AN ACT

Relating to cost recovery fisheries for private nonprofit hatchery facilities.

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

THE ACT FOLLOWS ON PAGE 1
AN ACT

Relating to cost recovery fisheries for private nonprofit hatchery facilities.

* Section 1. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.455. Cost recovery fisheries. (a) A hatchery permit holder may harvest salmon for a facility in

(1) a special harvest area through agents, or employees of or persons under contract with the permit holder as provided under a permit from the department or regulations of the Board of Fisheries; or

(2) a terminal harvest area through the common property fishery under this section.

(b) A hatchery permit holder may, by a majority vote of the membership of the hatchery permit holder's board, elect to harvest surplus salmon produced at a facility in a terminal harvest area established for that facility through the common property fishery. At the request of the hatchery permit holder and if the commissioner of fish and game determines that there are no allocative issues involved, and after
reasonable consultation with affected commercial fishermen and the organizations of affected commercial fishermen, the commissioner may adopt regulations governing the harvest of surplus salmon in a terminal harvest area when the hatchery permit holder elects to harvest surplus salmon produced at a facility through a common property fishery. The regulations must specify the terms, conditions, and rules under which the common property fishery in the terminal harvest area shall be conducted, including requirements for hold inspections and reporting of harvests and sales of salmon taken in the terminal harvest area. Following adoption of regulations by the department, each year before March 10, the hatchery permit holder's board, by a majority vote of the board's membership, may determine whether the hatchery will operate under the regulations adopted under this subsection during the current calendar year, and shall notify the department if the hatchery intends to operate under the regulations adopted under this subsection. The Board of Fisheries may adopt regulations under AS 16.05.251 regarding a fisheries management plan governing operations under this subsection in a terminal harvest area, including allocation plans. Participation in the fishery must be open to all interim-use permit and entry permit holders who hold permits to operate a type of gear that may be used in the fishing district in which the terminal harvest area is located if that type of gear is authorized by regulation to be used in the terminal harvest area. An interim-use permit holder or an entry permit holder who takes salmon in a common property fishery in a terminal harvest area may sell the salmon to any fish buyer or processor who is licensed to do business in the state.

(c) As a condition of participation in a common property salmon fishery in a terminal harvest area under this section, a fisherman who participates in the fishery is subject to the payment of the assessment levied under (d) of this section. The assessment is levied on the value of salmon that the fisherman takes in the terminal harvest area and sells to a licensed buyer. The buyer of the salmon must be licensed under AS 43.75, and the buyer shall collect the assessment on salmon taken in a terminal harvest area at the time of purchase and remit the assessment to the Department of Revenue in accordance with regulations adopted by the Department of Revenue.
(d) The Department of Revenue may, by regulation, annually, by March 1 of each year, set the rate of the assessment levied on salmon taken in a terminal harvest area in consultation with the Department of Commerce, Community, and Economic Development, the hatchery permit holder, and representatives of affected commercial fishermen. The rate of the assessment shall provide sufficient revenue to cover debt service to the state, reasonable operating expenses, reasonable maintenance expenses, and development or maintenance of a reserve fund up to 100 percent of annual operating costs of the hatchery permit holder. In setting the rate of the assessment, the department shall consider the estimated return and harvest of salmon in the terminal harvest area, the projected price to be paid for salmon in the region, the amount of the existing reserve held by the hatchery permit holder, and the amount by which the assessment collected in previous years exceeded or fell short of the amount anticipated to be collected. The total rate of the assessment may not exceed 50 percent of the value of the salmon.

(e) The Department of Revenue shall deposit the assessments collected under this section in the general fund. The legislature may appropriate the funds collected under this section to the hatchery permit holder who operates a facility in the terminal harvest area in which the assessment was levied. A hatchery permit holder shall use funds appropriated under this subsection for the purposes set out under AS 16.10.450(a). The legislature may also appropriate funds collected under this section to the Department of Revenue for costs incurred by the department under this section.

(f) A person who violates a regulation adopted under (b) of this section is guilty of a violation under AS 16.05.722 or a misdemeanor under AS 16.05.723. A person who violates a regulation adopted by the Department of Revenue under (c) of this section is guilty of a class A misdemeanor.

(g) In this section,

(1) "facility" means a hatchery or salmon rehabilitation project for which a permit is issued under AS 16.10.400 - 16.10.470;

(2) "special harvest area" means an area designated by the commissioner or the Board of Fisheries where salmon returning to a hatchery may be
harvested by the hatchery operators, and, in some situations, by the common property
fishery;

(3) "terminal harvest area" means a harvest area, which may include a
hatchery release site, established by the commissioner or the Board of Fisheries where
salmon returning to a hatchery may be harvested by the common property fishery;

(4) "value" has the meaning given in AS 43.75.290.

* Sec. 2. AS 43.76.035 is amended to read:

Sec. 43.76.035. Exemption. Except as provided under (b) of this section,
AS 43.76.001 - 43.76.040 do not apply to salmon harvested under a special harvest
area entry permit issued under AS 16.43.400.

* Sec. 3. AS 43.76.035 is amended by adding a new subsection to read:

(b) Salmon harvested in a common property fishery conducted in a terminal
harvest area under AS 16.10.455 are subject to a salmon enhancement tax levied under
AS 43.76.001 - 43.76.040.