

**HOUSE BILL NO. 140**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES AUSTERMAN, Elton

Introduced: 2/1/95

Referred: House Special Committee on Fisheries, Labor and Commerce

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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

4 (b) A fish processor that processes more than 30,000 pounds of fish a year  
5 and a primary fish buyer shall file a surety bond with the commissioner under  
6 this subsection. The amount of the bond shall be \$10,000 unless, during the  
7 preceding five years, that amount was insufficient to satisfy a final judgment resulting  
8 from a claim asserted against the bond, cash deposits, or other security filed under this  
9 section. If \$10,000 was insufficient, the bond shall be \$50,000; if \$50,000 was  
10 insufficient, the bond shall be \$100,000. If the commissioner determines that during  
11 the preceding five years [,] a fish processor or primary fish buyer (1) has engaged in  
12 the business of fish processor or primary fish buyer in the state while not in  
13 compliance with this section and (2) has not yet satisfied a final judgment entered  
14 against the processor or fish buyer for payment for labor furnished to, or raw fishery  
15 resources purchased by, the processor or fish buyer, then the amount of the bond for

1 the processor or fish buyer shall be \$100,000. In lieu of the surety bond, the fish  
2 processor or primary fish buyer may file with the commissioner a cash deposit, or  
3 other negotiable security acceptable to the commissioner in the amount specified for  
4 the bond. If no claim is asserted under this section within two years from the date the  
5 bond, cash deposit, or other security is filed, the term of the bond, cash deposit, or  
6 other security shall be two years; if a claim has been asserted within two years, the  
7 term of the bond, cash deposit, or other security shall be for five years.

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

9 (h) The amount of bond required of a fish processor that processes 30,000  
10 pounds or less of fish a year is \$2,000. If a processor who has filed a bond under this  
11 subsection processes more than 30,000 pounds of fish in a year, the processor shall,  
12 within seven days from the day on which the 30,000 pound threshold is exceeded,  
13 notify the commissioner and comply with (b) of this section. If a processor who has  
14 filed a bond under this subsection processes more than 30,000 pounds of fish in a year,  
15 and does not comply with (b) of this section within seven days from the day on which  
16 the 30,000 pound threshold is exceeded, the processor shall cease processing fish until  
17 a bond has been filed under (b) of this section. In lieu of the surety bond, the fish  
18 processor may file with the commissioner a cash deposit or other negotiable security  
19 acceptable to the commissioner in the amount specified for the bond. If no claim is  
20 asserted under this section within two years from the date the bond, cash deposit, or  
21 other security is filed, the term of the bond, cash deposit, or other security shall be two  
22 years; if a claim has been asserted within two years, the term of the bond, cash  
23 deposit, or other security shall be for five years.