

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

April 9, 2025

3:30 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Bill Wielechowski, Vice Chair
Senator Forrest Dunbar
Senator Scott Kawasaki
Senator Shelley Hughes
Senator Robert Myers

MEMBERS ABSENT

Senator Matt Claman

COMMITTEE CALENDAR

SENATE BILL NO. 130

"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."

- HEARD & HELD

SENATE BILL NO. 135

"An Act relating to the sharing of tax revenue from the fisheries business tax and fishery resource landing tax with municipalities; relating to municipal reports on the shared tax revenue; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 131

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

- HEARD & HELD

SENATE BILL NO. 67

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 130

SHORT TITLE: FISHERIES PROD DEVELOPMENT TAX CREDIT

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

03/12/25 (S) READ THE FIRST TIME - REFERRALS
03/12/25 (S) RES, FIN
03/31/25 (S) RES AT 3:30 PM BUTROVICH 205
03/31/25 (S) Heard & Held
03/31/25 (S) MINUTE (RES)
04/09/25 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 135

SHORT TITLE: REFUND OF FISH BUSINESS TAX TO MUNIS

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

03/18/25 (S) READ THE FIRST TIME - REFERRALS
03/18/25 (S) RES, FIN
03/31/25 (S) RES AT 3:30 PM BUTROVICH 205
03/31/25 (S) Heard & Held
03/31/25 (S) MINUTE (RES)
04/09/25 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 131

SHORT TITLE: DUTIES OF ASMI BOARD; MEANING OF SEAFOOD

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

03/14/25 (S) READ THE FIRST TIME - REFERRALS
03/14/25 (S) RES, FIN
04/09/25 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

TIM LAMPKIN, Staff
Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 130 on behalf of the Senate Rules Standing Committee by request of the Joint Legislative Task Force Evaluating Alaska's Seafood Industry.

TOMI MARSH, E.C. Phillips and Son
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of SB 130.

SHANNON CARROLL, Director
Alaska Public Affairs and Fisheries Development
Trident Seafoods
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 130.

SINCLAIR WILT, Vice President
Westward Seafoods
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 130.

TOM ENLOW, President and CEO
UniSea, Incorporated
Unalaska, Alaska
POSITION STATEMENT: Testified in support of SB 130.

MEGAN O'NEIL, Director of Government Affairs
Canfisco Group
Petersburg, Alaska
POSITION STATEMENT: Testified in support of SB 130.

BRANDON SPANOS, Deputy Director
Tax Division
Department of Revenue (DOR)
Anchorage, Alaska
POSITION STATEMENT: Answered questions on SB 130.

CHRIS BECKER, Lead Auditor
Tax Division
Department of Revenue (DOR)
Anchorage, Alaska
POSITION STATEMENT: Answered questions on SB 130.

[JULIE DECKER, President
Pacific Seafood Processors Association
Wrangell, Alaska
POSITION STATEMENT: Answered questions on SB 130.]

TIM LAMPKIN, Staff
Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Introduced SB 135 on behalf of the Senate Rules Standing Committee by request of the Joint Legislative Task Force Evaluating Alaska's Seafood Industry.

SANDRA MOLLER, Director
Division of Community and Regional Affairs
Department of Commerce, Community and
Economic Development (DCCED)
Anchorage, Alaska
POSITION STATEMENT: Answered questions on SB 135.

CHRIS BECKER, Lead Auditor
Tax Division
Department of Revenue (DOR)
Anchorage, Alaska
POSITION STATEMENT: Answered questions on SB 135.

ANNA LATHAM, Deputy Commissioner
Department of Commerce, Community and
Economic Development (DCCED)
Juneau, Alaska
POSITION STATEMENT: Introduced SB 131 on behalf of the Rules
committee at the request of the governor.

JEREMY WOODROW, Executive Director
Alaska Seafood Marketing Institute
Juneau, Alaska
POSITION STATEMENT: Introduced SB 131 on behalf of the Rules
committee at the request of the governor.

ACTION NARRATIVE

[3:30:22 PM](#)

CHAIR GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Myers, Kawasaki, Wielechowski, Hughes and Chair Giessel. Senator Dunbar arrived thereafter.

SB 130-FISHERIES PROD DEVELOPMENT TAX CREDIT

[3:31:17 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 130 "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."

[3:31:35 PM](#)

TIM LAMPKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, said that SB 130 would extend tax

credit considerations to all fish species. It would also update and clarify the tax credit qualifiers, components, and innovation investments that would allow the processing fleet to qualify and make investments eligible for tax credit consideration.

[3:32:43 PM](#)

SENATOR HUGHES asked for an example of the technological innovations addressed by SB 130.

[3:32:55 PM](#)

MR. LAMPKIN offered icing technologies and automations as examples. He added that the processors could provide additional detail.

[3:33:23 PM](#)

SENATOR KAWASAKI asked whether the qualified investments need to be in Alaska (and Alaska-based).

[3:33:39 PM](#)

MR. LAMPKIN replied that the tax credits have historically applied primarily to shore-based processing.

[3:33:57 PM](#)

SENATOR KAWASAKI asked for clarification regarding whether the equipment and technologies need to be in Alaska. He asked whether the processor could be located out-of-state.

[3:34:21 PM](#)

MR. LAMPKIN clarified that the processing must be done in-state, for fish caught or landed in Alaskan waters.

[3:34:41 PM](#)

CHAIR GIESSEL opened public testimony on SB 120.

[3:34:51 PM](#)

SENATOR DUNBAR joined the meeting.

[3:35:19 PM](#)

TOMI MARSH, E.C. Phillips and Son, Ketchikan, Alaska, testified in support of SB 130. She gave a brief overview of her work in the fishing industry and of E.C. Phillips and Son. She stated that innovation and quality have helped the fishing industry persevere in the face of adverse market and economic conditions. She said that equipment that elevates quality encourages full utilization of resources. She briefly discussed how equipment can encourage new, value-added products, which in turn help the

industry remain relevant in domestic and global markets. She said that high quality and value-adding help E.C. Phillips and Son diversify and access domestic and international markets. She said SB 130 is crucial for fostering sustainability, innovation, and economic growth in Alaska's seafood sector. Extending the tax credit to all commercially harvested fish and shellfish would allow seafood processors to continue investing in value-added production, new technologies, and product diversification.

[3:38:14 PM](#)

SHANNON CARROLL, Director, Alaska Public Affairs and Fisheries Development, Trident Seafoods, Anchorage, Alaska, testified in support of SB 130. He provided a brief history and overview of Trident Seafoods. He stated that SB 130 would incentivize investments in new equipment, which would bring higher value and quality to harvesters, customers, and communities. He pointed towards rising costs, unfavorable currency markets, and aggressive harvest and pricing out of Russia as challenges to Alaska's seafood performance in the global market. He stated that cutting costs and improving the quality and value of Alaskan seafood products is imperative to the industry's success and survival. This requires innovation and investment. He shared that Trident Seafoods previously used the tax credit to improve utilization, elevating "waste" into products for pet and health markets.

[3:40:13 PM](#)

SINCLAIR WILT, Vice President, Westward Seafoods, Anchorage, Alaska, testified in support of SB 130. He provided a brief overview of Westward Seafoods. He briefly discussed how poor market conditions are impacting the seafood industry in Alaska. He stated that SB 130 would provide incentive to create value-added products, which would have a positive impact on the industry and local communities.

[3:41:52 PM](#)

TOM ENLOW, President and CEO, UniSea, Incorporated, Unalaska, Alaska, testified in support of SB 130. He provided a brief overview of UniSea. He stated that SB 130 would provide an incentive to invest in equipment to create value-added products in-state. He explained that processing for value-added products currently happens out-of-state. He said that value-added products would add production days to shoulder seasons and keep Alaskans employed in local communities. He briefly discussed how this would benefit the industry and the state. He emphasized the importance of diversification to remain competitive. He said the high-cost equipment required to produce value-added products is

difficult to justify; SB 130 would incentivize those equipment purchases.

[3:44:19 PM](#)

MEGAN O'NEIL, Director of Government Affairs, Canfisco Group, Petersburg, Alaska, testified in support of SB 130. She gave a brief overview of Canfisco Group. She briefly discussed the impacts and benefits of SB 130, which would expand the tax credit and incentivize new technologies and processes that would create value-added products while maintaining the 50 percent cap. She stated that this would benefit fisherman, partner communities, and the State of Alaska. She briefly discussed raw fish taxes and explained that SB 130 would enable Canfisco to modernize its processing plants in Bristol Bay. She explained that the new equipment would reduce physical labor and improve conditions.

[3:46:16 PM](#)

CHAIR GIESSEL closed public testimony on SB 130.

[3:46:34 PM](#)

SENATOR KAWASAKI asked whether the tax credit is limited to Alaska-based companies or if an out-of-state processor would qualify.

[3:47:23 PM](#)

BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue (DOR), Anchorage, Alaska, said that to qualify for the tax credit, both the taxpayer and the processing equipment must be based in Alaska.

[3:48:01 PM](#)

SENATOR DUNBAR asked how the tax law addresses floating processors.

[3:48:38 PM](#)

MR. SPANOS deferred the question.

[3:48:54 PM](#)

CHRIS BECKER, Lead Auditor, Tax Division, Department of Revenue (DOR), Anchorage, Alaska, replied that floating processors can be eligible for the tax credit. He explained that eligibility is based on the amount of processing done in state waters.

[3:49:08 PM](#)

SENATOR DUNBAR asked for further clarification. He asked whether floating processors must be docked or home-ported in Alaska. He

shared his understanding that it would be possible for a processor to complete all work offshore without directly interacting with local communities. He offered a hypothetical example to illustrate his question and asked if his understanding is correct.

[3:49:41 PM](#)

MR. BECKER replied that this is correct; however, the tax credit from that activity would be shared with the local community.

[3:49:54 PM](#)

SENATOR KAWASAKI asked about at-sea processors. He shared his understanding that "qualified investment" means investment cost to purchase and convert depreciable tangible personal property. He asked how DOR would determine the portion contributing to the qualified investment.

[3:50:50 PM](#)

MR. BECKER answered that the credit in SB 130 applies to the fisheries business tax. He explained that processors liable for the fisheries resource landing tax are not eligible for the credit unless the processing is done in state waters.

[3:51:13 PM](#)

CHAIR GIESSEL invited Julie Decker, president of Pacific Seafood Processors Association, to comment.

[3:51:24 PM](#)

[JULIE DECKER, President, Pacific Seafood Processors Association, Wrangell, Alaska,] said that her understanding of the questions corresponds with that of the Department of Revenue.

[3:51:53 PM](#)

CHAIR GIESSEL held SB 130 in committee.

SB 135-REFUND OF FISH BUSINESS TAX TO MUNIS

[3:52:06 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 135 "An Act relating to the sharing of tax revenue from the fisheries business tax and fishery resource landing tax with municipalities; relating to municipal reports on the shared tax revenue; and providing for an effective date."

[3:52:25 PM](#)

TIM LAMPKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, explained that SB 135 would revisit a 2012 policy related to the fisheries business tax and the landing tax. SB 135 would not change the taxes; instead, it would adjust how the taxes are allocated between the State of Alaska and municipalities. The intent of SB 135 is to encourage municipalities to improve their fisheries infrastructure (e.g. docks and harbors). He reiterated that SB 135 would shift the tax revenue allocation and added that a sunset is included.

[3:53:44 PM](#)

SENATOR HUGHES asked whether SB 135 includes requirements for how municipalities can use the additional funds. Specifically, she wondered if municipalities must use the funds on harbor related purchases.

[3:54:15 PM](#)

MR. LAMPKIN said that outside of intent language, it is difficult to create this type of qualifier. He noted that SB 135 also includes a reporting requirement. He expressed uncertainty about whether the legislature could require municipalities to spend the money in a particular way.

[3:54:49 PM](#)

SENATOR HUGHES pointed out that the cruise ship tax includes a requirement that those funds be used to enhance the areas where the cruise passengers disembark. She wondered if there was anything preventing a similar requirement in SB 135. She indicated that the intent language is not sufficient to ensure the money would benefit the fishing industry. She said that, in a time when the State of Alaska's budget is limited, it would be reassuring to know the money would go to the industry (and not be spent in other ways). She asked if there is any legal reason preventing this.

[3:55:29 PM](#)

MR. LAMPKIN noted that he does not have the expertise to answer this question. He hypothesized that collecting the tax would create a feedback loop of a kind, and communities would likely reinvest that money into the infrastructure that would allow them to continue to harvest the resource and collect the tax.

[3:56:02 PM](#)

SENATOR HUGHES asked whether the sponsor of SB 135 would object to adding a spending requirement.

[3:56:15 PM](#)

MR. LAMPKIN expressed confidence that the sponsor of SB 135 would be happy to improve the legislation.

[3:56:34 PM](#)

SENATOR HUGHES said she would support the addition of a spending requirement.

[3:56:54 PM](#)

SENATOR DUNBAR recalled previous invited testimony from Alaska Marine Lines (AML) regarding inland communities that receive the tax but do not have harbors. He said that he supports giving the communities flexibility, as what improves the lives of the fishing community is not always straightforward. He shared his understanding that AML was seeking this flexibility. He asked if the sponsor would be open to amendments - particularly those AML proposed at the previous hearing of SB 135. He shared his understanding that one amendment would remove the intent language while the other addressed the reporting requirements. He briefly discussed how the reporting requirements could be made more reasonable. He indicated that it is responsible to know how the money is spent; however, if a community receives a de minimis benefit, it should not be subject to the reporting requirement.

[3:58:36 PM](#)

MR. LAMPKIN shared that he does not generally support intent language, as there is no force of law. He noted that, in this case, the intent language simply makes clear that SB 135 was intended to incentivize the way the monies are spent. He agreed that the fisheries taxes do not solely benefit coastal communities and inland communities should retain the flexibility to invest in things other than direct seafood industry infrastructure.

[3:59:22 PM](#)

SENATOR DUNBAR asked if Mr. Lampkin has any thoughts on the reporting requirement.

[3:59:27 PM](#)

MR. LAMPKIN indicated that changing the reporting requirement would be reasonable. He stated that the current requirement reflects the original intent of SB 135 and implied that further discussion and change is expected.

[3:59:38 PM](#)

SENATOR DUNBAR asked Chair Giessel about the timeline for amendments to SB 135 or a possible committee substitute (CS).

[3:59:52 PM](#)

CHAIR GIESSEL replied that the amendment deadline is Friday April 11, 2025, at 8:00 am. She stated that there is no CS at this time.

[4:00:10 PM](#)

SENATOR HUGHES requested an example of a non-coastal community receiving the tax benefit.

[4:00:39 PM](#)

MR. LAMPKIN recalled from previous testimony that Houston, Alaska assists the fishing industry but is not based on the coast. He surmised that the assistance could involve transportation from the airport or gear support. He indicated that his knowledge related to the question is limited. He deferred the question.

[4:02:08 PM](#)

SANDRA MOLLER, Director, Division of Community and Regional Affairs, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, said she would investigate this and provide the answer to the committee.

[4:02:59 PM](#)

CHAIR GIESSEL invited representatives from the Department of Revenue to answer the question.

[4:03:08 PM](#)

CHRIS BECKER, Lead Auditor, Tax Division, Department of Revenue (DOR), Anchorage, Alaska, explained that the fisheries business tax is based on the location of the processing - or the unprocessed exports. He explained that if a resource was transported to a non-port city for processing, that non-port city would receive a portion of the tax.

[4:03:34 PM](#)

CHAIR GIESSEL asked for confirmation of her understanding that if the product was transported to an inland community for processing, that community would benefit from the tax credit.

[4:03:51 PM](#)

MR. BECKER confirmed that this is correct.

[4:04:14 PM](#)

CHAIR GIESSEL opened public testimony on SB 135; finding none, she closed public testimony.

[4:04:39 PM](#)

CHAIR GIESSEL held SB 135 in committee.

SB 131-DUTIES OF ASMI BOARD; MEANING OF SEAFOOD

[4:04:46 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 131 "An Act relating to the duties of the Alaska Seafood Marketing Institute; and relating to the seafood marketing assessment."

[4:05:37 PM](#)

ANNA LATHAM, Deputy Commissioner, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, said SB 131 would allow the Alaska Seafood Marketing Institute (ASMI) to market aquatic farm products (e.g. kelp and oysters). She said that Alaska has an ideal environment for mariculture industry growth and highlighted the long coastlines and history of maritime activity in the state. The mariculture industry also has federal and state support. She stated that Alaska produces more than half of the seafood in the United States.

MS. LATHAM opined that expanding mariculture as a renewable resource is a natural progression. The State of Alaska has shown its commitment to developing the state's mariculture industry over the past decade, which creates year-round jobs and supports communities that have experienced a decline in harvest volume and revenue. This expansion would also diversify Alaska's economy. She stated that ASMI has done well in its task of developing an international brand for Alaska's seafood industry. Expanding ASMI's scope to include shellfish could incentivize growth in that emergent sector. SB 131 aligns with the administration's food security initiatives, as successful marketing efforts would allow for the increased production of shellfish. She stated that this would ultimately lead to an increased availability of fresh food in local markets.

[4:07:20 PM](#)

JEREMY WOODROW, Executive Director, Alaska Seafood Marketing Institute, Juneau, Alaska, paraphrased the sectional analysis of SB 131:

[Original punctuation provided.]

SECTIONAL ANALYSIS

SB 131: Duties of ASMI Board; Meaning of Seafood

Version A

Section 1: Technical change amending AS 16.51.100(3) to include "or harvest" related to the development of quality specifications and handling of Alaska seafood "from the moment of capture" under duties 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.

MR. WOODROW said that "aquatic farm products" are defined in AS 16.41.099. He explained that current statute prohibits ASMI from marketing mariculture products. He said SB 131 is not tied to SB 108 (which relates to fin fish farming). He emphasized that, should SB 108 pass, SB 131 would not give ASMI the powers to market farmed fin fish. He said ASMI is supportive of two nascent industries in Alaska: farmed shellfish (primarily oysters) and farmed kelp. He stated that in a recent board meeting ASMI unanimously passed a motion in support of changing ASMI statutes to include powers to market Alaska's mariculture products. If SB 131 passes, ASMI would immediately begin to include those products in its global marketing efforts. He briefly described those marketing efforts. SB 131 would also allow ASMI to pursue grant funding for those marketing efforts, on behalf of the mariculture industry. He said that he is not an expert in Alaska mariculture. He added that he anticipates ASMI would adopt a structure that would include Alaskan mariculture experts in ASMI activities and committees. This would ensure that ASMI's actions align with the needs of Alaska's mariculture industry.

[4:09:56 PM](#)

SENATOR DUNBAR directed attention to SB 131, page 2, line 11, which refers to "aquatic farm" and commented that this term brings to mind farmed fish. He asked whether "mariculture" would be a more accurate term. If so, he wondered if the committee should amend SB 131 and replace "aquatic farm" with "mariculture."

[4:10:40 PM](#)

MR. WOODROW shared his understanding that "mariculture " and "aquatic farm" are often interchangeable. He added that there may be nuances with those definitions when used outside of the legislative process.

[4:11:04 PM](#)

SENATOR DUNBAR said he has heard the term "mariculture" many times; however, he has not heard the term "aquatic farm." He wondered if someone involved in drafting SB 131 could address the question.

[4:11:30 PM](#)

MR. WOODROW clarified that the term "aquatic farm" is defined in AS 16.41.99. He said the term has been in statute for many years. He shared his understanding that "mariculture" is a newer term and surmised that changing "aquatic farm" to "mariculture" would require changes to other areas of statute. He added that "aquatic farm" seems to be the preferred term in Alaska Statute. He said that "aquatic farm products" refers to products in a controlled environment.

[4:12:21 PM](#)

SENATOR DUNBAR noted that oysters are grown in a semi-controlled way that often involves open water. He said he does not think of this as "farming" but acknowledged that it is farming of a kind. He opined that, in this case, "mariculture" would be a better term. He expressed his support for SB 131.

[4:13:03 PM](#)

SENATOR KAWASAKI directed attention to the following definition of "aquatic farm" in AS 16.40.199:

[Original punctuation provided.]

Sec. 16.40.199. Definitions.

In AS 16.40.100 – 16.40.199,

- (1) "aquatic farm" means a facility that grows, farms, or cultivates aquatic farm products in captivity or under positive control;

SENATOR KAWASAKI noted that this definition is also used in SB 108 (which relates to fin fish farming). He expressed concern about this overlap and emphasized that he does not want farmed fish to be considered "seafood" - even if it is farmed "under positive control." He noted that some farmed fish are raised in tanks rather than in bodies of water and are therefore not considered "seafood" by the State of Alaska.

[4:13:58 PM](#)

MR. WOODROW indicated his understanding and suggested that this definition may need additional consideration if the legislature does not want seafood and farmed fish to intersect.

[4:14:21 PM](#)

SENATOR HUGHES returned to an earlier comment on adjusting the ASMI board to include mariculture expertise. She asked if ASMI has the authority to add board members and/or change board member qualifications - or whether a statutory change is required.

[4:14:41 PM](#)

MR. WOODROW replied that ASMI does not have authority to change the board. The board membership is set in statute, and members are chosen by the governor. He explained that the ASMI board is authorized to create advisory committees. He explained that advisory committees increase inclusivity, and members are from various sectors of the Alaska seafood industry. He shared his vision (which the ASMI board has discussed) that these committees would expand to include mariculture experts - or perhaps the ASMI board would create a mariculture committee. This would enable the mariculture sector to advise the ASMI board and ensure that decisions made by ASMI are aligned with that sector's needs.

[4:15:37 PM](#)

CHAIR GIESSEL asked about the current composition of the ASMI board.

[4:15:42 PM](#)

MR. WOODROW said the board has seven voting members. Five of those are seafood processors (including one small processor). The remaining two members are harvesters. He noted that the harvesters must be engaged in commercial fishing in Alaska.

[4:16:50 PM](#)

CHAIR GIESSEL opened public testimony on SB 131.

[4:17:06 PM](#)

CHAIR GIESSEL held public testimony on SB 131 open.

[4:17:25 PM](#)

CHAIR GIESSEL held SB 131 in committee.

[4:18:51 PM](#)

There being no further business to come before the committee, Chair Giessel adjourned the Senate Resources Standing Committee meeting at 4:18 p.m.