A BILL

FOR AN ACT ENTITLED

"An Act relating to surety bonds required of certain fish processors."

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

Section 1. AS 44.25.040(b) is amended to read:

(b) A fish processor that processes more than 30,000 pounds of fish a year and a primary fish buyer shall file a surety bond with the commissioner under this subsection. The amount of the bond shall be $10,000 unless, during the preceding five years, that amount was insufficient to satisfy a final judgment resulting from a claim asserted against the bond, cash deposits, or other security filed under this section. If $10,000 was insufficient, the bond shall be $50,000; if $50,000 was insufficient, the bond shall be $100,000. If the commissioner determines that during the preceding five years [,] a fish processor or primary fish buyer (1) has engaged in the business of fish processor or primary fish buyer in the state while not in compliance with this section and (2) has not yet satisfied a final judgment entered against the processor or fish buyer for payment for labor furnished to, or raw fishery resources purchased by, the processor or fish buyer, then the amount of the bond for
the processor or fish buyer shall be $100,000. In lieu of the surety bond, the fish processor or primary fish buyer may file with the commissioner a cash deposit or other negotiable security acceptable to the commissioner in the amount specified for the bond. If no claim is asserted under this section within two years from the date the bond, cash deposit or other security is filed, the term of the bond, cash deposit or other security shall be two years; if a claim has been asserted within two years, the term of the bond, cash deposit or other security shall be for five years.

* Sec. 2. AS 44.25.040 is amended by adding a new subsection to read:

(h) The amount of bond required of a fish processor that processes 30,000 pounds or less of fish a year is $2,000 unless, during the preceding five years, that amount was insufficient to satisfy a final judgment resulting from a claim asserted against the bond, cash deposits, or other security filed under this section. If $2,000 was insufficient, the bond shall be $10,000; if $10,000 was insufficient, the bond shall be $20,000. If the commissioner determines that during the preceding five years a fish processor (1) has engaged in the business of fish processor in the state while not in compliance with this section and (2) has not yet satisfied a final judgment entered against the processor for payment for labor furnished to, or raw fishery resources purchased by, the processor, then the amount of the bond for the processor shall be $20,000. If a processor who has filed a bond under this subsection processes more than 30,000 pounds of fish in a year, the processor shall, within seven days from the day on which the 30,000 pound threshold is exceeded, notify the commissioner and comply with (b) of this section. If a processor who has filed a bond under this subsection processes more than 30,000 pounds of fish in a year, and does not comply with (b) of this section within seven days from the day on which the 30,000 pound threshold is exceeded, the processor shall cease processing fish until a bond has been filed under (b) of this section. In lieu of the surety bond, the fish processor may file with the commissioner a cash deposit or other negotiable security acceptable to the commissioner in the amount specified for the bond. If no claim is asserted under this section within two years from the date the bond, cash deposit, or other security is filed, the term of the bond, cash deposit, or other security shall be two years; if a claim has been asserted within two years, the term of the bond, cash deposit, or other security shall be for five years.
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