

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON FISHERIES**

March 27, 2025

10:06 a.m.

**MEMBERS PRESENT**

Representative Louise Stutes, Chair  
Representative Bryce Edgmon, Vice Chair  
Representative Rebecca Himschoot  
Representative Kevin McCabe  
Representative Bill Elam

**MEMBERS ABSENT**

Representative Chuck Kopp  
Representative Sarah Vance

**COMMITTEE CALENDAR**

HOUSE BILL NO. 135

"An Act relating to the duties of the Alaska Seafood Marketing Institute; and relating to the seafood marketing assessment."

- HEARD & HELD

HOUSE BILL NO. 129

"An Act relating to the fisheries product development tax credit; providing for an effective date by amending the effective date of sec. 2, ch. 31, SLA 2022; and providing for an effective date."

- MOVED CSHB 129 (FSH) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 135

SHORT TITLE: DUTIES OF ASMI BOARD; MEANING OF SEAFOOD

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/14/25	(H)	READ THE FIRST TIME - REFERRALS
03/14/25	(H)	FSH, RES
03/27/25	(H)	FSH AT 10:00 AM GRUENBERG 120

BILL: HB 129

SHORT TITLE: FISHERIES PROD DEVELOPMENT TAX CREDIT

SPONSOR(s): FISHERIES BY REQUEST OF TASK FORCE EVAL ALASKA  
SEAFOOD INDUSTRY

03/10/25	(H)	READ THE FIRST TIME - REFERRALS
03/10/25	(H)	FSH, FIN
03/20/25	(H)	FSH AT 10:00 AM GRUENBERG 120
03/20/25	(H)	Heard & Held
03/20/25	(H)	MINUTE(FSH)
03/25/25	(H)	FSH AT 10:00 AM GRUENBERG 120
03/25/25	(H)	Heard & Held
03/25/25	(H)	MINUTE(FSH)
03/27/25	(H)	FSH AT 10:00 AM GRUENBERG 120

**WITNESS REGISTER**

ANNA LATHAM, Deputy Commissioner  
Department of Commerce and Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Gave introductory remarks about HB 135.

JEREMY WOODROW, Executive Director  
Alaska Seafood and Marketing Institute  
Juneau, Alaska

**POSITION STATEMENT:** Presented and answered questions regarding  
HB 135.

ROBERT VENABLES, Executive Director  
Southeast Conference  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 135.

KATIE BODE, representing self  
Prince of Wales Island, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 135.

JAMES GREELEY, President  
Alaska Oyster Co-Op  
Prince of Wales, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 135.

JASON LESSARD, Executive Director  
Alaska Mariculture Alliance  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 135.

WEATHERLY BATES, Owner  
Alaska Shellfish Farms, LLC

Homer, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 135.

SEAWAN GEHLBACH, Member  
Simpson Bay Oyster Company  
Cordova, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 135.

MARGO REVEIL, Member  
Jakolof Bay Oyster Company  
Homer, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 135.

#### **ACTION NARRATIVE**

[10:06:21 AM](#)

**CHAIR LOUISE STUTES** called the House Special Committee on Fisheries meeting to order at 10:06 a.m. Representatives McCabe, Elam, Himschoot, Edgmon, and Stutes were present at the call to order.

#### **HB 135-DUTIES OF ASMI BOARD; MEANING OF SEAFOOD**

[Contains discussion of HB 111.]

[10:07:53 AM](#)

CHAIR STUTES announced that the first order of business would be HOUSE BILL NO. 135, "An Act relating to the duties of the Alaska Seafood Marketing Institute; and relating to the seafood marketing assessment."

CHAIR STUTES remarked that HB 135 comes at the request of the governor. She let the committee know that a committee substitute was available, "Version N," which would change the bill title from its original version by removing "Seafood Marketing Assessment". Legislative Legal Services made this conforming change because assessments are not included in the body of the bill. Chair Stutes noted no other changes were proposed in Version N of HB 135.

[10:09:00 AM](#)

The committee took a brief at-east at 10:09 a.m.

[10:09:14 AM](#)

REPRESENTATIVE EDGMON moved to adopt the proposed committee substitute (CS) for HB 135, Version 34-GH1072\N, Bergerud/Bullard, 3/19/25, as a working document. There being no objection, Version N was before the committee.

[10:10:07 AM](#)

ANNA LATHAM, Deputy Commissioner, Department of Commerce, Community & Economic Development, gave introductory remarks about HB 135, Version N. She stated that the proposed legislation would allow the Alaska Seafood Marketing Institute (ASMI) to market aquatic farm products. She noted that Alaska has many strengths that make it an ideal environment for growing the mariculture industry. Alaska has a long maritime history and a workforce that is fully trained to work on the water. The state already produces more than 50 percent of the seafood in the United States, and it is a natural progression for Alaskans to expand mariculture activities to add to the state's economic portfolio. She noted that over the last decade, the State of Alaska has shown its commitment to developing the mariculture industry. Part of this is credited to the mariculture revolving loan fund. She said that given the state's abundant resources and support from both the federal and state governments, there is a tremendous opportunity to further grow mariculture through the states marketing agency ASMI. She remarked that this emerging industry creates year-round jobs, supports coastal communities with declining fish harvests, and diversifies the state economy. She noted that ASMI has done a wonderful job developing an international brand for Alaska seafood and expanding the scope of marketing to include the marketing of shellfish could incentivize growth. She remarked that HB 135 is also aligned with Governor Mike Dunleavy's food security initiatives. If marketing efforts grow, it would allow for increased production of shellfish and increase the availability of fresh food in the state.

[10:12:19 AM](#)

JEREMY WOODROW, Executive Director, Alaska Seafood and Marketing Institute, presented and answered questions regarding HB 135. He stated that HB 135 is a "fairly simple bill", and its aim is to give the ASMI Board the powers to market agriculture products produced in Alaska. It would also change the definition of seafood under ASMI statutes to include mariculture products.

MR. WOODROW presented the sectional analysis [copy available in committee file], which read as follows [original punctuation provided]:

**Section 1:** Technical change amending AS 16.51.100(3) to include "harvest" more of a technicality to include mariculture products and handling of mariculture products since they are harvested and not captured. They are harvested and grown in a controlled space these will now be included under definition of the ASMI board.

**Section 2:** Amends AS 16.51.180(7) to include "aquatic farm products" in the definition of "seafood" in ASMI's chapter of statute, since it is currently only wild capture seafood products. This will include aquatic farm products under AS 16.41.199 fish and game's definition of aquatic farm products, which only include shellfish and seaweed, finfish are not included.

[10:14:47 AM](#)

REPRESENTATIVE HIMSCHOOT asked how cephalopods would be classified. This would include squid, octopus, cuttlefish, and others.

MR. WOODROW responded that as the bill is written, he did not believe cephalopods would be included in the ASMI marketing purview unless wild caught.

REPRESENTATIVE HIMSCHOOT explained that she wanted to know whether cephalopods would be included under the proposed bill if someone wanted to farm them.

MR. WOODROW reiterated his understanding that cephalopods are not currently included under statute as a product; therefore, he added that he did not think they would be allowed to be grown. He said that he would need to consult the Alaska Department of Fish & Game (ADF&G) to confirm his understanding. He said if the cephalopods were wild capture, then ASMI would have the ability to market these products. He said that he could follow up with the question.

[10:16:25 AM](#)

REPRESENTATIVE MCCABE asked whether ASMI would market farmed fish if HB 111, a finfish farming bill, were passed.

MR. WOODROW responded that as he understands it, given HB 135, ASMI would not have the power to market these products. He remarked that there would need to be a legislative change.

[10:17:49 AM](#)

MR. WOODROW remarked that ASMI is supportive of any legislative change to allow for marketing of mariculture products.

CHAIR STUTES opened public testimony on HB 135.

[10:18:07 AM](#)

ROBERT VENABLES, Executive Director, Southeast Conference, testified in support of HB 135. He remarked that ASMI is the "gold standard" for marketing and its guidance and expertise would serve the mariculture industry very well. He said that Southeast Conference was hosting the Alaska Mariculture Cluster Initiative, which he said is a \$49 million effort to stand up the mariculture industry in Alaska. He said the guidance and support ASMI could give would be timely and appreciated.

[10:19:24 AM](#)

KATIE BODE, representing self, noted she is from prince William Island and was testifying in opposition to HB 135. She said that she is an oyster farmer with Tomasso Shellfish. She said that she began working in the oyster farming industry in 2017 when joining her partner at his family's farm in Sea Otter Sound. She said that in addition to learning how to grow oysters and market the product, she had to learn how to troubleshoot challenges, expenses, and logistics that arise when operating in a rural area. She noted that Tomasso has been creating a sustainable business that contributes to the economic diversification of the region. She said that oysters are primarily provided locally across Southeast Alaska and Tomasso was a member of the Alaska Oyster Cooperative and the Alaska Shellfish Growers Association. She raised concerns that the marketing assessment would be an additional cost to the farm. While she was unaware of what those fees may be, she said that treating a farm as a fishery opens the door to additional taxes, assessments, and regulations. She said that Tomasso is ready to comply with multiple regulatory agencies regarding food safety and quality protocols. She said that new inspection

requirements would strain small entrepreneurial businesses like hers and others operating in remote areas. She noted that additional costs could prevent the farm from reaching a profitable scale. She remarked that all shellfish farms have unique characteristics based on the specific growing location and Tomasso has built a quality reputation and directs relations with customers. She remarked that every farm offers a different product, and the commodity approach does not align with shellfish production. In conclusion, she remarked that shellfish production is farming and not a fishery.

[10:21:16 AM](#)

REPRESENTATIVE HIMSCHOOT asked Ms. Bode how she currently markets shellfish products if not partnering with ASMI.

MS. BODE responded that they have done everything on their own through direct marketing and building relationships with their customers. She said that they are on their own and have built a brand identity using tools such as social media. She said that doing it on her own has been successful and she thinks it has been on other shellfish farms as well.

REPRESENTATIVE HIMSCHOOT observed that small-scale operations was working for them and asked whether there may be a scale that oyster farming could reach where ASMI marketing would be beneficial. She said that she understands difficulties of not having a Southeast based lab. She asked whether it would always be small scale.

MS. BODE responded that she did not believe so and reiterated that shellfish farming was more of an agricultural practice and not a fishery. She said that adding another success may hamper growth.

[10:23:20 AM](#)

JAMES GREELEY, President, Alaska Oyster Co-Op, testified in opposition to HB 135. He said that the cooperative ("co-op") consists of five small family-owned farms that are the oldest in operation for 20 years and the youngest in operation for two. He said that combining farmed shellfish and seaweed products was not necessary and all members of the co-op were opposed to the bill.

[10:24:41 AM](#)

JASON LESSARD, Executive Director, Alaska Mariculture Alliance, testified in support of HB 135. He remarked that the Alaska Mariculture Alliance is an industry group made up of shellfish and seaweed farmers, processors, hatchery operators, Alaska Native Corporations, regional economic development authorities and researchers. He said the group's mission is to develop and support a robust and sustainable mariculture industry for the long-term benefit to Alaska's economy, environment, and communities. He remarked that the proposed bill concept has been discussed for quite some time amongst the Alaska Mariculture Alliance Board and its members. He said there is a divide along sector lines, shellfish farmers versus seaweed and aquatic plants. In part it is due to the different circumstances between the two industries. He noted that shellfish farming has been operating for decades, with a robust well-respected industry with great products. Whereas many seaweed farmers are relatively new and need help developing markets. He said that recently McKinley Research Group did an industry overview report for the Alaska mariculture cluster, and they looked at history and projections moving forward. He noted in 2024 oysters on a national level saw a softening of markets but Alaska oysters "stood pretty strong," especially given in-state operations. He said that seaweed "just doesn't have the markets yet" and there was a "long ways to go" in terms of developing the industry. He said that the Alaska Mariculture Alliance saw a decrease in planting activity by seaweed farmers due to the lack of markets.

MR. LASSARD said that the Alaska Mariculture Alliance invited Jeremy Woodrow with ASMI to present on a webinar to members and there was a substantive question and answers (Q&A) afterwards. He said that the Alaska Mariculture Alliance voted on this topic during a recent annual meeting, 87 percent of voting memberships approved a measure to support ASMI marketing with the caveat that each sector, whether shellfish or aquatic plants would be able to make their own decision regarding participation. He noted that the proposed bill falls within their approved scope and the Alaska Mariculture Alliance supports it. He said that an issue of assessment is not included in the bill at this time and this is something that needs to be addressed. He said that while both shellfish and seaweed are products of ocean farming, they are very different and currently in different places in terms of market development, different even in the plant versus animal comparison. He said marketing is different and you could look at beef versus kale ten years ago, he said kale was a foreign product and it took extra lift to get it popular on the market. He said both products would require different marketing

strategies. The marketing for shellfish versus seaweed can be wildly different. He reiterated that the group was supportive of the measure as currently written.

[10:29:26 AM](#)

WEATHERLY BATES, Owner, Alaska Shellfish Farms, LLC, testified in opposition to HB 135. She and her family operate Alaska Shellfish Farms in Homer, and she is also the president of the Alaska Shellfish Growers Association and on the board of the Pacific Coast Shellfish Growers Association. In 2007, she and her husband moved to Alaska to pursue aquatic farming, she noted that Alaska seemed like the perfect place to settle down and there was an abundance of opportunities in the industry. She stated that after being in Alaska for almost two decades, her farm has generated and reinvested millions of dollars into the farm which was purchased as a derelict sight. Today, the farm is one of the biggest producers of oysters and seaweed in Alaska, hosting an abundance of kelp and seaweed products. She felt that ASMI would be very inappropriate for marketing their farmed products for several reasons. She said that public funds should not be used to market private farm products as each farm produces and grows unique products and commodity marketing would be undesirable. She said that her farm does not have issues marketing their products, only problems growing enough. In the last two decades they have seen the markets for their oysters almost triple and given tariffs in place, it helps oyster farmers like them get an edge over Mexican and Canadian producers. She opined that by growing their product and planting it, it shouldn't be subject to fisheries assessments since it's agriculture related, not fisheries related. The farm uses the "Alaska Grown" label, reports to the U.S. Department of Agriculture (USDA) and has access to other resources. She said that shellfish and seaweed have entirely different challenges regarding marketing. She said that the proposed bill seems like a move for the kelp industry to get access to marketing, but it may not even help to use ASMI since there are so many complex issues when it comes to marketing. She said that any farmer knows that they need to understand their product and who they are selling it to. She said that having to pay an assessment into a marketing program that has not supported them for over two decades is complicated and agriculture products and fisheries should be characterized differently. She concluded by saying that her farm supports the development of the USDA but felt it was inappropriate to have ASMI market agriculture products.

10:34:02 AM

SEAWAN GEHLBACH, Member, Simpson Bay Oyster Company, testified in opposition to HB 135. She said that she serves on the board of the Alaska Shellfish Growers Association but was testifying on behalf of her farm. She said that she is an oyster farmer, she buys seeds and plants seeds into an area leased by the State of Alaska. She said that she is not fishing but simply harvesting crops like growing potatoes or peonies. She said that she is eligible for services through the USDA. She opined that she should not be assessed a marketing fee. She said that if the State of Alaska wants to begin marketing farmed products, then it should do more than just change definitions, and additional changes would be needed in ASMI such as the assessment mechanism which deals with processors. She said all oyster farmers she knows sell products direct and do not deal with processors. She appreciates the state's ongoing support for the growing mariculture industry by continued funding for lab testing, affiliated state employees, and other associates but nonetheless is opposed to HB 135.

10:37:18 AM

MARGO REVEIL, Jakolof Bay Oyster Company, testified in opposition to HB 135. She operates the Jakolof Bay Oyster Company with her husband and son and serves on the boards of both the Alaska Shellfish Growers Association and the Pacific Coast Growers Association. Speaking on behalf of her farm, she said that she appreciates the legislature's ongoing efforts to support Alaska's growing mariculture industry, particularly Department of Environmental Conservation (DEC) shellfish authority, funding for lab testing, and other resources. She noted that for over twelve years, they have invested over \$1 million dollars to transform a derelict site in Kachemak Bay to a viable family farm with future operations being taken over by her son. She said that unlike wild fisheries that begin with public resources, their business begins with a private purchase from private hatcheries. Their shellfish require year-round care, and it takes three to five years before revenue can be generated. She said that oyster producers navigate multiple regulations from institutions like the U.S. Food and Drug Administration (FDA), the Alaska Department of Fish & Game (ADF&G), and others. She said that the oysters help improve water quality and can even provide habitat for juvenile fish. She noted that the farm developed its own unique gear that creates a unique product that customers seek out, and every oyster they grow is already sold; marketing is not their farm's

"bottleneck." She said large farmers outside of Alaska do not have a state sponsored entity doing their marketing for them and the "commodity marketing approach" does not fit well with Alaska shellfish farming, which is a differentiated market. She said that redefining seafood in statute to include both a public and private resource would result in significant consequences throughout the state. She said that farming has been explicitly excluded from fisheries legislation and should remain so.

[10:39:55 AM](#)

REPRESENTATIVE ELAM asked if he understood correctly that Ms. Reveil's concern was that her private small business would be in direct competition with the State of Alaska.

MS. REVEIL responded that they don't feel that they would be in competition with the State of Alaska, but they do not want the state to represent their products or market their products. She said that she appreciates things like "Alaska Grown" or more generic resources for growers. She said that she wants Alaska shellfish to be represented by growers, not the state. She said if the industry wanted to do some marketing like the "Got milk?" campaign then industry members could come together to do so.

[10:41:40 AM](#)

REPRESENTATIVE HIMSCHOOT surmised that "Got oysters?" may not resonate with people but there were certainly things that could be done.

[10:41:55 AM](#)

CHAIR STUTES, after ascertaining that there were no additional testifiers, closed public testimony on HB 135.

[10:42:03 AM](#)

REPRESENTATIVE EDGMON said that ASMI has had its challenges lately and it was discussed a lot during the Joint Legislative Seafood Taskforce process, but it has had success stories as well. He said that one of those challenges, given the tight budget, is ensuring adequate state support for ASMI, year in and year out. He said that the state was not sure what would and would not get funded and said that the bill purports to increase ASMI's workload but does not come with additional funding. He asked Mr. Woodrow what he thought about this.

MR. WOODROW responded that this was a great question. He said that ASMI has internally discussed it and if the workload was increased by adding additional products to the portfolio without additional assessments, there are many grant opportunities that could be pursued. Some of these grants were not only for mariculture products but wild caught fisheries as well. He said some of those grants ASMI cannot pursue because they are mariculture specific. When talking about what ASMI does most, it markets the brand Alaska, and anytime it markets the brand Alaska, it "lift[s] all the boats together." He said the opportunity to pursue those other marketing opportunities or grants would help other industries as well.

REPRESENTATIVE EDGMON commented that the committee heard agriculture mentioned and it is interested given all the different terms that are currently used: food security, agriculture, seafood, fisheries, aquatic seafood products, et cetera. He said that the legislature turned down the governor's executive order (EO) to form a Department of Agriculture, but in both the House and Senate there is an effort to bring it back into discussion. He said that he heard agriculture mentioned in testimonies, and he asked Mr. Woodrow what he thought about this topic.

MR. WOODROW responded that it is a very broad topic, and he would speak to it on a national level. At the national level, seafood gets caught between two agencies. It gets caught between the Department of Commerce under the National Oceanic and Atmospheric Administration (NOAA) where it is regulated as a fishery. But there is a change of hands when it moves to USDA and gets classified as food product, and this is something that is not done in Alaska. The discussion is when seafood or fisheries becomes classified as food, as this is when the USDA would step in and help organizations like ASMI to pursue different grants to market seafood products to the world. He opined that the country and government do not currently do this well. He said one of the requests as a seafood industry is to establish a liaison office under the USDA to help open dialogue between the Department of Commerce and USDA to help market the state's fisheries products as food products. He said more support is needed by the USDA to support seafood.

REPRESENTATIVE EDGMON said the question was nuanced and the answer was nuanced as well. He appreciated the perspective and that more conversations would take place later.

[10:47:32 AM](#)

REPRESENTATIVE MCCABE asked Mr. Woodrow what the current grants were for oyster development and if there was a grant that could be pursued for Alaska Oysters and Kelp and how it would be pursued. He asked what a marketing campaign would look like, either globally marketing strategies or U.S. focused.

MR. WOODROW responded that one funding opportunity that is available is from the "Build Back Better Initiative," which provided \$49 million, part of which was to provide opportunities to market Alaska's mariculture products. He said that ASMI cannot receive this money due to statute. He said that this is an example of pre-existing funding available for marketing purposes.

REPRESENTATIVE MCCABE said that his vision would be to have an ASMI stamp on mariculture products, he said ASMI would cooperate with them, and he said it sounds like what they are complaining about is money. He asked whether this was a fair assessment.

MR. WOODROW responded that there was no assessment written on the bill and much of the concern was about assessment costs and he understood the nuances. He remarked that the industry is nascent and trying to get on its feet. He said that ASMI recognizes this challenge, and it would need to be discussed in greater detail. He added that from an ASMI standpoint, they do not tell the wild capture industry what to do and how to market their product. Instead ASMI listens to the industry and reacts to where the industry needs them most. He said if mariculture were under the ASMI purview then it would be no different. He said they would try to "create a seat at the table" and ask where ASMI is needed most.

REPRESENTATIVE MCCABE said that he was trying to give him an opportunity to push ASMI a little bit and to market ASMI to the oyster farmers; he said that this would not change branding and brand preference for consumers. He said it was like a stamp of approval, and it would let a chef know that it is Alaska farmed and not imported.

MR. WOODROW said that Representative McCabe was correct and ASMI has been around for over 40 years has developed the most recognizable seafood brand in the world; Alaska is the most recognized brand. He said that ASMI does not attack farmed seafood and one of the core criteria for the organization was to speak only to the positives of their brands. If they brought in other products, it would be an opportunity to bring that value

to the customers, farmed or wild, and regardless of the harvest method. He said that if a brand carries the ASMI label, it is the most recognizable seafood brand in the world.

REPRESENTATIVE MCCABE said the vision would be like "Joe's Oysters" [a hypothetical] from Southeast Alaska, which has a great brand and great oysters, and they market to multiple groups. They could have a campaign that ASMI approved or supported, et cetera. He said a marketing campaign could let a chef know that these are ASMI certified products. He asked Mr. Woodrow what his thoughts were regarding what a chef would think.

MR. WOODROW responded that ASMI interacts with many seafood buyers and markets across the world. He said for example ASMI was recently at the Boston Seafood Show and there are a lot of potential buyers. He said that ASMI collects the buyer's names and shares them with Alaska Seafood companies. He said that ASMI was helping build these markets and relationships. He said this is one-way ASMI could help "Joe's Oysters." He said that ASMI also helps the industry if there are additional products to get to market and there are a lot of technical resources that speak to the specifics of the product. This includes contamination testing and nutritional testing. He said that these are a few things that they do to support the industry.

[10:55:01 AM](#)

CHAIR STUTES said that considering the testimonies, it appears that most shellfish growers are not remotely interested in coming under ASMI's umbrella. She asked what Mr. Woodrow's thoughts were about separating shellfish growers from other forms of mariculture such as seaweed and kelp.

MR. WOODROW responded that ASMI is supportive of helping any maritime industry and if it was the will of the legislature to separate shellfish from seaweed in the bill then he could understand this. He said that ASMI looks at the industry as a whole and it's an opportunity to help Alaska's coastal communities.

CHAIR STUTES said that it would be a good way to get the foot in the door with someone willingly instead of someone who is screaming and yelling.

MR. WOODROW responded that ASMI does not want to force anybody's hand with this legislation.

MR. WOODROW, in response to a previous question by Representative Himschoot, said that cephalopods are considered mollusks and would be considered in the shellfish purview.

[10:56:41 AM](#)

REPRESENTATIVE HIMSCHOOT asked Mr. Venables whether there was an elegant way to separate shellfish such as oysters from other forms of mariculture.

MR. VENABLES responded that he thought that his leaning would be to try to make an allocation for a "less than" sized producer. He said that those with small operations that feed the community are not the subject of the bill intent. He said that finding a way to do an allocation so that when "less than" a certain size then there would be no assessment. He said that some oyster farmers are looking forward to working with ASMI. He said that finding a way to exclude small ones may be more appropriate.

REPRESENTATIVE HIMSCHOOT said that splitting the two types based on a "less than" may be difficult. She said that the smaller producers would still benefit from ASMI, but they don't need the help. He said that they are not able to produce as much to be able to meet demand for marketing.

MR. VENABLES said that while rising tides lift all boats, if those farmers see a benefit and decide to grow beyond the "less than" threshold then they could grow into that opportunity. He said he thinks there is an opportunity to move forward with limits in place.

[10:59:26 AM](#)

CHAIR STUTES remarked that given the letters that were sent in, it may need to be an exemption since it appears that oyster growers are not just concerned about the monetary issues but also regulations. She said that they need to comply with other regulatory bodies and would face additional monetary demands from the state. To move forward it may need to be separated or exempt or put in total exclusion. She thinks that a total exclusion would take interaction with the larger farmers regarding interest.

MR. VENABLES said that he believed that an exemption was already in place for small salmon farmers and his suggestion was to model it along these lines.

[11:00:56 AM](#)

CHAIR STUTES announced that HB 135 was held over.

[11:01:05 AM](#)

The committee took a brief at-ease at 11:01 p.m.

**HB 129-FISHERIES PROD DEVELOPMENT TAX CREDIT**

[11:01:13 AM](#)

CHAIR STUTES announced that the final order of business would be HOUSE BILL NO. 129, "An Act relating to the fisheries product development tax credit; providing for an effective date by amending the effective date of sec. 2, ch. 31, SLA 2022; and providing for an effective date."

CHAIR STUTES noted that an amendment was offered to the bill and asked whether any of the committee members wanted a reintroduction to the bill.

[11:02:38 AM](#)

REPRESENTATIVE MCCABE moved to adopt Amendment 1 to HB 129, labeled 34-LS0647\N.2, Bergerud/Bullard, 3/26/25, which read as follows:

Page 1, following line 11:

Insert new bill sections to read:

"\* **Sec. 2.** AS 43.75.037(c) is amended to read:

(c) If the property for which a tax credit is claimed is installed on a vessel, the amount of qualified investment under (a) of this section is determined by multiplying the investment cost of the qualified investment property by a fraction, the numerator of which is the weight of **raw macroalgae and** raw eligible fish processed on the vessel by the taxpayer in the state in the tax year in which the property is first placed into service, and the denominator of which is the weight of **raw macroalgae and** raw eligible fish processed on the vessel by the taxpayer in and outside of the state in the tax year in which the property is first placed into service. In

this subsection, "eligible fish" does not include pollock, sablefish, or Pacific cod.

\* **Sec. 3.** AS 43.75.037(g) is amended to read:

(g) If, during a tax year, property for which a credit was claimed under this section is disposed of by the taxpayer, ceases to be qualified investment property, or is removed from service in the state, the tax due under this chapter is increased by the recapture percentage of the aggregate decrease in the credit allowed under this section for all prior tax years that would have resulted solely from reducing to zero the credit allowed for the qualified investment property under this section. The amount of tax credit attributable to the qualified investment that is carried forward from prior tax years is terminated as of the first day of the tax year in which the qualified investment property is disposed of by the taxpayer, ceases to be qualified investment property, or is removed from service in the state. For purposes of this subsection,

(1) the recapture percentage during the year in which the property is first placed into service or during the first year following the year in which the property is first placed into service is 100 percent;

(2) the recapture percentage during the second year following the year in which the property is first placed into service is 75 percent;

(3) the recapture percentage during the third year following the year in which the property is first placed into service is 50 percent;

(4) the recapture percentage during the fourth or later year following the year in which the property is first placed into service is zero percent;

(5) qualified investment property used on a vessel is considered to have been removed from the state on the first day of a tax year in which the proportion of raw macroalgae and raw eligible fish processed in the state on the vessel is less than 50 percent of total weight of raw macroalgae and raw eligible fish processed on the vessel in and outside of the state."

Renumber the following bill sections accordingly.

Page 2, line 16:

Following "to":

Insert "harvest or process macroalgae,"  
Following "of":  
Insert "macroalgae or"

Page 2, line 17:  
Delete "or used predominantly to"  
Insert ", or"

Page 3, line 2:  
Delete "and"  
Insert "[AND]"

Page 3, line 4, following "product;":  
Insert "and  
(vii) equipment used to harvest or process  
macroalgae;"

Page 3, line 7, following "of":  
Insert "macroalgae or"

Page 3, line 13, following "of":  
Insert "macroalgae or"

[11:02:48 AM](#)

CHAIR STUTES objected for the purpose of discussion.

[11:02:50 AM](#)

REPRESENTATIVE MCCABE said that Amendment 1 would expand the fisheries product development tax credit to support the harvest and processing of microalgae such as kelp. He said that as Alaska's mariculture industry continues to grow, this amendment would encourage fisheries businesses to invest in processing equipment and infrastructure specific to microalgae. It would ensure that this emerging sector can access the same economic development tools available to traditional fisheries.

[11:03:43 AM](#)

CHAIR STUTES removed her objection to Amendment 1. There being no further objection, Amendment 1 was adopted.

[11:03:58 AM](#)

REPRESENTATIVE EDGMON moved to report HB 129, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 129(FSH) was reported from the House Special Committee on Fisheries.

[11:04:54 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:04 a.m.