

Original sponsors: Grussendorf and Sund

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 454 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the operation of state hatcher-  
7 ies; and providing for an effective date."

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

9 \* Section 1. AS 16.10 is amended by adding a new section to article 8  
10 to read:

11 Sec. 16.10.480. CONTRACTS FOR THE OPERATION OF STATE HATCHERIES.

12 (a) If the department determines that it is unable to continue op-  
13 erating a state-owned hatchery or that it is in the best interest of  
14 the state to provide for the operation of the hatchery by another  
15 person or by another person in cooperation with the state, the depart-  
16 ment may enter into a contract for the operation or cooperative opera-  
17 tion of the hatchery.

18 (b) Notwithstanding AS 36.30, when selecting a contractor under  
19 (a) of this section, the department shall give a preference to the  
20 regional association organized under AS 16.10.380 that is located in  
21 the region in which the hatchery is located. If the department deter-  
22 mines that the preferred regional association does not meet the crite-  
23 ria established by the department for the contract, the department may  
24 not award the contract to the preferred regional association and shall  
25 procure the contract under AS 36.30 after considering the recommenda-  
26 tions of the preferred regional association.

27 (c) A contract entered into under this section must provide that  
28 the hatchery will be operated under AS 16.10.400 - 16.10.445 and  
29 16.10.460 - 16.10.470 and the regulations adopted under those

1 sections.

2 (d) The department may issue to a contractor who operates a  
3 hatchery under this section a permit to harvest adult salmon during  
4 the term of the contract in a quantity sufficient to allow the con-  
5 tractor to recover all or part of the contractor's costs of operating  
6 the hatchery.

7 (e) A contract under this section for the operation of a  
8 hatchery may not affect the state's ownership of the hatchery and does  
9 not affect the state's responsibility to manage the resource.

10 \* Sec. 2. AS 16.10.400(a) is amended to read:

11 (a) The commissioner or a designee may issue a permit, subject  
12 to the restrictions imposed by statute or regulation under AS 16.-  
13 10.400 - 16.10.470, to a nonprofit corporation organized under  
14 AS 10.20, after the permit application has been reviewed by the re-  
15 gional planning team, for

16 (1) the construction and operation of a salmon hatchery;

17 (2) the operation of a hatchery under AS 16.10.480.

18 \* Sec. 3. AS 16.10.400(b) is amended to read:

19 (b) The application for a permit under this section shall be on  
20 a form prescribed by the department and be accompanied by an applica-  
21 tion fee of \$100. The commissioner may waive the submission of an  
22 application for a permit to operate a hatchery under AS 16.10.480.

23 \* Sec. 4. AS 16.10.400(e) is amended to read:

24 (e) A qualified regional association formed under AS 16.10.380,  
25 if it has become a nonprofit corporation under AS 10.20, has a prefer-  
26 ence right to a permit under (a)(1) of this section if its proposed  
27 hatchery is provided for in the comprehensive plan for that region  
28 developed under AS 16.10.375 and the fresh water source exceeds one  
29 cubic foot per second minimum flow. Another [ANY OTHER] local

1 nonprofit hatchery corporation approved by a qualified regional asso-  
2 ciation has an identical preference right.

3 \* Sec. 5. AS 16.10.410(c) is repealed and reenacted to read:

4 (c) The hearing shall be conducted by the department. At a  
5 hearing for a permit under AS 16.10.400(a)(1), the applicant shall  
6 present a plan for the proposed hatchery, describing the capacity of  
7 the hatchery and other relevant facts that may be of interest to the  
8 department or the public. Interested members of the public shall be  
9 afforded an opportunity to be heard.

10 \* Sec. 6. AS 16.10.450 is amended to read:

11 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY.  
12 (a) Except as otherwise provided in a contract for the operation of a  
13 hatchery under AS 16.10.480, a [A] hatchery operator who sells salmon  
14 returning from the natural waters of the state, or sells salmon eggs  
15 to another hatchery operating under AS 16.10.400 - 16.10.470, after  
16 utilizing the funds for reasonable operating costs, including debt  
17 retirement, expanding its facilities, salmon rehabilitation projects,  
18 fisheries research, or [FOR] costs of operating the qualified regional  
19 association for the area in which the hatchery is located, shall  
20 expend the remaining funds on other fisheries activities of the qual-  
21 ified regional association.

22 (b) Fish returning to hatcheries and sold for human consumption  
23 shall be of comparable quality to fish harvested by commercial fisher-  
24 ies in the area [,] and shall be sold at prices commensurate with the  
25 current market.

26 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).