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Sectional Analysis  
CS HB 41 (FIN) / 32-LS0291\I  
Shellfish Projects; Hatcheries; Fees

Sec. 1: Provides the Alaska Board of Fisheries authority to direct the department to manage production of enhanced shellfish stocks, beyond brood stock needs, for cost recovery harvest.

Sec. 2: Grants the Department of Fish and Game the authority to set the fee for new private nonprofit salmon hatcheries based on regulatory costs.

Sec. 3: Conforming language consistent with other fee structures set and adjusted by regulation, requiring fees to approximately reflect the cost of administering the application process, and to be reviewed and adjusted periodically.

Sec. 4: Adds a new Chapter 12 to Title 16, "Shellfish Stock Enhancement Projects."

AS 16.12.010: Provides direction to the commissioner of the Department of Fish and Game on issuance of permits for private nonprofit shellfish fishery enhancement projects and grants the department the authority to set the permit application fee. States the permit fee will be accounted for separately as non-general fund program receipts. This section directs the commissioner to consult with technical experts in the relevant areas before permit issuance;

AS 16.12.020: Provides for a hearing and public notification and input process prior to issuance of a permit;

AS 16.12.030 Describes terms and conditions for permit holders to conduct their work, including cost recovery fisheries, harvest, sale, and release of enhancement project produced shellfish, and selection of brood stock sources;

AS 16.12.040: Describes the revocation process should a permit holder fail to comply with the terms and conditions of the permit;

AS 16.12.050: Specifies that shellfish produced under an approved enhancement project are a common property resource, with provision for special harvest areas by permit holders. This section also specifies the Board of Fisheries to establish regulations relating to this chapter;

AS 16.12.060: Directs the department to advise and assist permit holders in their planning, operations, and construction of facilities to a reasonable and appropriate extent;

(Section 4, continued)

AS 16.12.070 provides department authority to approve source and number of shellfish taken for use as broodstock.

AS 16.12.080 places restrictions on how monies received from sale of shellfish may be used only for operating costs associated with their facilities;

AS 16.12.090 Relates to Cost Recovery Fisheries and provides a means by which a shellfish hatchery may contract to either harvest and sell shellfish, or to implement a self assessment from amongst its membership, for purposes of recovering operational costs associated with the hatchery.

AS 16.12.100 Gives the department authority to inspect facilities at any time while the facility is in operation;

AS 16.12.110 Requires a permit holder to submit an annual report to the department;

AS 16.12.199 provides definitions for “facility,” “genetically modified shellfish,” and “shellfish;”

Sec. 5: Provides the Commercial Fisheries Entry Commission authority to issue special harvest area entry permits to holders of private nonprofit enhancement project permits.

Sec. 6: Defines legal fishing gear for special harvest area entry permit holders.

Sec. 7: adds marketing and promotion of aquatic farm products to the powers and duties of the Alaska Seafood Marketing Institute (ASMI).

Sec. 8: Amends section 7 as amended; Removes the marketing and promotion of aquatic farm products from the powers and duties of ASMI

Sec. 9: Conforming amendment, prohibiting ASMI from promoting aquatic farm products not from Alaska, a specific region of Alaska, or by a specific brand name.

Sec. 10: Conforming amendment, defines prohibited promotions.

Sec. 11: Conforming amendment regarding the definition of “seafood.”

Sec. 12: Utilizes the existing definition of “aquatic farm products” in AS 16.40.199

Sec. 13: Exempts shellfish raised in a private nonprofit shellfish project from the definition of “farmed fish.”

Sec. 14: Makes application fee revenues received by the Department of Fish and Game from the salmon hatchery and shellfish hatchery programs be accounted for separately. Appropriations from those program receipts are not made from the unrestricted general revenue fund.

Sec. 15: Establish state corporate income tax exemption for a nonprofit corporation holding a shellfish fishery enhancement permit.

Sec. 16: A technical conforming amendment required by prior session law and has no impact on the policies being set in this bill.

Sec. 17: Exempts shellfish harvested under a special harvest area entry permit from seafood development taxes.

Sec. 18: Establishes an effective date for the salmon hatchery permit application fee described in section 2 of this bill.

Sec. 19: Authorizes the Department of Fish and Game to adopt implementing regulations.

Sec. 20: Establishes an immediate effective date for section 19 of this bill pursuant to AS 01.10.070(c).

Sec. 21: Establishes a July 1, 2025 effective date for sections 8 and 10.

Sec. 22: Establishes an effective date for section 16 of this bill concomitant with sec. 2, Chapter 55, SLA 2013 and has no effect on the policy set forth in this bill.