

Offered: 5/6/88
Referred: Rules

5-2170L

Original sponsor: Rules Committee

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 514 (Finance)
3 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 farming of aquatic plants and
7 shellfish; prohibiting the farming of Atlantic sal-
8 mon; extending the moratorium on finfish farming
9 until July 1, 1990; establishing the Alaska Finfish
10 Farming Task Force; and providing for an effective
11 date."
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
13 * Section 1. FINDINGS AND POLICY. (a) The legislature finds that
14 (1) aquatic farming in the state would
15 (A) provide a consistent source of quality food;
16 (B) provide new jobs;
17 (C) increase state exports;
18 (D) create new business opportunities; and
19 (E) increase the stability and diversity of the state's
20 economy; and
21 (2) development of aquatic farming in the state would increase
22 the availability of fresh seafood to Alaskans and would strengthen the
23 competitiveness of Alaska seafood in the world marketplace by broadening
24 the diversity of products and providing year-round supplies of premium
25 quality seafood.
26 (b) It is the policy of the state
27 (1) to encourage the establishment and responsible growth of an
28 aquatic farming industry in the state; and
29 (2) that allocation of aquatic farming sites be made with full

1 consideration of established and ongoing activities in an area.

2 * Sec. 2. AS 16.40 is amended by adding new sections to read:

3 ARTICLE 2. AQUATIC FARMING.

4 Sec. 16.40.100. AQUATIC FARM AND HATCHERY PERMITS. (a) A
5 person may not, without a permit from the commissioner, construct or
6 operate

7 (1) an aquatic farm; or

8 (2) a hatchery for the purpose of supplying aquatic plants
9 or shellfish to an aquatic farm.

10 (b) A permit issued under this section authorizes the permittee,
11 subject to the conditions of AS 03.05 and AS 16.40.100 - 16.40.199, to
12 acquire, purchase, offer to purchase, transfer, possess, sell, and
13 offer to sell stock and aquatic farm products that are used or reared
14 at the hatchery or aquatic farm. A person who holds a permit under
15 this section may sell or offer to sell shellfish stock to the depart-
16 ment or to an aquatic farm or related hatchery outside of the state.

17 (c) The commissioner may attach conditions to a permit issued
18 under this section that are necessary to protect natural fish and
19 wildlife resources.

20 (d) Notwithstanding other provisions of law, the commissioner
21 may not issue a permit under this section for the farming of, or
22 hatchery operations involving, Atlantic salmon.

23 Sec. 16.40.105. CRITERIA FOR ISSUANCE OF PERMITS. The commis-
24 sioner shall issue permits under AS 16.40.100 on the basis of the
25 following criteria:

26 (1) the physical and biological characteristics of the
27 proposed farm or hatchery location must be suitable for the farming of
28 the shellfish or aquatic plant proposed;

29 (2) the proposed farm or hatchery may not require

1 significant alterations in traditional fisheries or other existing
2 uses of fish and wildlife resources;

3 (3) the proposed farm or hatchery may not significantly
4 affect fisheries, wildlife, or their habitats in an adverse manner;
5 and

6 (4) the proposed farm or hatchery plans and staffing plans
7 must demonstrate technical and operational feasibility.

8 Sec. 16.40.110. PERMIT APPLICATION, RENEWAL, AND TRANSFER. (a)
9 An applicant for an aquatic farming or hatchery permit required under
10 AS 16.40.100 shall apply on a form prescribed by the commissioner. An
11 application for a permit must include a plan for the development and
12 operation of the aquatic farm or hatchery, which must be approved by
13 the commissioner before the permit is issued.

14 (b) An application for renewal or transfer of a permit must be
15 accompanied by fees required by the commissioner, a report of the
16 disease history of the farm or hatchery covered by the permit, and
17 evidence that satisfies the commissioner that the applicant has com-
18 plied with the development plan required under (a) of this section.
19 The commissioner may require a health inspection of the farm or hatch-
20 ery as a condition of renewal. The department may conduct the in-
21 spection or contract with a disease diagnostician to conduct the
22 inspection.

23 (c) A person to whom a permit is transferred may use the permit
24 only for the purposes for which the permit was authorized to be used
25 by the transferor, and subject to the same conditions and limitations.

26 Sec. 16.40.120. AQUATIC STOCK ACQUISITION PERMITS. (a) A
27 person may not acquire aquatic plants or shellfish from wild stock in
28 the state for the purpose of supplying stock to an aquatic farm or
29 hatchery required to have a permit under AS 16.40.100 unless the

1 person holds an acquisition permit from the commissioner.

2 (b) An acquisition permit authorizes the permit holder to ac-
3 quire the species and quantities of wild stock in the state specified
4 in the permit for the purposes of supplying stock to

5 (1) an aquatic farm or hatchery required to have a permit
6 under AS 16.40.100;

7 (2) the department.

8 (c) The commissioner shall specify the expiration date of an
9 acquisition permit and may attach conditions to an acquisition permit,
10 including conditions relating to the time, place, and manner of har-
11 vest. Size, gear, place, time, licensing, and other limitations
12 applicable to sport, commercial, or subsistence harvest of aquatic
13 plants and shellfish do not apply to a harvest with a permit issued
14 under this section. The commissioner of fish and game shall issue or
15 deny a permit within 30 days after receiving an application.

16 (d) The commissioner shall deny or restrict a permit under this
17 section upon finding that the proposed harvest will impair sustained
18 yield of the species or will unreasonably disrupt established uses of
19 the resources by commercial, sport, personal use, or subsistence
20 users. The commissioner shall inform the Board of Fisheries of any
21 action taken on permit applications for species that support commer-
22 cial fisheries subject to limited entry under AS 16.43 and of any
23 permits denied because of unreasonable disruption of an established
24 use. A denial of the permit by the commissioner must contain the
25 factual basis for the findings.

26 (e) The Board of Fisheries may adopt regulations for the conser-
27 vation, maintenance, and management of species for which an acqui-
28 sition permit is required.

29 (f) Except as provided in (d) of this section or in a regulation

1 adopted under (e) of this section, the commissioner shall issue a
2 permit if

3 (1) wild stock is necessary to meet the initial needs of
4 farm or hatchery stock;

5 (2) there are technological limitations on the propagation
6 of cultured stock for the species sought;

7 (3) wild stock sought is not fully utilized by commercial,
8 sport, personal use, or subsistence fisheries; or

9 (4) wild stock is needed to maintain the gene pool of a
10 hatchery or aquatic farm.

11 (g) Aquatic plants and shellfish acquired under a permit issued
12 under this section become the property of the permit holder and are no
13 longer a public or common resource.

14 Sec. 16.40.130. IMPORTATION OF AQUATIC PLANTS OR SHELLFISH FOR
15 STOCK. A person may not import into the state an aquatic plant or
16 shellfish for the purpose of supplying stock to an aquatic farm or
17 hatchery unless authorized by a regulation of the Board of Fisheries.

18 Sec. 16.40.140. LIMITATION ON SALE, TRANSFER OF STOCK, AND
19 PRODUCTS. (a) A private hatchery required to have a permit under
20 AS 16.40.100 may sell or transfer stock from the hatchery only to an
21 aquatic farm or other hatchery that has a permit issued under AS 16.-
22 40.100, except that shellfish stock may also be sold or offered for
23 sale to an aquatic farm or related hatchery outside of the state.

24 (b) Stock may not be transferred to or from an aquatic farm or
25 hatchery required to have a permit under AS 16.40.100 without prior
26 notice of the transfer to the commissioner. A notice of transfer
27 shall be submitted at least 45 days before the proposed date of trans-
28 fer.

29 (c) A notice of transfer must be accompanied by a report of a

1 health inspection of the stock. The department shall conduct the
2 inspection or contract with a disease diagnostician to conduct the
3 inspection. The cost of inspection shall be borne by the department.

4 (d) The department may restrict or disapprove a transfer of
5 stock if it finds that the transfer would present a risk of spreading
6 disease.

7 (e) A person may not sell, transfer, or offer to sell or trans-
8 fer, or knowingly purchase or receive, an aquatic farm product grown
9 or propagated in the state unless the product was grown or propagated
10 on a farm with a permit issued under AS 16.40.100. The permit must be
11 in effect at the time of the sale, transfer, purchase, receipt, or
12 offer.

13 Sec. 16.40.150. DISEASE CONTROL AND INSPECTION. (a) The de-
14 partment shall order the quarantine or the destruction and disposal of
15 diseased hatchery stock or of aquatic farm products when necessary to
16 protect wild stock. A holder of a permit issued under AS 16.40.100
17 shall report to the department an outbreak or incidence of disease
18 among stock or aquatic farm products of the permit holder within 48
19 hours after discovering the outbreak or incidence.

20 (b) A holder of a permit issued under AS 16.40.100 shall allow
21 the department to inspect the permit holder's farm or hatchery during
22 operating hours and upon reasonable notice. The cost of inspection
23 shall be borne by the department.

24 (c) The department shall develop a disease management and con-
25 trol program for aquatic farms and hatcheries.

26 (d) The department may enter into an agreement with a state or
27 federal agency or a private, state-certified provider to provide ser-
28 vices under (b) and (c) of this section, or inspections under AS 16.-
29 40.110(b).

1 Sec. 16.40.160. REGULATIONS. The commissioner may adopt regu-
2 lations necessary to implement AS 16.40.100 - 16.40.199.

3 Sec. 16.40.170. PENALTY. A person who violates a provision of
4 AS 16.40.100 - 16.40.199, a regulation adopted under AS 16.40.100 -
5 16.40.199, or a term or condition of a permit issued under AS 16.40.-
6 100 - 16.40.199, is guilty of a class B misdemeanor.

7 Sec. 16.40.199. DEFINITIONS. In AS 16.40.100 - 16.40.199

8 (1) "aquatic farm" means a facility that grows, farms, or
9 cultivates aquatic farm products in captivity or under positive con-
10 trol;

11 (2) "aquatic farm product" means an aquatic plant or shell-
12 fish, or part of an aquatic plant or shellfish, that is propagated,
13 farmed, or cultivated in an aquatic farm and sold or offered for sale;

14 (3) "aquatic plant" means a plant indigenous to state water
15 or that is authorized to be imported into the state under a permit
16 issued by the commissioner;

17 (4) "commissioner" means the commissioner of fish and game;

18 (5) "hatchery" means a facility for the artificial propa-
19 gation of stock, including rearing of juvenile aquatic plants or
20 shellfish;

21 (6) "positive control" means, for mobile species, enclosed
22 within a natural or artificial escape-proof barrier; for species with
23 limited or no mobility, such as a bivalve or an aquatic plant, "posi-
24 tive control" also includes managed cultivation in unenclosed water;

25 (7) "shellfish" means a species of crustacean, mollusk, or
26 other invertebrate, in any stage of its life cycle, that is indigenous
27 to state water or that is authorized to be imported into the state
28 under a permit issued by the commissioner;

29 (8) "stock" means live aquatic plants or shellfish

1 acquired, collected, possessed, or intended for use by a hatchery or
2 aquatic farm for the purpose of further growth or propagation.

3 * Sec. 3. AS 03.05.011(a) is amended to read:

4 (a) To carry out the requirements of this title, the commis-
5 sioner of environmental conservation may issue orders, regulations,
6 permits, quarantines, and embargoes relating to

7 (1) examination and inspection of premises containing
8 products, articles, and commodities carrying pests;

9 (2) establishment of quarantines for eradication of pests;

10 (3) establishment of standards and labeling requirements
11 pertaining to the sale of meat, fish, and poultry;

12 (4) tests and analyses which may be made and hearings which
13 may be held to determine whether the commissioner will issue a stop
14 order or quarantine;

15 (5) cooperation with federal and other state agencies;

16 (6) regulation of fur farming; for purposes of this para-
17 graph, "fur farming" means the raising of and caring for animals for
18 the purpose of marketing their fur, or animals themselves for breeding
19 stock;

20 (7) examination and inspection of meat, fish, and poultry
21 advertised for sale or sold to the public;

22 (8) enforcement of quality assurance plans developed in
23 cooperation with appropriate industry representatives;

24 (9) establishment of standards and conditions for the
25 operation and siting of aquatic farms and related hatcheries, includ-
26 ing

27 (A) restrictions on the use of chemicals; and

28 (B) requirements to protect the public from contami-
29 nated aquatic farm products that pose a risk to health;

1 (10) monitoring aquatic farms and aquatic farm products to
2 ensure compliance with this chapter and with the requirements of the
3 national shellfish sanitation program manual of operations published
4 by the Food and Drug Administration.

5 * Sec. 4. AS 03.05.020(a) is amended to read:

6 (a) The commissioner shall

7 (1) require routine inspection of food animals, fish,
8 poultry and derivative food products, to protect the public against
9 fraud, disease and spoilage, and in this connection adopt uniform
10 regulations establishing standards of identity and composition of
11 these food products and minimum standards of sanitation and handling
12 methods as to all phases of slaughtering, processing, storing, trans-
13 porting, displaying and selling of these food products;

14 (2) issue orders or cause the orders to be issued by an
15 authorized veterinarian prohibiting transportation and sale of food
16 products intended for human consumption which do not meet the minimum
17 requirements established under (1) of this subsection, and limiting
18 their use and disposal in conformity with protection of the public;

19 (3) adopt a schedule of fees or charges, and credit pro-
20 visions, for services rendered by state veterinarians to farmers and
21 others at their request in caring for livestock and poultry, and all
22 the fees shall be transmitted to the commissioner for deposit in the
23 state treasury;

24 (4) designate points of entry for admission of livestock or
25 poultry into the state, and arrange inspection at those points with or
26 without collaboration and assistance of the federal government, and
27 bar entry of stock or poultry not shipped under a valid permit or not
28 free from contagious or infectious disease;

29 (5) adopt, repeal, and amend regulations consistent with

1 existing law for

2 (A) the labeling and grading of milk and milk products
3 and standards of cleanliness and sanitation, to at least the
4 minimum of current recommendations of the United States Public
5 Health Service, for the operation of dairies selling, or offering
6 for sale, milk or milk products;

7 (B) the production and sale of ice cream and allied
8 frozen desserts;

9 (C) the production and sale of imitation milk and
10 imitation milk products;

11 (D) the labeling of aquatic farm products as aquatic
12 farm products.

13 * Sec. 5. AS 03.05.040(a) is amended to read:

14 (a) On any business day during the usual hours of business the
15 commissioner or an authorized inspector may, for the purpose of in-
16 specting agricultural, [OR] fisheries, or aquatic farm products or
17 aquatic farm sites subject to regulation, enter a storehouse, ware-
18 house, cold storage plant, packing house, slaughterhouse, retail store
19 or other building or place where those products are kept, stored,
20 processed or sold.

21 * Sec. 6. AS 03.05.100 is amended to read:

22 Sec. 03.05.100. DEFINITIONS. In this chapter,

23 (1) "agricultural products" does not include fish or fish-
24 eries products;

25 (2) "aquatic farm" and "aquatic farm product" have the
26 meanings given in AS 16.40.199;

27 (3) "fish or fisheries products" means any aquatic animal,
28 including amphibians, or aquatic plants or parts of those plants,
29 animals or amphibians that are usable as human food.

1 * Sec. 7. AS 16.05.050 is amended by adding a new paragraph to read:

2 (17) to permit and regulate aquatic farming in the state in
3 a manner that ensures the protection of the state's fish and game
4 resources and improves the economy, health, and well-being of the
5 citizens of the state;

6 * Sec. 8. AS 16.05.251 is amended by adding a new subsection to read:

7 (f) Except as expressly provided in AS 16.40.120(d) and (e) and
8 16.40.130, the Board of Fisheries may not adopt regulations or take
9 action regarding the issuance, denial, or conditioning of a permit
10 under AS 16.40.100 or 16.40.120, the construction or operation of a
11 farm or hatchery required to have a permit under AS 16.40.100, or a
12 harvest with a permit issued under AS 16.40.120.

13 * Sec. 9. AS 16.05.930 is amended by adding a new subsection to read:

14 (g) AS 16.05.330 - 16.05.720 do not apply to an activity au-
15 thorized by a permit issued under AS 16.40.100 or 16.40.120, or to a
16 person or vessel employed in an activity authorized by a permit issued
17 under AS 16.40.100 or 16.40.120.

18 * Sec. 10. AS 16.05.940(14) is amended to read:

19 (14) "fish or game farming" means the business of propagat-
20 ing, breeding, raising, or producing fish or game in captivity for the
21 purpose of marketing the fish or game or their products, and "captivi-
22 ty" means having the fish or game under positive control, as in a pen,
23 pond, or an area of land or water that [WHICH] is completely enclosed
24 by a generally escape-proof barrier; in this paragraph, "fish" does
25 not include shellfish, as defined in AS 16.40.199;

26 * Sec. 11. AS 16.10 is amended by adding a new section to read:

27 Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not
28 apply to the purchase or sale of aquatic farm products from a holder
29 of a permit issued under AS 16.40.100 or stock from a holder of a

1 permit issued under AS 16.40.120.

2 * Sec. 12. AS 16.43.140 is amended by adding a new subsection to read:

3 (d) This chapter does not apply to activities authorized by a
4 permit issued under AS 16.40.100 or 16.40.120.

5 * Sec. 13. AS 16.51.180(5) is amended to read:

6 (5) "seafood" means finfish, shellfish, and fish by-prod-
7 ucts, including but not limited to salmon, halibut, herring, flounder,
8 crab, clam, cod, shrimp, and pollock, but does not include aquatic
9 farm products as defined in AS 16.40.199;

10 * Sec. 14. AS 38.05 is amended by adding a new section to read:

11 Sec. 38.05.083. AQUATIC FARMING AND HATCHERY SITE LEASES. (a)
12 The commissioner may offer to the public for lease a site that has
13 been developed for aquatic farming or related hatchery operations
14 under a permit issued under AS 38.05.856. Before offering the site to
15 the public, the commissioner shall offer the site to the permittee.

16 (b) A site shall be leased under this section for not less than
17 the appraised fair market value of the lease. The value of the lease
18 shall be reappraised every five years.

19 (c) A lease under this section may be assigned, but if the
20 assignee changes the use of the site the lease reverts to the state.

21 (d) Before entering into a lease under this section, the commis-
22 sioner shall require the lessee to post a performance bond or provide
23 other security to cover the costs to the department of restoring the
24 leased site in the event the lessee abandons the site.

25 * Sec. 15. AS 38.05 is amended by adding new sections to read:

26 Sec. 38.05.855. IDENTIFICATION OF SITES FOR AQUATIC FARMS AND
27 HATCHERIES. (a) The commissioner shall identify districts in the
28 state within which sites may be selected for the establishment and
29 operation of aquatic farms and related hatcheries required to have a

1 permit under AS 16.40.100.

2 (b) The commissioner shall schedule a 60-day period during which
3 a person may submit an application that identifies a site in a dis-
4 trict for which the person wishes to be issued a permit under AS 38.-
5 05.856.

6 (c) Based on applications received under (b) of this section,
7 and after consultation with the commissioner of fish and game and the
8 commissioner of environmental conservation, the commissioner shall
9 make a preliminary written finding under AS 38.05.035(e) that proposes
10 sites in each district for which permits may be issued under AS 38.-
11 05.856.

12 (d) After notice is given under AS 38.05.945 and a hearing is
13 held under AS 38.05.946(b), the commissioner shall issue a final
14 written finding under AS 38.05.035(e) that identifies sites in each
15 district for which permits shall be issued under AS 38.05.856 and that
16 specifies conditions and limitations for the development of each site.

17 Sec. 38.05.856. TIDELAND AND LAND USE PERMITS FOR AQUATIC FARM-
18 ING. (a) The commissioner may issue a tideland or land use permit
19 for the establishment and operation of an aquatic farm and related
20 hatchery operations. A permit under this section is valid for three
21 years after the date of issuance. The permit may not be transferred.

22 (b) Before renewing a permit under this section, the commission-
23 er shall allow interested persons to submit written or oral testimony
24 concerning the renewal to the commissioner within 30 days after the
25 date of the notice. The commissioner may hold a hearing to take
26 testimony.

27 (c) Before issuing or renewing a permit under this section, the
28 commissioner shall consider all relevant testimony submitted under
29 this section or AS 38.05.946(b). The commissioner may deny the

1 application for issuance or renewal for good cause, but shall provide
2 the applicant with written findings that explain the reason for the
3 denial.

4 (d) Before issuing or renewing a permit under this section, the
5 commissioner shall require the permittee to post a performance bond or
6 provide other security to cover the costs to the department of restoring
7 the permitted site in the event the permittee abandons the site.

8 (e) The commissioner shall adopt regulations establishing criteria
9 for the approval or denial of permits under this section and for
10 limiting the number of sites for which permits may be issued in an
11 area in order to protect the environment and natural resources of the
12 area. The regulations must provide for the consideration of upland
13 management policies and whether the proposed use of a site is compatible
14 with the traditional and existing uses of the area in which the
15 site is located.

16 * Sec. 16. AS 38.05.945(a) is amended to read:

17 (a) This section establishes the requirements for notice given
18 by the department for the following actions:

19 (1) classification or reclassification of state land under
20 AS 38.05.300 and the closing of land to mineral leasing or entry under
21 AS 38.05.185;

22 (2) zoning of land under applicable law;

23 (3) a decision under AS 38.05.035(e) regarding the sale,
24 lease, or disposal of an interest in state land or resources; [AND]

25 (4) a competitive disposal of an interest in state land or
26 resources after final decision under AS 38.05.035(e);

27 (5) a public hearing under AS 38.05.856(b);

28 (6) a preliminary finding under AS 38.05.035(e) and 38.05.-
29 855(c) concerning sites for aquatic farms and related hatcheries.

1 * Sec. 17. AS 38.05.945 is amended by adding a new subsection to read:

2 (g) Notice at least 30 days before action under (a)(5) or (6)
3 shall be given to appropriate

4 (1) regional fish and game councils established under
5 AS 16.05.260; and

6 (2) coastal resource service areas organized under AS 46.-
7 40.110 - 46.40.210.

8 * Sec. 18. AS 38.05.946 is amended by adding a new subsection to read:

9 (b) The commissioner shall hold a public hearing in each dis-
10 trict identified under AS 38.05.855 within 30 days after giving notice
11 of a preliminary finding under AS 38.05.035(e) and 38.05.855(c) con-
12 cerning sites for aquatic farms and related hatcheries.

13 * Sec. 19. Notwithstanding any other provisions of law, a person who is
14 lawfully operating an aquatic farm or related hatchery in the state on the
15 effective date of this Act is entitled to continue lawful operations at the
16 existing site. The person may obtain an initial lease or permit for the
17 person's existing operations under AS 38.05.083 or 38.05.856, enacted by
18 secs. 14 and 15 of this Act, but as a condition of obtaining the lease or
19 permit the person must agree that during the term of the lease or permit
20 the person will not change the use of the site.

21 * Sec. 20. LAND MANAGEMENT REPORT REQUIRED. The commissioner of natu-
22 ral resources shall submit to the legislature not later than January 30,
23 1989, a report detailing the department's implementation of AS 38.05.083
24 and 38.05.856, enacted by secs. 14 and 15 of this Act. The report must
25 include

26 (1) the number of applications received under AS 38.05.083 and
27 38.05.856, and the number of leases and permits issued, according to type
28 of aquatic farm product;

29 (2) the restrictions attached to permits and leases;

1 (3) a discussion of the system the department implements for
2 issuing leases and tideland and land use permits;

3 (4) the level of public involvement in the issuance process; and

4 (5) a discussion of how the program is working, and the depart-
5 ment's plans for modifications of the program.

6 * Sec. 21. ALASKA FINFISH FARMING TASK FORCE. (a) The legislature
7 finds that the farming of finfish raises a series of socio-economic, bio-
8 logical, and environmental issues requiring an in-depth examination.

9 (b) The Alaska Finfish Farming Task Force is established to study the
10 issue and make a report of findings for administrative and legislative
11 consideration. The governor shall appoint a five-member task force com-
12 posed of state residents who are not state employees and who represent a
13 broad spectrum of expertise, including one representative of commercial
14 salmon fishermen, one aquatic farming advocate, one private economist, one
15 fisheries biologist, and one public member with no involvement in the
16 seafood or aquatic farming industry.

17 (c) The task force shall submit an interim report to the legislature
18 not later than January 30, 1989, and a final report to the legislature not
19 later than January 30, 1990. The reports must address finfish farming in
20 the state in freshwater, in marine environments, and in tanks or other
21 enclosed structures that contain marine water and that are located on land,
22 and shall address related hatchery operations. The reports may address
23 other issues the task force considers appropriate. The reports must
24 examine

25 (1) whether the farming of finfish can be conducted in a manner
26 that protects the health of the state's fishery resources;

27 (2) criteria for the siting of finfish farms to minimize land
28 use conflicts and to protect the environment;

29 (3) net economic costs and benefits of finfish farming in the

1 state to state residents, including jobs created or lost for state resi-
2 dents, tax revenue (assuming an appropriate tax rate), cost of state regu-
3 lation and monitoring, and effects on markets for salmon caught by the
4 state's commercial fishing fleets;

5 (4) the cost of providing adequate regulation of finfish farming
6 to protect wild stocks, the environment, public health, and existing bene-
7 ficial uses of the state's coastal water and land, and the role of the
8 private sector in providing pathological and other services;

9 (5) identification and analysis of appropriate sources of supply
10 of stock for finfish farms, including but not limited to private nonprofit
11 hatcheries, private for-profit hatcheries, and wild stock, and their likely
12 effect on existing state policy; and

13 (6) strategies for improving the marketability of Alaska salmon,
14 particularly those high-value species competing with farmed salmon for
15 domestic and export sales.

16 * Sec. 22. Section 4, ch. 70, SLA 1987, is amended to read:

17 Sec. 4. Section 1 of this Act is repealed July 1, 1990 [1988].

18 * Sec. 23. This Act takes effect immediately under AS 01.10.070(c).