

HOUSE BILL NO. 397

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE AUSTERMAN

Introduced: 1/8/96

Referred: House Special Committee on Fisheries, Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the seafood marketing assessment; and providing for an
2 effective date."

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

4 * **Section 1.** AS 16.51.120(a) is amended to read:

5 (a) A seafood marketing assessment shall be levied on the value of seafood
6 products produced [PURCHASED] in Alaska as provided in (b), (c), (d), or (e) of this
7 section if an election is held under [IN ACCORDANCE WITH] AS 16.51.140 at
8 which the assessment is approved by eligible processors who together produce
9 [PURCHASE] at least 51 percent of the value of seafood products produced
10 [PURCHASED] in Alaska in the calendar year.

11 * **Sec. 2.** AS 16.51.120(b) is amended to read:

12 (b) Each processor [WHO PURCHASES AT LEAST \$50,000 OR MORE OF
13 SEAFOOD PRODUCTS IN ALASKA] shall pay a seafood marketing assessment of
14 .1 percent of the value of seafood products produced in Alaska [PAID] by the

1 processor.

2 * **Sec. 3.** AS 16.51.120(c) is amended to read:

3 (c) Each processor [WHO PURCHASES AT LEAST \$50,000 OR MORE OF
4 SEAFOOD PRODUCTS IN ALASKA] shall pay a seafood marketing assessment of
5 .2 percent of the value **of seafood products produced in Alaska** [PAID] by the
6 processor.

7 * **Sec. 4.** AS 16.51.120(d) is amended to read:

8 (d) Each processor [WHO PURCHASES AT LEAST \$50,000 OR MORE OF
9 SEAFOOD PRODUCTS IN ALASKA] shall pay a seafood marketing assessment of
10 .3 percent of the value **of seafood products produced in Alaska** [PAID] by the
11 processor.

12 * **Sec. 5.** AS 16.51.120(e) is amended to read:

13 (e) Each processor [WHO PURCHASES AT LEAST \$50,000 OR MORE OF
14 SEAFOOD PRODUCTS IN ALASKA] shall pay a seafood marketing assessment of
15 .4 percent of the value **of seafood products produced in Alaska** [PAID] by the
16 processor.

17 * **Sec. 6.** AS 16.51.120 is amended by adding a new subsection to read:

18 (g) Notwithstanding (a) - (e) of this section and AS 16.51.150(c), a processor
19 is not subject to, or liable for payment of, an assessment under this section on the
20 value of the seafood products for which taxes are paid under AS 43.75 and AS 43.77
21 if the value of seafood products produced in Alaska by the processor is less than
22 \$50,000 in a calendar year. This subsection does not exempt a processor from liability
23 for payment of taxes imposed under AS 43.75 or AS 43.77.

24 * **Sec. 7.** AS 16.51.130(a) is amended to read:

25 (a) A seafood marketing assessment levied under AS 16.51.120(b), (c), (d), or
26 (e) shall be terminated by the commissioner of revenue if

27 (1) an election is held **under** [IN ACCORDANCE WITH]
28 AS 16.51.140 in which the termination is approved by eligible processors who together
29 **produce** [PURCHASE] at least 51 percent of the total value of seafood products
30 **produced** [PURCHASED] in Alaska during the calendar year; or

31 (2) the board, at a regularly scheduled meeting, adopts a resolution

1 approved by two-thirds of the voting membership of the board requesting the
2 commissioner of revenue to terminate the assessment.

3 * **Sec. 8.** AS 16.51.130(b) is amended to read:

4 (b) An election under (a)(1) of this section shall be held if

5 (1) the proposed election for the termination of the assessment is
6 approved by a majority of the whole membership of the board at a regularly scheduled
7 meeting; or

8 (2) a petition is presented to the director of elections requesting
9 termination of the assessment by eligible processors who together **produce**
10 [PURCHASE] at least 25 percent of the total value of seafood products **produced**
11 [PURCHASED] in Alaska during the calendar year.

12 * **Sec. 9.** AS 16.51.150 is amended to read:

13 Sec. 16.51.150. DETERMINATION OF VALUE. Upon request from the
14 director of elections, the commissioner of revenue shall determine

15 (1) the total value of seafood products **produced** [PURCHASED] in
16 Alaska during any calendar year;

17 (2) whether the eligible processors approving the levy or termination
18 of a seafood marketing assessment together **produced** [PURCHASED] at least 51
19 percent of the total value of seafood products **produced** [PURCHASED] in Alaska
20 during the calendar year; or

21 (3) whether the eligible processors petitioning for an election under
22 AS 16.51.130(b)(2) together **produced** [PURCHASED] at least 25 percent of the total
23 value of seafood **products produced** [PURCHASED] in Alaska during the calendar
24 year.

25 * **Sec. 10.** AS 16.51.150 is amended by adding new subsections to read:

26 (b) The total value of seafood products produced in Alaska in a calendar year
27 is the sum of the

28 (1) total value of the fisheries resource on which the tax imposed under
29 AS 43.75.015 and 43.75.100 is levied in that calendar year;

30 (2) total value of the fisheries resource on which the tax imposed under
31 AS 43.77 is levied in that calendar year; and

1 (3) total value of the fisheries resource, as measured in terms of the
2 value of the fisheries resource under AS 43.75 if the fisheries resource was subject to
3 the tax imposed under AS 43.75, that the processor custom processed in that calendar
4 year.

5 (c) The value of seafood products produced in Alaska by a processor during
6 a calendar year is the sum of the

7 (1) total value of the fisheries resource on which the processor must
8 pay the tax imposed under AS 43.75.015 and 43.75.100 in that calendar year;

9 (2) total value of the fisheries resource on which the processor must
10 pay the tax imposed under AS 43.77.010 in that calendar year; and

11 (3) total value of the fisheries resource, as measured in terms of the
12 value of the fisheries resource under AS 43.75 if the fisheries resource was subject to
13 the tax imposed under AS 43.75, that the processor custom processed in that calendar
14 year.

15 * **Sec. 11.** AS 16.51.160(a) is amended to read:

16 (a) **Each processor** [PROCESSORS] shall remit to the Department of Revenue
17 by April 1 of each year the total amount of the seafood marketing assessment owed
18 on the value **of** [PAID FOR] seafood products **produced in Alaska** by the processor
19 in the previous calendar year.

20 * **Sec. 12.** AS 16.51.180(3) is repealed and reenacted to read:

21 (3) "processor" means a person who

22 (A) is liable for the tax imposed under AS 43.75.015;

23 (B) is liable for the tax imposed under AS 43.75.100;

24 (C) is liable for the landing tax imposed under AS 43.77; or

25 (D) engages in custom processing of seafood;

26 * **Sec. 13.** AS 16.51.180 is amended by adding new paragraphs to read:

27 (7) "custom processing" means the first processing of seafood by
28 freezing, cooking, salting, or other method, by a person who

29 (A) does not take, purchase, or land the seafood being
30 processed; and

31 (B) processes the seafood for, and under an agreement with,

- 1 another person who is not licensed under AS 43.75;
- 2 (8) "eligible processor" means a processor who would be liable for
- 3 payment of a seafood marketing assessment levied under AS 16.51.120.
- 4 * **Sec. 14.** AS 16.51.180(6) is repealed.
- 5 * **Sec. 15.** This Act is retroactive to January 1, 1996.
- 6 * **Sec. 16.** This Act takes effect immediately under AS 01.10.070(c).