

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

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 designed
21 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 commerce shall be an ex officio member of the board
27 and enforce this chapter.

28 ARTICLE 2.

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

1 within the Department of Commerce the Alaska King Crab Market-
2 ing and Quality Control Board, which consists of six members
3 appointed by the governor and confirmed by a majority of the
4 legislature meeting in joint session. Members of the board
5 shall be citizens and residents of this state, and actively
6 engaged in the industry as king crab processors or designated
7 representatives of a corporation or partnership or represent-
8 atives of any other business entities who perform the functions
9 of a king crab processor in this state. No more than one rep-
10 resentative of any one processor may serve on the board at the
11 same time.

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

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

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

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

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

27 Sec. 18.90.050. MEETING PUBLIC. Meetings of the board
28 are open and public.

29 Sec. 18.90.060. DUTIES. (a) The duties of the board

1 are to

2 (1) conduct programs of education, research,
3 advertising or sales promotion designed to accomplish the
4 purposes of this chapter;

5 (2) establish standards of quality and purity for
6 king crab;

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

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

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

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

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

29 (8) investigate all matters affecting the adminis-

1 tration of this chapter, and to report violations to the
2 commissioner;

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

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

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

14 (1) reasonably calculated to attain the objectives
15 sought in this chapter;

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

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

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

1 Sec. 18.90.080. LOBBYING. No member, agent or employee
2 of the board shall appear before any legislative committee of
3 the state or federal government as a representative of the
4 board unless requested to do so by the committee, nor shall
5 the person lobby in any manner as a representative of the
6 board, nor shall any funds collected under this chapter be
7 used for political contributions.

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

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

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

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1 regulation to every person who files in the office of the
2 director a written request for the notices.

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

12 (1) the correct name and address of the processor;
13 and

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

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

29 (c) Each year the board shall not make effective the
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1 promotion, research, quality control, assessment and other
2 provisions of this chapter unless and until the annual budget
3 for those programs is assented to in writing by not less than
4 51 per cent of the processors by number and by the processors
5 of not less than 51 per cent of the king crab poundage pro-
6 cessed in the state by all processors qualified to assent.
7 Gross dollar value paid to the fishermen shall be based upon
8 the gross dollar value paid to the fishermen obtained by the
9 commissioner under (a) of this section.

10 (d) All provisions of this chapter shall be immediately
11 suspended when the commissioner of commerce has received the
12 written request for the suspension from at least 51 per cent
13 of the processors by number as well as by poundage.

14 ARTICLE 3.

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

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

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

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

9 Sec. 18.90.150. FAILURE TO PAY ASSESSMENT. Failure to
10 pay an assessment levied under this chapter shall subject a
11 processor to a civil penalty not to exceed double the amount
12 of the assessment. The commissioner, with the concurrence of
13 the board, may recommend the amount of the penalty to be
14 imposed.

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

25 Sec. 18.90.170. MONEY EXPENDED. Appropriations for
26 expenses of the board shall not exceed the amount of money
27 collected under this chapter through assessments and contri-
28 butions.

29 ARTICLE 4.

1 Sec. 18.90.200. ADMINISTRATIVE PROCEDURE ACT. The
2 Administrative Procedure Act (AS 44.62) does not apply to
3 this chapter.

4 Sec. 18.90.210. PENALTY. (a) The commissioner, with
5 the concurrence of the board, may order the closure of any
6 king crab processing plant in which a provision of this
7 chapter relating to quality control or a regulation relating
8 to the same is being violated. The order shall specifically
9 itemize the reasons for the closure and the closure shall not
10 take place until 30 days after receipt of the order by the
11 owner or operator of the plant. If before the expiration of
12 the 30 days, there is no longer any violation as set out in
13 the order, the plant shall not be closed. The plant may not
14 reopen until there is full compliance with the law and
15 regulations referred to in this section.

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

20 Sec. 18.90.220. DEFINITIONS. In this chapter

21 (1) "king crab" includes all species commonly
22 marketed under that appellation, especially paralithodes,
23 camtschatic and paralithodes platypus;

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

26 (3) "processors" means a person, corporation,
27 partnership or cooperative holding a fisheries business
28 license pursuant to AS 43.75.010 - 43.75.090, cooking,
29 canning, freezing or otherwise preparing king crabs

1 commercially for human consumption;

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

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

6 Sec. 18.90.230. SHORT TITLE. This chapter may be cited
7 as the Alaska King Crab Marketing and Quality Control Act.

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

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