

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

February 7, 2022

3:31 p.m.

MEMBERS PRESENT

Senator Joshua Revak, Chair
Senator Peter Micciche, Vice Chair
Senator Click Bishop
Senator Gary Stevens
Senator Jesse Kiehl

MEMBERS ABSENT

Senator Natasha von Imhof
Senator Scott Kawasaki

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 28 (FIN)

"An Act relating to the registration of commercial vessels; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 28

SHORT TITLE: REGISTRATION OF BOATS: EXEMPTION

SPONSOR(S): FISHERIES

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	FSH, FIN
03/12/21	(H)	BILL REPRINTED
03/23/21	(H)	FSH AT 11:00 AM GRUENBERG 120
03/23/21	(H)	Heard & Held
03/23/21	(H)	MINUTE (FSH)
03/25/21	(H)	FSH AT 10:30 AM GRUENBERG 120
03/25/21	(H)	-- MEETING CANCELED --
03/30/21	(H)	FSH AT 10:00 AM GRUENBERG 120
03/30/21	(H)	Moved CSHB 28 (FSH) Out of Committee
03/30/21	(H)	MINUTE (FSH)
03/31/21	(H)	FSH RPT CS (FSH) 5DP 1NR

03/31/21 (H) DP: STORY, STUTES, KREISS-TOMKINS,
ORTIZ, TARR

03/31/21 (H) NR: MCCABE

04/22/21 (H) FIN AT 9:00 AM ADAMS 519

04/22/21 (H) Heard & Held

04/22/21 (H) MINUTE(FIN)

04/26/21 (H) FIN AT 1:30 PM ADAMS 519

04/26/21 (H) Heard & Held

04/26/21 (H) MINUTE(FIN)

04/30/21 (H) FIN AT 1:30 PM ADAMS 519

04/30/21 (H) Moved CSHB 28(FIN) Out of Committee

04/30/21 (H) MINUTE(FIN)

05/03/21 (H) FIN RPT CS(FIN) 6DP 2DNP 2NR

05/03/21 (H) DP: ORTIZ, EDGMON, WOOL, JOSEPHSON,
MERRICK, FOSTER

05/03/21 (H) DNP: CARPENTER, JOHNSON

05/03/21 (H) NR: LEBON, THOMPSON

05/15/21 (H) TRANSMITTED TO (S)

05/15/21 (H) VERSION: CSHB 28(FIN)

05/17/21 (S) READ THE FIRST TIME - REFERRALS

05/17/21 (S) RES, FIN

02/07/22 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE GERAN TARR

Alaska State Legislature

Anchorage, Alaska

POSITION STATEMENT: Gave an overview of HB 28 on behalf of the House Special Committee on Fisheries.

THATCHER BROUWER, Staff

Representative Geran Tarr

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Briefly summarized HB 28.

TRACY WELCH, Executive Director

United Fishermen of Alaska

Petersburg, Alaska

POSITION STATEMENT: Provided invited testimony in support of HB 28.

ALPHEUS BULLARD, Legislative Counsel

Legislative Affairs Agency

Juneau, Alaska

POSITION STATEMENT: Provided legal testimony on HB 28.

JAMES SQUYRES, Representing Self
Rural Deltana, Alaska

POSITION STATEMENT: Testified in support of HB 28.

MALCOLM MILNE, President
North Pacific Fisheries Association (NPFA)
Homer, Alaska

POSITION STATEMENT: Testified in support of HB 28.

ACTION NARRATIVE

[3:31:00 PM](#)

CHAIR JOSHUA REVAK called the Senate Resources Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Micciche, Bishop, Stevens, Kiehl, and Chair Revak.

HB 28-REGISTRATION OF BOATS: EXEMPTION

[3:31:48 PM](#)

CHAIR REVAK announced the consideration of CS FOR HOUSE BILL NO. 28(FIN) "An Act relating to the registration of commercial vessels; and providing for an effective date."

[3:33:25 PM](#)

REPRESENTATIVE GERAN TARR, Alaska State Legislature, Anchorage, Alaska, gave an overview of HB 28 on behalf of the House Special Committee on Fisheries. This bill exempts active documented commercial fishing vessels from a duplicative registration requirement. In 2019, the Division of Motor Vehicles discovered the duplicative registration requirement while interpreting newly enacted legislation [Senate Bill 92, 2018]. Subsequently, the matter was brought to the attention of the previous House Special Committee on Fisheries chair, Representative Stutes. To date, the duplicative registration requirement has not been enforced. She emphasized that HB 28 has the support of committee members, the commercial fishing industry, and others who otherwise want Senate Bill 92, the Derelict Vessels Act, to remain intact.

[3:35:44 PM](#)

THATCHER BROUWER, Staff, Representative Geran Tarr, Alaska State Legislature, Juneau, Alaska, briefly summarized HB 28. This bill makes one small change to law; specifically, HB 28 proposes to repeal the DMV license requirement for documented commercial

fishing vessels, added in 2019 pursuant to Senate Bill 92. If HB 28 passes, it will only pertain to U.S. Coast Guard (USCG) documented commercial fishing vessels. Those vessels would not have to register with the Division of Motor Vehicles (DMV) but would be required to register with the Commercial Fisheries Entry Commission (CFEC) every year. He emphasized that the passage of HB 28 will not affect the requirements for recreational and undocumented commercial fishing vessels; those requirements will remain the same.

3:37:00 PM

MR. THATCHER reasoned why the CFEC registration would be a viable alternative to the DMV registration by summarizing the following points taken from the CFEC slide presentation titled Commercial Fishing Vessel Licensing in Alaska:

- 1) Commercial fishing vessels based or operating in Alaska are required, and have always been required, to license their fishing vessels with the Commercial Fisheries Entry Commission. The license is renewed annually and provides the necessary ownership information in a publicly accessible state database.
- 2) If a commercial fishing vessel were to sink, the harbormaster could use the CFEC database to find a vessel description and contact information.
- 3) Commercial fishing vessels are required to display their 5-digit registration number on both sides of the vessel in 12-inches-high by 1-inch-wide numbers, and they are required to affix their annual registration decal on the port side of the vessel.
- 4) The display of both the license number and decal give enforcement officers the necessary tools to ensure commercial fishing vessels are registered.

MR. THATCHER stated that HB 28 would institute an annual \$8 fee for all CFEC registered documented vessels instead of the 3-year \$24 fee charged at DMV. The annual \$8 fee will ensure CFEC registered vessels still contribute to programs that licensing fees help support, including boating safety programs and the derelict vessel fund. With this provision, the bill becomes cost-neutral.

MR. THATCHER noted that HB 28 was drafted in 2021, so dates in this bill need to be updated to reflect the current year, 2022. This bill will streamline the registration requirements for

documented commercial fishing vessels and provide continued access to the vessel's ownership details.

[3:40:03 PM](#)

MR. THATCHER paraphrased the sectional analysis on HB 28:

[Original punctuation provided.]

SECTIONAL ANALYSIS

(Revised 5.3.21)

Section One

Amends **AS 05.25.055(i)** to exempt documented commercial vessels with a valid certificate of documentation issued by the United States Coast Guard and a license issued by the Commercial Fisheries Entry Commission, under **AS 16.05.490** or **AS 16.05.530**, from the provision that requires owners to register their vessel with the Division of Motor Vehicles.

Section Two

Adds a new section to **AS 16.05.475**, that assesses a new additional annual \$8 registration fee for documented vessels licensed with the Commercial Fisheries Entry Commission, beginning January 1, 2022. This is in lieu of the current 3-year \$24 fee collected by the Division of Motor Vehicles at the time of registration or registration renewal.

The fee will be accounted for separately as provided for in **AS 05.25.096(b)**, to be made available for use by the Departments of Administration, Natural Resources and Commerce, Community and Economic Development.

MR. THATCHER noted that fees had been used primarily for boating safety programs and the derelict vessel fund.

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Section Three

Adds a new section to the uncodified law of the State of Alaska which requires the Commercial Fisheries Entry Commission waive the \$8 dollar registration fees for calendar year 2022 for vessel owners that already paid the registration fee to the Division of Motor Vehicles for 2020.

Additionally, the commission will waive the \$8 registration fee for both calendar year 2022 and 2023 if a vessel owner has paid their registration fee to the Division of Motor Vehicles in 2021.

This section ensures that as vessel owners' transition to paying an extra \$8 to register with the Commercial Fisheries Entry Commission, they do not pay the Commission for the years they have already registered with the Division of Motor Vehicles.

MR. THATCHER explained that a vessel owner who paid DMV \$24 last year would be exempt from the CFEC \$8 annual fee for the next two years.

Section Four

Adds a new section to the uncodified law of Alaska to make section one of this act retroactive to January 1, 2021.

Section Five

Establishes an immediate effective date for the remainder of the bill.

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CHAIR REVAK thanked Mr. Thatcher for the sectional analysis.

CHAIR REVAK opened invited testimony on HB 28.

[3:42:33 PM](#)

TRACY WELCH, Executive Director, United Fishermen of Alaska, Petersburg, Alaska, provided invited testimony in support of HB 28. She stated that she represents the United Fishermen of Alaska (UFA). UFA is the statewide commercial fishing trade association, representing 37 commercial fishing organizations participating in fisheries throughout the state and the federal fisheries off Alaska's coast. UFA supports HB 28. This bill would remove the need for an additional vessel registration with the DMV as required by Senate Bill 92 and provide an exemption for documented vessels registered with the CFEC, thereby eliminating the need for duplicative registration. One of the main objectives Senate Bill 92 set out to accomplish was the creation of a state-managed database that could be used to determine the ownership of abandoned vessels. A database for active commercial vessels already exists and is housed within CFEC.

MS. WELCH stated that all active vessels participating in state fisheries are currently required to be registered with CFEC. CFEC registration includes the owner's name, current address, vessel dimension, make, model, and a host of other identifying information about the vessel. When a vessel registers with the CFEC, the vessel is provided with a permanent ADF&G number that must be displayed clearly and visible on both sides of the vessel. The vessel also receives an aluminum triangle plate with that same ADF&G number stamped on it and is also required to be displayed on the side of the vessel. Vessel owners must renew yearly with the CFEC to receive a current-year decal that is to be affixed to the triangle. Owners are required to verify their contact and vessel information during the yearly renewal process.

MS. WELCH said that these requirements and markings all contribute to identify an individual vessel and its owner. The information associated with a given commercial vessel is readily available to the public in a state-managed database. The database is easily searchable and consistently updated. Vessels registered with the CFEC are well documented with the State of Alaska. Passing HB 28 will still serve the purpose of Senate Bill 92 while eliminating the need for duplicative registration and easing the burden on commercial fishermen in Alaska.

[3:44:53 PM](#)

SENATOR BISHOP thanked Ms. Welch for doing a marvelous job.

MS. WELCH replied that it was her first time before the committee, so the praise was appreciated.

[3:45:12 PM](#)

CHAIR REVAK summarized the issue, stating the state has double-government and the goal is single-government without affecting vessel licensing in any other way. He sought confirmation that HB 28 would eliminate the duplicative registration issue.

[3:45:44 PM](#)

ALPHEUS BULLARD, Legislative Counsel, Legislative Affairs Agency, Juneau, Alaska, provided legal testimony on HB 28. He agreed with Chair Revak's characterization of the bill.

[3:46:09 PM](#)

CHAIR REVAK opened public testimony on HB 28.

[3:46:25 PM](#)

JAMES SQUYRES, Representing Self, Rural Deltana, Alaska, testified in support of HB 28. He stated that he has about an 11 1/2-year maritime background, including piloting a 37-foot sailboat around the world on a U.S. documented vessel. HB 28 remedies an injustice resulting from the implementation of Senate Bill 92. He recommended amending the bill to exclude all USCG documented vessels as it was before Senate Bill 92, as exempt from the numbering and registration provisions of this section. Senate Bill 92 unnecessarily increased the government's size, scope, and footprint with duplication and an onerous system that affects private USCG documented vessels and the DMV. Correct the problem by exempting private USCG documented vessels. He stated that since Senate Bill 92 passed, no funds have gone to derelict removal as of April 2021. He questioned whether the derelict vessel removal fund had received any money or if the limited funds had been spirited off for other purposes. Senate Bill 92 increased the burden on DMVs, USCG documented vessels, troopers, and the commercial fishing industry to collect a de minimis fee. This issue, coupled with duplicative tracking, has pushed the problem over the top. Senate Bill 92 was not well thought out, resulting in unforeseen consequences to maritime liberty. [The committee was considering HB 28.]

[3:49:08 PM](#)

MALCOLM MILNE, President, North Pacific Fisheries Association (NPFA), Homer, Alaska, testified in support of HB 28. He stated that NPFA is a commercial fishing organization that represents about 80 vessels and a variety of gear types. He supported the derelict vessel bill [Senate Bill 92] but had not anticipated the extra paperwork. A binder is carried aboard his boat to satisfy federal, USCG, state, and local requirements. It's a lot of paperwork. He stated that being a small business owner, he does not employ a compliance officer to track paperwork. He is happy to keep up with paperwork to comply but would prefer to eliminate duplication and avoid unnecessary paperwork.

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CHAIR REVAK closed public testimony on HB 28 and stated his intention to hold the bill.

[3:50:41 PM](#)

SENATOR MICCICHE stated that the previous legislature deliberated this issue. Unfortunately, time was cut short with COVID and other matters, leaving the issue unresolved. It was an unintended consequence.

SENATOR MICCICHE pointed out that it is important to realize that commercial fishing vessels sometimes have latent permits, unrenewed permits or CFEC numbers. The working group that spearheaded Senate Bill 92 considered this point in trying to devise a construct to identify "derelict vessels" and their owners.

SENATOR MICCICHE addressed the "mountain of requirements" issue. DMV never enforced that portion of the bill because the division understood the legislative intent of Senate Bill 92 and knew that the legislature intended to correct the statute.

SENATOR MICCICHE expressed appreciation that HB 28 was brought forward to make the necessary correction.

[CHAIR REVAK held HB 28 in committee.]

3:53:40 PM

There being no further business to come before the committee, Chair Revak adjourned the Senate Resources Standing Committee meeting at 3:53 p.m.