

Original Sponsors: Senators  
Owen, Hopson, Kilcher, et al

Offered: 3/19/65  
Referred: Judiciary

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 2d CS FOR SENATE BILL NO. 112

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the stabilization, main-  
7 tenance, quality control and development of  
8 the king crab industry of the state; creat-  
9 ing the Alaska King Crab Marketing and  
10 Quality Control Board; and providing for an  
11 assessment on king crab processors in the  
12 state to finance this Act; and providing for  
13 an effective date."

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

15 \* Section 1. PURPOSE. The legislature declares that this  
16 chapter is enacted in the exercise of the police power of this  
17 state for the purposes of protecting and furthering the public  
18 health and welfare. It is further declared that the king crab  
19 industry of this state is affected with a public interest, in  
20 that, among other things:

21 (1) the production, processing and distribution of king  
22 crab constitutes an important industry of this state which not  
23 only provides substantial and required revenues for the state and  
24 its political subdivisions, and employment and a means of liveli-  
25 hood for many of its population, but also furnishes essential food  
26 that is vital to the public health and welfare;

27 (2) the stabilization, maintenance, quality control and  
28 development of the king crab industry of Alaska, and the expansion  
29 of the king crab market at the state, national and international

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1 levels are necessary to assure the consuming public an adequate  
2 supply of king crab; to provide and maintain an adequate standard  
3 of living for a great segment of the people of this state; and to  
4 maintain proper wage scales for those engaged in the king crab  
5 industry and to maintain existing employment.

6 \* Sec. 2. AS 18 is amended by adding a new chapter to read:

7 CHAPTER 90. ALASKA KING CRAB MARKETING AND  
8 QUALITY CONTROL ACT

9 ARTICLE 1.

10 Sec. 18.90.010. PURPOSES. The purposes of this chapter  
11 are:

12 (1) to enable the Alaska king crab industry, with  
13 the aid of the state, to maintain the quality and purity of  
14 king crab and to maintain and develop all markets for king  
15 crab produced, processed or distributed in Alaska;

16 (2) in aid, but not in limitation of the other  
17 purposes of this chapter, to authorize and enable the board,  
18 to formulate and effectuate directly or in cooperation with  
19 other agencies and instrumentalities, research and sales  
20 stimulation and consumer or other educational programs design-  
21 ed to increase the use and consumption of king crab and their  
22 products and to maintain their quality and purity; and

23 (3) to provide funds for the administration and  
24 enforcement of this chapter.

25 Sec. 18.90.020. AUTHORITY OF COMMISSIONER. The commis-  
26 sioner of fish and game shall be an ex officio member of the  
27 board and enforce this chapter.

28 ARTICLE 2.

29 Sec. 18.90.040. BOARD CREATED. (a) There is created

1 the Alaska King Crab Marketing and Quality Control Board,  
2 which consists of six members appointed by the governor and  
3 confirmed by a majority of the legislature meeting in joint  
4 session. Members of the board shall be citizens and  
5 residents of this state, and all of them shall be king crab  
6 processors or designated representatives of a corporation or  
7 partnership or representatives of any other business entities  
8 who perform the functions of a king crab processor in this  
9 state.

10 (b) Members shall serve terms of three years. Initial  
11 appointments of members are two members for one year, two  
12 for two years and two for three years.

13 (c) Members of the king crab industry may make recom-  
14 mendations of processors to serve on the board. The governor  
15 shall make his appointments to the board from the list of  
16 persons recommended by the industry.

17 (d) Four members of the board are a quorum.

18 (e) The board shall elect a chairman annually and  
19 shall hold at least two regular meetings a year. The board  
20 shall meet at the call of the chairman or upon the written  
21 request of three members of the board.

22 (f) Board members receive no salary, but are entitled  
23 to per diem and travel expenses authorized by law for other  
24 boards and commissions.

25 Sec. 18.90.050. MEETING PUBLIC. Meetings of the board  
26 are open and public.

27 Sec. 18.90.060. DUTIES. (a) The duties of the board  
28 are to

29 (1) conduct programs of education, research,

1 advertising or sales promotion designed to accomplish the  
2 purposes of this chapter;

3 (2) establish standards of quality and purity for  
4 king crab;

5 (3) make contracts and other agreements which may  
6 be proper to promote the sale of king crabs and their pro-  
7 ducts produced, processed or distributed on either a local,  
8 state, national or international basis;

9 (4) cooperate with any other local, state or  
10 national board, organization or agency, whether voluntary or  
11 created by state or federal law, and engaged in work or  
12 activities similar to the work and activities of the Alaska  
13 King Crab Marketing and Quality Control Board and make con-  
14 tracts and agreements with those organizations or agencies  
15 for carrying on joint programs of consumer education, sales  
16 promotion, quality control, advertising and research in the  
17 production, processing or distribution of king crab;

18 (5) conduct or contract to have conducted,  
19 scientific research to develop and discover the health, food,  
20 dietetic or other uses of king crab;

21 (6) prepare annually a budget of proposed expenses  
22 of the board to be incurred in carrying out the provisions  
23 of this chapter, and to make modifications of that budget  
24 whenever advisable;

25 (7) promulgate regulations relating to the admin-  
26 istration and enforcement of this chapter;

27 (8) investigate all matters affecting the adminis-  
28 tration of this chapter, and to report violations to the  
29 commissioner;

1           (9) employ at its pleasure an executive director  
2 and other employees it considers necessary and prescribe  
3 their duties and fix their compensation; and

4           (10) establish offices and incur expenses inci-  
5 dental to the establishment; present facts to, and negotiate  
6 with local, state or federal governmental agencies on matters  
7 affecting quality, production, processing or distribution of  
8 king crab.

9           (b) The commissioner shall implement programs as the  
10 board formulates for the quality control and promotion of  
11 king crab which are

12           (1) reasonably calculated to attain the objectives  
13 sought in this chapter;

14           (2) in conformity with this chapter and within  
15 the applicable limitations and restrictions set out in this  
16 chapter and will tend to effectuate the declared purposes  
17 and policies of this chapter; and

18           (3) reasonably calculated to protect the interests  
19 of consumers of king crab, in that the powers of this chapter  
20 are being exercised only to the extent necessary to attain  
21 the objectives of this chapter.

22           Sec. 18.90.070. FALSE OR UNWARRANTED CLAIMS. No pro-  
23 gram or activity conducted or sponsored under this chapter  
24 may make false or unwarranted claims, or disparage the  
25 quality, value, use or sale of any commodity authorized by  
26 law to be marketed in this state, nor shall the programs be  
27 conducted to promote directly a private brand or trade name.

28           Sec. 18.90.080. LOBBYING. No member, agent or employ-  
29 ee of the board shall appear before any legislative

1 committee of the state or federal government as a representa-  
2 tive of the board unless requested to do so by the committee,  
3 nor shall the person lobby in any manner as a representative  
4 of the board, nor shall any funds collected under this  
5 chapter be used for political contributions.

6 Sec. 18.90.090. ANNUAL STATEMENTS. The board shall  
7 prepare annually and make available to all king crab pro-  
8 cessors and the legislature, summarized statements of the  
9 activities in which it has been engaged in the previous  
10 annual period, and of the activities in which it proposes to  
11 engage in the ensuing annual period.

12 Sec. 18.90.100. RECORDS AND ACCOUNTS. The board shall  
13 keep books, records, and accounts of all its transactions,  
14 dealings, contracts, agreements, funds, and expenditures as  
15 it considers necessary, and the books, records, and accounts  
16 shall be open at all times to inspection or auditing by the  
17 commissioner and the legislative auditor.

18 Sec. 18.90.110. REGULATIONS. The board may establish,  
19 consistent with this chapter, regulations covering the  
20 administration and enforcement of this chapter which may be  
21 necessary to carry out the purposes and attain the objectives  
22 of this chapter. No regulation is effective until the  
23 termination of a period of 15 days from the date of its  
24 adoption. The commissioner shall mail a copy of the notice  
25 of the issuance to all persons directly affected by the regu-  
26 lations whose names and addresses may be on file in the  
27 office of the commissioner and shall supply a copy of the  
28 regulation to every person who files in the office of the  
29 director a written request for the notices.

1           Sec. 18.90.120. LIST OF PROCESSORS. (a) Within 30  
2 days after the effective date of this chapter, the commis-  
3 sioner shall prepare a list of processors as defined in sec.  
4 220 of this chapter for use in carrying out procedures pre-  
5 scribed in this chapter. To enable the commissioner to  
6 prepare a complete list of processors, he may require all  
7 persons who operated as processors in the 12-month period  
8 immediately preceding the effective date of this chapter to  
9 file with him a statement properly certified showing

10                   (1) the correct name and address of the processor;  
11 and

12                   (2) the gross dollar value paid to the fisherman  
13 during the 12-month period immediately preceding the effec-  
14 tive date of this chapter.

15           (b) The information contained in the individual reports  
16 of processors filed with the commissioner under this section  
17 shall not be made public by the commissioner in that form,  
18 but the information contained in the reports may be prepared  
19 in combined form for use by the commissioner, his agents, or  
20 other authorized persons, in the formulation, administration  
21 and enforcement of a quality control order, or may be made  
22 available under court order, but shall not be made available  
23 to anyone for private purposes. The list shall constitute  
24 a complete and conclusive list of the processors of king  
25 crab in this state for the purposes of the written assent  
26 provided for in this section.

27           (c) The board shall not make effective the promotion,  
28 research, quality control and other provisions of this chap-  
29 ter unless and until the annual budget for those programs

1 is assented to in writing by not less than 51 per cent of  
2 the processors by number and by the processors of not less  
3 than 51 per cent of the king crab poundage processed in the  
4 state by all processors qualified to assent. Gross dollar  
5 value paid to the fishermen shall be based upon the gross  
6 dollar value paid to the fishermen obtained by the commis-  
7 sioner under (a) of this section.

8 ARTICLE 3.

9 Sec. 18.90.140. ASSESSMENT. (a) To defray the costs  
10 of administration and enforcement of this chapter, and to  
11 initiate the program contained in it, there shall be an  
12 assessment of one per cent on the 1964 pack for the 1965  
13 budget. The rate shall be made applicable upon a uniform  
14 basis on each processor in proportion to the purchases made  
15 by such processor, based upon the gross dollar value paid by  
16 the processor to the fisherman for the previous calendar  
17 year. Thereafter, the board shall propose such increases or  
18 decreases in the assessment as are appropriate to carry out  
19 the purposes of this chapter, but no increase or decrease  
20 shall take effect until assented to in writing as set out in  
21 sec. 120(c) of this chapter. The assessment shall not be  
22 levied or collected more than once upon any lot of king  
23 crab processed.

24 (b) This section shall not be applicable upon retail-  
25 ers, restaurants or other similar retail establishments.

26 (c) After the board has proposed and the industry has  
27 approved an assessment, the commissioner shall give notifica-  
28 tion in writing by mail of the assessment to all processors  
29 concerned whose names are on record in the department.

1 Assessments shall be paid in accordance with assessment forms  
2 prepared or issued by the commissioner for that purpose.

3 Sec. 18.90.150. FAILURE TO PAY ASSESSMENT. Failure to  
4 pay an assessment levied under this chapter is a misdemeanor  
5 and may be punishable by a fine of not to exceed double the  
6 amount of the assessment for each instance of the violation.  
7 The commissioner, with the concurrence of the board, may  
8 recommend the amount of the fine to be imposed.

9 Sec. 18.90.160. MONEY COLLECTED. All money collected  
10 by the commissioner under this chapter shall be deposited in  
11 the general fund. The commissioner shall report to the  
12 legislature the amount of money collected and deposited in  
13 the general fund under this chapter during the preceding  
14 fiscal year. The report will be filed with the finance  
15 committees of the legislature within five days after it con-  
16 venes. Either finance committee may require such additional  
17 information about the money collected under this chapter as  
18 it considers necessary.

19 Sec. 18.90.170. MONEY EXPENDED. Appropriations for  
20 expenses of the board shall not exceed the amount of money  
21 collected under this chapter through assessments and contri-  
22 butions.

23 ARTICLE 4.

24 Sec. 18.90.200. ADMINISTRATIVE PROCEDURE ACT. The  
25 Administrative Procedure Act (AS 44.62) does not apply to  
26 this chapter.

27 Sec. 18.90.210. PENALTY. (a) The commissioner, with  
28 the concurrence of the board, may order the closure of any  
29 king crab processing plant in which a provision of

1 this chapter relating to quality control or a regulation  
2 relating to the same is being violated. The order shall  
3 specifically itemize the reasons for the closure and the  
4 closure shall not take place until 30 days after receipt of  
5 the order by the owner or operator of the plant. If before  
6 the expiration of the 30 days, there is no longer any  
7 violation as set out in the order, the plant shall not be  
8 closed. The plant may not reopen until there is full com-  
9 pliance with the law and regulations referred to in this  
10 section.

11 (b) An order under (a) of this section may be suspended  
12 or set aside, in whole or in part, through injunction pro-  
13 ceedings brought by a party in interest against the commis-  
14 sioner and the board in the superior court.

15 Sec. 18.90.220. DEFINITIONS. In this chapter

16 (1) "king crab" includes all species commonly  
17 marketed under that appellation, especially paralithodes,  
18 camtschatic and paralithodes platypus;

19 (2) "retailer" means a person engaged in the act  
20 of selling or distributing king crab to the final consumer;

21 (3) "processors" means a person cooking, canning,  
22 freezing or otherwise preparing king crabs commercially for  
23 human consumption;

24 (4) "board" means the Alaska King Crab Marketing  
25 and Quality Control Board;

26 (5) "commissioner" means the commissioner of fish  
27 and game.

28 Sec. 18.90.230. SHORT TITLE. This chapter may be  
29 cited as the Alaska King Crab Marketing and Quality Control

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Act.

\* Sec. 2. EFFECTIVE DATE. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.