these revenues are derived from resources belonging to all of the people of the State of Alaska, and not to the government of the State, and should be returned to the people; and

WHEREAS, the State legislature failed to control the expendidture of the peoples' wealth during the 1980 legislative session and has wasted many millions of dollars on frivolous and unnecessary projects while failing to adequately fund basic necessities such as road construction and other transportation developments; and

WHEREAS, vast sums of petroleum royalties falling directly to the State government have removed the legislature from the practical limitations upon expenditures imposed by resistance to excessive taxation and spending; and

WHEREAS, it is improper for the legislature to decide which project shall be funded and which benefits shall be distributed independent of the will of the people, for this will lead to a socialistic society in which the citizens will expect the government to provide for every facet of their needs; and

WHEREAS, the State should receive from the people any monies needed for capital improvements and operations through taxation and expenditures for major capital improvement programs, such as roads, public facilities or dams. These should be approved by vote of the people in a manner

analogous to the traditional method of bonding major capital improvements; and

WHEREAS, any other method of allocating State expenditures will lead to extreme favoritism to some in the allocation of funds, benefits and capital improvements while others will receive little or no benefit from the massive petroleum and mineral wealth now flowing into the State Treasury; and

WHEREAS, such wealth belongs to all of the people of the State of Alaska and must be used for the maximum benefit of the people pursuant to Article VIII of the Alaska Constitution; and

WHEREAS, the Assembly finds that the best method and the only way to assure maximum benefit of effecting a distribution of mineral income to the people and providing a brake upon excessive and unwise expenditures by the legislature is through the formation of a corporation holding title to all mineral rights and revenues within the State. Which corporation shall distribute its annual income directly to the shareholders and who shall consist of every natural person who is a citizen of the State of Alaska as of the date of incorporation with no further shares being issued subsequent to incorporation.

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Assembly urges the legislature and administration to form promptly a corporation whose assets shall consist of the transfer from the State to the corporation of all title, right and interest in all petroleum and other mineral related property rights, leases, entitlements, income and other rights which may be now in state possession or may in the future be received the title of which is held nominally by the State of Alaska. The Assembly urges the legislature to provide for a one time distribution of stock of this corporation by the issuance of one share to every natural person who is a citizen of the State of Alaska as of the date of incorporation and entitling that shareholder to a proportionment interest in the real property and personal property assets of the corporation with cash dividends to be issued annually to shareholders in proportion to petroleum and mineral royalties and other income received by the corporation.

Section 2. That the Assembly further urges the legislature to provide for an equitable method of providing for voter approval of major capital expenditure programs and for an equitable and constitutionally acceptable method of tying state expenditures to taxes contributed by the citizens of the state.

Section 3. That the Clerk shall serve copies of this Resolution upon The Honorable Jay S. Hammond, Governor of Alaska, upon The Honorable Terry Miller, Lieutenant Governor of Alaska, upon the President of the State Senate, upon the Speaker of the State House, upon the Honorable Donald E. Gilman, State Senator and upon the Honorables Bette Cato, Hugh Malone and Pat O'Connell, State Representatives.

Section 4. That this Resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 20 DAY OF January, 1981.

Paul A. Fischer

Paul Fischer,
Assembly President

ATTEST:

Frances Bryner

Borough Clerk