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Referred: Finance

Original sponsor: House Special Committee
on Fisheries

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 381 (Resources) am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to wholesale prices for salmon; and
7 providing for an effective date."

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

9 * Section 1. AS 43.80 is amended by adding new sections to read:

10 Sec. 43.80.050. REPORTING OF WHOLESALE CANNED SALMON PRICES.

11 (a) A fish processor engaged in the business of selling canned salmon
12 products at wholesale shall submit to the department, on a form pro-
13 vided by the department, a semi-annual report of the prices received
14 by the processor or an affiliate of the processor for the sale of
15 canned salmon. Not later than April 30 of each year a processor shall
16 submit a report for the period October 1 - March 31. Not later than
17 October 31 of each year a processor shall submit a report for the
18 period April 1 - September 30.

19 (b) A report submitted under this section shall, for sales to
20 buyers that are not affiliates of the processor, include a description
21 of the products and the quantity sold by species and unit-of-sale
22 category and the wholesale prices received. If a processor sells no
23 canned salmon products during a reporting period the report for that
24 period shall include only a statement of that fact.

25 (c) A sale to an affiliate of the processor may not be included
26 in a report submitted under this section by a processor. However, a
27 processor shall report sales by an affiliate at wholesale of canned
28 salmon that was obtained from the processor. The report shall include
29 a description of the products and the quantity sold by the affiliate

1 by species and unit-of-sale category and the wholesale prices received
2 by the affiliate.

3 (d) Information shall be reported for the following unit-of-sale
4 categories:

- 5 (1) 48-pound case of one-pound cans (48 cans);
- 6 (2) 24-pound case of one-half-pound cans (48 cans);
- 7 (3) 12-pound case of one-quarter-pound cans (48 cans); and
- 8 (4) 48-pound case of four-pound cans (12 cans).

9 (e) A person excluded from the fisheries business tax under
10 AS 43.75.017 is exempt from the requirements of this section.

11 Sec. 43.80.055. WHOLESALE PRICE AVERAGES. (a) Based on the
12 information provided in reports submitted under AS 43.80.050, the
13 department shall determine the statewide average wholesale prices paid
14 to fish processors and their affiliates for the sale of canned salmon.

15 (b) The department shall determine under this section the month-
16 ly and annual wholesale price averages for each species of canned
17 salmon in each unit-of-sale category.

18 Sec. 43.80.060. REPORT TO LEGISLATURE. Not later than the 15th
19 day of each regular legislative session the department shall submit to
20 the legislature a report of statewide average wholesale canned salmon
21 prices.

22 Sec. 43.80.065. CONFIDENTIALITY OF REPORTS. Information in
23 reports submitted under AS 43.80.050, and price averages calculated by
24 the department from the information in the reports, are public infor-
25 mation, except that information that identifies or could be used to
26 identify a particular fish processor is confidential.

27 Sec. 43.80.095. PENALTY. The department may levy and collect a
28 civil penalty of \$50 per day on a fish processor that fails to submit
29 a report as required under AS 43.80.050.

1 Sec. 43,80.100. DEFINITIONS. In this chapter,

2 (1) "affiliate of the processor" means a person that di-
3 rectly or indirectly, through one or more intermediaries, controls, is
4 controlled by, or is under common control with, the processor;

5 (2) "control" means

6 (A) owning directly or indirectly, or having the power
7 to vote, not less than 10 percent of any class of voting securi-
8 ties of a corporation; or

9 (B) influencing or affecting in any substantive manner
10 the election of a majority of the directors or trustees of a
11 corporation;

12 (3) "department" means the Department of Revenue;

13 (4) "fish processor" means a person engaging or attempting
14 to engage in a business for which a license is required under AS 43.-
15 75.010 - 43.75.055;

16 (5) "wholesale price" includes all receipts, whether in the
17 form of money, credits, or other consideration, from the sale of a
18 finished canned salmon product at less than retail, without deduction
19 for the costs of property sold, materials used, insurance, labor,
20 services, labeling, transportation, storage, interest, taxes, losses,
21 or any other expense except

22 (A) cash discounts allowed on sales, not to exceed one
23 and one-half percent; and

24 (B) commissions actually paid to independent brokers,
25 not to exceed five percent.

26 * Sec. 2. AS 43.80.035 is repealed.

27 * Sec. 3. Not later than the 30th day of the Second Session of the
28 Thirteenth Alaska State Legislature, the Department of Commerce and Eco-
29 nomic Development in conjunction with the Commercial Fisheries Entry

1 Commission and the Department of Revenue, shall submit to the legislature a
2 report on the possible development of a program to determine wholesale
3 price averages in the state for fresh, frozen, canned, and cured salmon
4 products. The report shall include the department's findings and recommen-
5 dations on

6 (1) the benefits and costs to the state and the commercial fish-
7 ing and processing industry of reporting and collecting wholesale price
8 information and determining price averages;

9 (2) the appropriate methodology and procedures that could be
10 used for reporting and collecting price information, including the consid-
11 eration of various types and amounts of discounts allowed in the calcu-
12 lation of wholesale prices;

13 (3) the appropriate agency to determine wholesale price averages
14 for salmon; and

15 (4) the need for and methods of eliminating duplication of
16 reports required of fish processors and commercial fishermen by state
17 agencies, including a plan for the sharing of information among state
18 agencies.

19 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
20 10.070(c).