

**ALASKA STATE LEGISLATURE  
SENATE RESOURCES STANDING COMMITTEE**

May 10, 2024

3:32 p.m.

**DRAFT**

**MEMBERS PRESENT**

Senator Click Bishop, Co-Chair  
Senator Cathy Giessel, Co-Chair  
Senator Bill Wielechowski, Vice Chair  
Senator Scott Kawasaki  
Senator James Kaufman  
Senator Forrest Dunbar  
Senator Matt Claman

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 295 (RES)

"An Act authorizing the sale of hatchery-produced salmon to certain persons for the purpose of stocking lakes."

- MOVED SCS CSHB 295 (RES) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 329 (FSH) AM

"An Act relating to state tideland leases; relating to geoduck seed transfers; and relating to aquatic farming or related hatchery operation site leases."

- HEARD AND HELD -

**PREVIOUS COMMITTEE ACTION**

BILL: HB 295

SHORT TITLE: SALMON HATCHERY PERMITS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/26/24	(H)	READ THE FIRST TIME - REFERRALS
01/26/24	(H)	FSH
02/06/24	(H)	FSH AT 10:00 AM GRUENBERG 120
02/06/24	(H)	Scheduled but Not Heard
02/20/24	(H)	FSH AT 10:00 AM GRUENBERG 120

02/20/24 (H) -- MEETING CANCELED --  
 02/27/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 02/27/24 (H) Heard & Held  
 02/27/24 (H) MINUTE(FSH)  
 03/05/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/05/24 (H) <Bill Hearing Canceled>  
 03/07/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/07/24 (H) Moved CSHB 295(FSH) Out of Committee  
 03/07/24 (H) MINUTE(FSH)  
 03/11/24 (H) FSH RPT CS(FSH) NEW TITLE 4DP 3NR  
 03/11/24 (H) DP: CARPENTER, STUTES, MCCABE, VANCE  
 03/11/24 (H) NR: C.JOHNSON, HIMSCHOOT, MCCORMICK  
 03/13/24 (H) RES REFERRAL ADDED AFTER FSH  
 03/18/24 (H) RES AT 1:00 PM BARNES 124  
 03/18/24 (H) -- MEETING CANCELED --  
 03/20/24 (H) RES AT 1:00 PM BARNES 124  
 03/20/24 (H) Heard & Held  
 03/20/24 (H) MINUTE(RES)  
 03/22/24 (H) RES AT 1:00 PM BARNES 124  
 03/22/24 (H) Heard & Held  
 03/22/24 (H) MINUTE(RES)  
 03/25/24 (H) RES AT 1:00 PM BARNES 124  
 03/25/24 (H) Moved CSHB 295(RES) Out of Committee  
 03/25/24 (H) MINUTE(RES)  
 03/27/24 (H) RES RPT CS(RES) NEW TITLE 3DP 6NR  
 03/27/24 (H) DP: BAKER, RAUSCHER, MCKAY  
 03/27/24 (H) NR: MEARS, ARMSTRONG, DIBERT, MCCABE,  
 SADDLER, WRIGHT  
 05/06/24 (H) TRANSMITTED TO (S)  
 05/06/24 (H) VERSION: CSHB 295(RES)  
 05/07/24 (S) READ THE FIRST TIME - REFERRALS  
 05/07/24 (S) RES  
 05/10/24 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HB 329

SHORT TITLE: AQUATIC FARMS AND HATCHERIES

SPONSOR(s): VANCE

02/15/24 (H) READ THE FIRST TIME - REFERRALS  
 02/15/24 (H) FSH, RES  
 02/27/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 02/27/24 (H) <Bill Hearing Canceled>  
 03/05/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/05/24 (H) <Bill Hearing Canceled>  
 03/07/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/07/24 (H) Heard & Held  
 03/07/24 (H) MINUTE(FSH)

03/14/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/14/24 (H) -- MEETING CANCELED --  
 03/19/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/19/24 (H) <Bill Hearing Rescheduled to 03/21/24>  
 03/21/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/21/24 (H) -- MEETING CANCELED --  
 03/26/24 (H) FSH AT 10:00 AM GRUENBERG 120  
 03/26/24 (H) Moved CSHB 329(FSH) Out of Committee  
 03/26/24 (H) MINUTE(FSH)  
 03/28/24 (H) FSH RPT CS(FSH) NEW TITLE 6DP  
 03/28/24 (H) DP: C.JOHNSON, HIMSCHOOT, CARPENTER,  
 STUTES, MCCABE, VANCE  
 03/28/24 (H) FIN REFERRAL ADDED AFTER RES  
 04/08/24 (H) RES AT 1:00 PM BARNES 124  
 04/08/24 (H) Heard & Held  
 04/08/24 (H) MINUTE(RES)  
 04/15/24 (H) RES AT 1:00 PM BARNES 124  
 04/15/24 (H) Heard & Held  
 04/15/24 (H) MINUTE(RES)  
 04/17/24 (H) RES AT 1:00 PM BARNES 124  
 04/17/24 (H) Moved CSHB 329(FSH) Out of Committee  
 04/17/24 (H) MINUTE(RES)  
 04/18/24 (H) RES RPT CS(FSH) NEW TITLE 4DP 4NR  
 04/18/24 (H) DP: MCCABE, BAKER, RAUSCHER, MCKAY  
 04/18/24 (H) NR: MEARS, DIBERT, SADDLER, WRIGHT  
 04/26/24 (H) FIN REFERRAL REMOVED  
 05/03/24 (H) TRANSMITTED TO (S)  
 05/03/24 (H) VERSION: CSHB 329(FSH) AM  
 05/06/24 (S) READ THE FIRST TIME - REFERRALS  
 05/06/24 (S) RES  
 05/10/24 (S) RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

SAM RABUNG, Director  
 Division of Commercial Fisheries  
 Alaska Department of Fish and Game (ADFG)  
 Juneau, Alaska

**POSITION STATEMENT:** Presented an overview of HB 295.

JOE FELKL, Legislative Liaison  
 Alaska Department of Fish and Game (ADFG)  
 Juneau, Alaska

**POSITION STATEMENT:** Spoke to HB 295.

REPRESENTATIVE SARAH VANCE, District 6  
 Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Presented HB 329.

KATE DUFAULT, Program Manager  
Aquatic Farm Leasing and Shore Fishery Leasing Programs  
Division of Mining, Land, and Water  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions on HB 329

JASON LESSARD, Executive Director  
Alaska Mariculture Alliance  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 329.

PAUL FUHS, President  
Alaska Shellfish Growers Cooperative  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 329.

#### **ACTION NARRATIVE**

[3:32:12 PM](#)

CO-CHAIR CLICK BISHOP called the Senate Resources Standing Committee meeting to order at 3:32 p.m. Present at the call to order were Senators Wielechowski, Kawasaki, Kaufman, Dunbar, Claman, Co-Chair Giessel, and Co-Chair Bishop.

#### **HB 295-SALMON HATCHERY PERMITS**

[3:32:54 PM](#)

CO-CHAIR BISHOP announced the consideration of CS FOR HOUSE BILL NO. 295(RES) "An Act authorizing the sale of hatchery-produced salmon to certain persons for the purpose of stocking lakes."

CO-CHAIR BISHOP stated companion bill SB 210 was heard on March 11, 2024 in the Senate Resources Standing Committee.

[3:33:40 PM](#)

SAM RABUNG, Director, Division of Commercial Fisheries, Alaska Department of Fish and Game (ADFG), Juneau, Alaska, presented an overview of HB 295. He said HB 295 lets private non-profit hatcheries sell fish to stock public lakes in Alaska, expanding beyond current limits that only allow sales between ADFG and non-profit hatcheries. He said stocking requests must still follow strict reviews and biological standards. HB 295 will

boost recreation and food security by increasing fish stocking resources.

[3:35:18 PM](#)

JOE FELKL, Legislative Liaison, Alaska Department of Fish and Game (ADFG), Juneau, Alaska, reviewed the sectional analysis and summary of changes for HB 295.

[3:35:31 PM](#)

MR. FELKL provided the sectional analysis for HB 295:

[Original punctuation provided.]

**HB 295: SALMON HATCHERY PERMITS  
SECTIONAL ANALYSIS  
Version U**

**Section 1:** adds a new subsection to the statute for salmon hatchery permit conditions allowing the sale of live hatchery-produced salmon for the purposes of stocking lakes in the state to a private person or entity that receives a Fish Transport Permit under AS 16.05.251.

[3:36:00 PM](#)

MR. FELKL provided the summary of changes for SB 295, version A to U:

[Original punctuation provided.]

**HB 295: SALMON HATCHERY PERMITS  
SUMMARY OF CHANGES MADE IN THE HOUSE  
Version A to Version U**

**The sections and concepts below were added/changed in the House:**

**Section 1:** corrects a drafting error replacing an incorrect citation (AS 16.05.671) with the correct statutory authority for Fish Transport Permits (AS 16.05.251). This section has also been redrafted for clarity, specifying sale of hatchery-produced salmon. This change is stylistic and does not change the meaning of the language.

[3:36:29 PM](#)

SENATOR KAWASAKI asked what studies are needed for different bodies of water and how the stocking process works and wondered what happens to existing wildlife if a lake is overstocked.

[3:37:05 PM](#)

MR. RABUNG said the lake stocking policy identifies five categories of lakes, from open outlet to fully landlocked. First, the lake's category is identified. Next, if it's a suitable water body, especially if it's closed with limited outflow—staff assess what species already inhabit it. He said most lakes considered for stocking are usually unoccupied. Finally, they estimate the lake's carrying capacity for the fish.

[3:38:22 PM](#)

SENATOR KAWASAKI wondered if there were studies that would involve Alaska's biologists already tasked to other projects.

[3:38:41 PM](#)

MR. RABUNG said the department would consult local biologists about the lake. If they lacked information, the department would make a site visit and use minnow traps to assess existing species—something already done in current operations. Additional biologists might be needed to handle fish transport permits, but no major changes are expected, as permit staff are already in place to review them.

[3:39:43 PM](#)

SENATOR KAWASAKI noted instances where flooding caused fish to end up in unintended areas. He asked whether hatchery fish could mix with wild stocks and how that risk can be managed.

[3:40:09 PM](#)

MR. RABUNG replied it comes down to the lake category. He said the preference is for landlocked lakes with less risk of flooding. If a lake has potential for fish to escape, only sterile fish are used to prevent reproduction.

[3:40:44 PM](#)

CO-CHAIR BISHOP asked if water depth is measured to determine oxygenation over the winter.

[3:41:09 PM](#)

MR. RABUNG replied that it's considered when deciding which lakes to stock. He stated that public requests exceed what's possible, so lakes are chosen based on public access and stocking suitability. He said when private resources are used,

lake managers must understand the risk and take responsibility for fish not surviving the winter.

[3:42:13 PM](#)

SENATOR DUNBAR asked if "salmon" also refers to other species such as char and trout.

[3:42:33 PM](#)

MR. FELKL replied correct.

[3:42:38 PM](#)

SENATOR DUNBAR said there was discussion on using a different term and wondered what the appropriate term was.

[3:42:52 PM](#)

MR. RABUNG replied salmonid would cover trout, char, and salmon unambiguously.

[3:43:15 PM](#)

SENATOR WIELECHOWSKI said there were technical changes and asked for an explanation of the language change in [SB 210, Section 1, lines 5-6,] "nothing in a permit issued to a hatchery operator may prohibit the sale," to [HB 295, Section 1, lines 5-6,] "a hatchery operator may prohibit the sale".

[3:43:44 PM](#)

MR. FELKL replied the changes were redrafted by Legislative Legal Services in House Fisheries. He understands it was to clarify hatchery produced fish and stylistic changes.

[3:44:13 PM](#)

SENATOR WIELECHOWSKI asked if biologist at ADFG expressed any concerns regarding the change.

[3:44:30 PM](#)

MR. RABUNG replied he has not heard any opposition. The review and permitting process are the same. He stated that the only difference is that HB 295 expands the source of stocking products. It would expand the types of public access to lakes.

[3:45:27 PM](#)

CO-CHAIR BISHOP said the state is limited by production on stocking.

[3:45:39 PM](#)

MR. RABUNG replied correct.

[3:45:48 PM](#)

CO-CHAIR BISHOP verified Mr. Rabung is trying to offer more options to develop more capacity.

[3:46:09 PM](#)

MR. RABUNG replied correct.

[3:46:13 PM](#)

CO-CHAIR BISHOP said stocking is challenging due to ADFG's limited fish supply. If HB 295 passes, a legislator could request capital budget funding to purchase fish from a hatchery to support lake stocking.

[3:46:22 PM](#)

MR. RABUNG replied it is possible.

[3:46:28 PM](#)

CO-CHAIR GIESSEL asked what monitoring would be placed on private hatcheries to prevent disease and ensure water is replaced.

[3:46:54 PM](#)

MR. RABUNG replied these hatcheries are already in existence and have monitoring. These would not be new hatcheries but are existing hatchery programs that have state oversight.

[3:47:24 PM](#)

SENATOR KAWASAKI said there is a law against finfish farming. He asked how close HB 295 gets to the discussion of finfish farming.

[3:48:00 PM](#)

MR. RABUNG explained the difference is these non-livestock fish would be available for public harvest, unlike farmed fish, which are privately owned from start to market. Anyone with a sport fishing license could catch the non-livestock fish. He said the key change is allowing access to lakes that aren't publicly stocked. Unlike farming, which is like growing and selling a crop—this involves stocking hatchery fish for public use.

[3:49:35 PM](#)

SENATOR KAWASAKI said he still does not understand the differentiation. He asked if he were to own a lake and wanted to stock it with salmon for food or to sell, would that be allowed.

[3:49:57 PM](#)

MR. RABUNG replied HB 295 does not allow someone to sell the fish once stocked.

[3:50:09 PM](#)

SENATOR WIELECHOWSKI said someone expressed concern considering a study by National Oceanic and Atmospheric Administration (NOAA) that suggested that hatchery rearing can inadvertently select traits that are disadvantages in the wild. He stated his main concern involved protections for wild stock and requested specific details about those protections.

[3:51:02 PM](#)

MR. RABUNG stated that the goal is for fish to be caught, not escape. Lake stocking follows policies that consider lake type and whether fish can be contained. He stated the Fish Health Policy ensures hatchery fish are thoroughly tested, and with over 50 years of no pathogen transfers to the wild, the testing has been successful. He said the Genetics Policy applies to non-sterile fish, which come from locally adapted stock. Sportfish hatcheries use sterile fish, so the genetics policy doesn't apply. He stated access to the lakes is evaluated; lakes must be reachable without crossing private property. To protect wild stocks, the aim is for stocked fish to be harvested and consumed.

[3:53:29 PM](#)

CO-CHAIR BISHOP sarcastically said no one has caught a fish out of a creek and brought it home and put it in a lake.

[3:53:49 PM](#)

SENATOR WIELECHOWSKI said the example given by Co- Chair Bishop is a concern. He asked how strictly hatchery operators are regulated and are they permitted to genetically modify the fish.

[3:54:18 PM](#)

MR. RABUNG replied, absolutely not—the goal is to keep hatchery fish as genetically true to the original stock as possible. That's why large broodstock numbers are used to avoid inbreeding. He stated that now in its 50th year, the private non-profit hatchery program has a long track record with ADFG. It's different from the sportfish stocking program, where fish are meant to be caught, not complete a natural life cycle or return to spawn. Those fish are sterile to prevent any chance of genetic mixing if they escape. In contrast, the private non-profit hatchery fish are intended to spawn, so sterile stock wouldn't be appropriate. He stated that all stockings follow the same policies and permitting standards to ensure consistency and protect wild fish populations.

[3:56:09 PM](#)

CO-CHAIR BISHOP asked how long a stocked sterile fish typically lives in a lake.

[3:56:23 PM](#)

MR. RABUNG replied it depends on the species. He stated that a catchable rainbow trout could live for 4-5 years.

[3:56:58 PM](#)

At ease

[3:57:34 PM](#)

CO-CHAIR BISHOP reconvened the meeting.

[3:57:35 PM](#)

SENATOR DUNBAR said he would like to make a conceptual amendment that would change the word "salmon" to "salmonids" on line 6.

[3:58:07 PM](#)

CO-CHAIR GIESSEL recommended making the same change on line 1.

SENATOR DUNBAR agreed.

[3:58:19 PM](#)

CO-CHAIR BISHOP said the committee would authorize legislative legal services to make technical and conforming changes.

[3:58:27 PM](#)

SENATOR WIELECHOWSKI asked if the department supports the conceptual amendment.

[3:58:35 PM](#)

MR. RABUNG replied Salmonids include trout, char and salmon. He said he supports the amendment.

[3:58:57 PM](#)

SENATOR CLAMAN said hatcheries are currently at capacity. He said HB 295 seems to imply that if someone wants to purchase the fish more would be produced. He asked where the money comes from to pay for the stocking of fish.

[3:59:37 PM](#)

MR. RABUNG replied HB 295 allows whoever wants stocking to occur to pay for it. The two state hatcheries that produce fish for the hatchery program are at maximum capacity. There is greater demand for stocking than those facilities have the capacity to produce. He said private non-profit hatcheries are at a

different scale and the number of fish that would be removed for a stocking program is small compared to what they are producing overall. The department would not need to increase capacity. They would pull from the existing production capacity and just route it to another purpose.

[4:00:45 PM](#)

CO-CHAIR BISHOP asked the sponsor of the amendment to incorporate the change made by the co-chair, then restate and move the conceptual amendment.

[4:00:56 PM](#)

SENATOR DUNBAR moved to adopt Conceptual Amendment 1, changing the word salmon to salmonids on line 1 and line 6:

**CONCEPTUAL AMENDMENT 1**

BY SENATOR DUNBAR

Page 1, line 1 following "hatchery-produced"  
Delete "salmon"  
Insert "salmonids"

Page 1, line 6 following "hatchery-produced"  
Delete "salmon"  
Insert "salmonids"

Legislative Legal has the authority to make technical and conforming changes to HB 295.

[4:01:18 PM](#)

CO-CHAIR GIESSEL objected for purposes of discussion.

[4:01:24 PM](#)

CO-CHAIR BISHOP removed his objection and found no further objection and Amendment 1 was adopted.

[4:01:44 PM](#)

At ease

[4:01:53 PM](#)

CO-CHAIR BISHOP reconvened the meeting.

[4:02:01 PM](#)

CO-CHAIR BISHOP opened public testimony on HB 295; finding none, he closed public testimony.

[4:02:10 PM](#)

SENATOR KAWASAKI said, that based on studies, he has general concerns and a more conservative stance on introducing fish into new areas. He expressed his desire for lake stocking to occur safely so the public benefits and no harm comes to the environment.

[4:03:24 PM](#)

CO-CHAIR BISHOP solicited the will of the committee.

[4:03:25 PM](#)

CO-CHAIR GIESSEL moved to report CSHB 295 (RES), work order 33-GH2383\U, as amended, from committee with individual recommendations and attached zero fiscal note(s).

[4:03:41 PM](#)

CO-CHAIR BISHOP found no further objection and SCS CSHB 295 (RES) was reported from committee.

[4:03:49 PM](#)

At ease

### **HB 329-AQUATIC FARMS AND HATCHERIES**

[4:06:16 PM](#)

CO-CHAIR BISHOP reconvened the meeting and announced the consideration of CS FOR HOUSE BILL NO. 329(FSH) am "An Act relating to state tideland leases; relating to geoduck seed transfers; and relating to aquatic farming or related hatchery operation site leases."

[4:06:59 PM](#)

SARAH VANCE, Representative, District 6, Alaska State Legislature, Juneau, Alaska, presented HB 329. She read the sponsor statement as follows:

[Original punctuation provided.]

#### **Sponsor Statement v.D**

#### **HB 329 Aquatic Farm and Hatchery Leases**

*"An Act relating to state tideland leases; and relating to aquatic farming or related hatchery operation site leases."*

**House Bill 329** promises to provide a significant boost to Alaska's aquatic farming industry, known as

mariculture. This legislation has the potential to bolster the state's economy, help preserve its environment and enrich its coastal communities by streamlining the tideland lease process and extending lease durations to up to 25 years. Mariculture, the cultivation of marine shellfish and aquatic plants, stands as a beacon of sustainable economic growth for Alaska.

Mariculture not only generates employment opportunities across various sectors but also injects vitality into coastal communities. The industry fosters commerce, both domestically and internationally, while nurturing a vibrant ecosystem in Alaska's pristine waters.

One of the key features of HB 329 is the simplification of the lease acquisition process. Currently, prospective mariculturists endure a lengthy multi-agency application and review process which generally takes years to complete. This bureaucratic hurdle often deters potential farmers from entering the industry. HB 329 aims to lessen this burden by enabling quicker access to tidelands, enabling farmers to concentrate more on farming and less on paperwork.

Moreover, the extension of the lease duration to 20 years provides for long-term stability for mariculturists and encourages sustained investment in the industry. This stability is crucial for the development of robust mariculture operations. There is also a clause that gives current lessees a first-preference to the lease if they are in good standing with DNR and ADF&G on their reports.

The environmental benefits of mariculture are also noteworthy. Shellfish and seaweed play a vital role in maintaining water quality by filtering out pollutants and excess nutrients. They provide essential habitat for diverse marine life and help mitigate ocean acidification a pressing concern.

Furthermore, mariculture aligns with Alaska's rich cultural heritage, complementing existing traditions and customs in coastal communities. By promoting the sustainable utilization of marine resources,

mariculture strengthens the bond between Alaskans and their natural surroundings.

With HB 329 paving the way for a more supportive regulatory framework, Alaska's mariculture industry is poised to flourish, creating jobs, stimulating commerce, and safeguarding the state's precious marine ecosystems. As stakeholders rally behind this initiative, Alaska's coastal communities stand to reap the benefits of a thriving and sustainable mariculture sector for generations to come.

[4:08:38 PM](#)

REPRESENTATIVE VANCE said Mariculture farmers have 10-year leases but lack first right of refusal in retaining the lease upon renewal. Granting this right adds stability, supports investment, helps secure loans, and ensures long-term success since product growth takes time. She stated that HB 329, Section 1, allows geoduck seed transfer to occur on the Aleutian chain, a provision inadvertently omitted previously when farming was permitted in the gulf. HB 329 does not allow geoduck seed transfer to areas of Alaska where the species could be considered invasive. HB 329 also give mariculture farmers a seat at the table when leasing of tideland within 25 miles of their business is considered for carbon sequestration. HB 329 provides for commissioner discretion and public input regarding tideland leases. She said other changes include cleanup language, stronger recognition of traditional uses, and ensuring tribes are consulted. If leased and tidelands aren't used commercially for a year, the permit can be revoked to prevent misuse.

[4:13:53 PM](#)

SENATOR WIELECHOWSKI asked if she recalls the geoduck fights. He stated there were concerns about invasive species impacting the ecosystem. He asked how many miles on the Aleutian Islands, HB 329 opens to geoduck hatcheries.

[4:14:42 PM](#)

REPRESENTATIVE VANCE replied this amendment was added to the original bill in House Fisheries. She invited Ms. Dufault to reply.

[4:15:13 PM](#)

KATE DUFAULT, Program Manager, Aquatic Farm Leasing and Shore Fishery Leasing Programs, Division of Mining, Land, and Water, Department of Natural Resources, Anchorage, Alaska, answered questions on HB 329. She invited Alaska Department of Fish and

Game (ADFG) to respond and said she knows there is at least one lease application for an aquatic farm lease near Adak.

[4:15:45 PM](#)

SENATOR WIELECHOWSKI asked how the program works and whether there are concerns with potential impacts to other native species.

[4:16:14 PM](#)

MS. DUFAULT replied that species and acquired farm leases are under ADFG's authority. Their aquatic farm operation permits allow people to do stock transfers and obtain seed from hatcheries.

[4:16:39 PM](#)

SENATOR DUNBAR asked how the 25 miles of submerged lands mentioned in Section 4 is determined and measured.

[4:17:18 PM](#)

REPRESENTATIVE VANCE replied this language was in coordination with the Department of Natural Resources (DNR). She invited DNR to respond.

[4:17:43 PM](#)

MS. DUFAULT replied that the 25-mile distance follows the rules in AS 38.05.945, which is mentioned several times in statute. She said that the law states village corporations within 25 miles of a project must be notified, so DNR uses 25 miles as the crow flies.

[4:18:29 PM](#)

CO-CHAIR BISHOP asked Ms. Dufault to describe how a best interest finding works regarding leases. He noted that if HB 239 does not pass the 16 lease holders will need to apply for another lease term.

[4:19:17 PM](#)

MS. DUFAULT replied 18 months before a lease expires, her office contacts the owner to ask if they want to continue. If so, they must apply for a new term either a lease renewal term or a lease term that must be adjudicated through a best interest finding. She described details of each process.

[4:21:09 PM](#)

CO-CHAIR BISHOP asked for the timeline on the best interest renewal process, when there are no appeals.

[4:21:19 PM](#)

MS. DUFAULT replied that the process takes approximately 8-12 months for a best interest finding and renewal decisions average 4 months.

[4:21:34 PM](#)

CO-CHAIR BISHOP said it sounds like the geothermal bill. There was another leaseholder going through the same process that took about the same amount of time.

[4:22:03 PM](#)

SENATOR KAWASAKI questioned Section 7(k). He noted that it appears to give a commissioner subjective discretion on whether a survey is required.

[4:22:27 PM](#)

REPRESENTATIVE VANCE replied that the current language requires fair market value appraisal, but it may not always be necessary since tidelands are leased, not sold. She stated that the revised language clarifies that the commissioner has discretion to require a survey.

[4:23:03 PM](#)

CO-CHAIR BISHOP asked if there are any people who top filed on top of the leases.

[4:23:27 PM](#)

MS. DUFAULT replied that to her knowledge there are no top filings for mining.

[4:23:35 PM](#)

CO-CHAIR BISHOP clarified that he is referring to aquatic leases. He asked if top filing exists for aquatic leases and provided an example.

[4:24:10 PM](#)

MS. DUFAULT asked if he meant a competitive process.

[4:24:16 PM](#)

CO-CHAIR BISHOP replied yes.

[4:24:20 PM](#)

MS. DUFAULT replied for someone to apply competitively or top filing, a lease would need to be expired for someone to do that. If a lease is active and in good standing and someone accidentally applies on top of the current lease site, their application will be denied.

[4:24:52 PM](#)

SENATOR WIELECHOWSKI asked about the carbon management provisions.

[4:25:02 PM](#)

REPRESENTATIVE VANCE replied it was a floor amendment, but the bill included a placeholder that restricted carbon sequestration leases to not be solely for carbon. She provided an example of a business that grows kelp but only harvests the top 20 percent and retains the bottom for carbon sequestration. Mariculture growers felt that tideland leases could be locked for up to 55 years. This is significant given the growth potential of mariculture. She said she added the placeholder to allow time for the department to work out a compromise ensuring growers have a voice in the process.

[4:26:53 PM](#)

CO-CHAIR BISHOP opened public testimony on HB 329.

[4:27:17 PM](#)

JASON LESSARD, Executive Director, Alaska Mariculture Alliance, Anchorage, Alaska, testified in support of HB 329. He said the bill effectively addresses regulatory issues and will benefit industry growers. With coastal communities struggling, it opens new opportunities, especially in kelp farming, which doesn't conflict with the fishing season. He emphasized the importance of food security and sovereignty and noted kelp has many uses beyond carbon sequestration, like fertilizer. For example, a Kodiak farmer sent kelp to a pig farmer who saw increased piglet births and reduced antibiotic use.

[4:31:26 PM](#)

PAUL FUHS, President, Alaska Shellfish Growers Cooperative, Anchorage, Alaska, testified in support of HB 329. He said growers, including those focused on geoducks, have led the industry for years. The bill addresses lease renewal issues—currently, best interest findings cancel leases and require reapplication, with competitive bids forcing growers to bid against their own operations. He stated that if a lease is canceled, everything reverts to common property and could be opened to commercial fishing, requiring limited entry permits. This is a concern in the Aleutians. While the region borders the Gulf of Alaska, Fish and Game classifies it separately, which is why precise language was needed. He stated that acreage is limited by seafloor conditions—in Adak, only 15 acres are used for kelp farming. The same concern applies to carbon

sequestration. Kelp farms can go almost anywhere, but ideal sites must not displace others.

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CO-CHAIR BISHOP closed public testimony.

[4:34:55 PM](#)

CO-CHAIR BISHOP held HB 329 in committee.

[4:35:14 PM](#)

There being no further business to come before the committee, Chair Bishop adjourned the Senate Resources Standing Committee meeting at 4:35 p.m.