

HOUSE BILL NO. 197

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE JACKO

Introduced: 3/8/91

Referred: Labor & Commerce, Resources

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to surety bonds required of certain fish processors."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1. AS 16.10.290(b) is amended to read:**

4 **(b) A fish processor that processes more than 30,000 pounds of fish a year and a**
5 **primary fish buyer shall file a surety bond with the commissioner under this subsection.**

6 The amount of the bond shall be \$10,000 unless, during the preceding five years, that amount
7 was insufficient to satisfy a final judgment resulting from a claim asserted against the bond, cash
8 deposits, or other security filed under this section. If \$10,000 was insufficient, the bond shall be
9 \$50,000; if \$50,000 was insufficient, the bond shall be \$100,000. If the commissioner determines
10 that during the preceding five years [,] a fish processor or primary fish buyer (1) has engaged
11 in the business of fish processor or primary fish buyer in the state while not in compliance with
12 this section and (2) has not yet satisfied a final judgment entered against the processor or fish
13 buyer for payment for labor furnished to, or raw fishery resources purchased by, the processor
14 or fish buyer, then the amount of the bond for the processor or fish buyer shall be \$100,000. In

1 lieu of the surety bond, the fish processor or primary fish buyer may file with the commissioner
2 a cash deposit, or other negotiable security acceptable to the commissioner in the amount
3 specified for the bond. If no claim is asserted under this section within two years from the date
4 the bond, cash deposit, or other security is filed, the term of the bond, cash deposit, or other
5 security shall be two years; if a claim has been asserted within two years, the term of the bond,
6 cash deposit, or other security shall be for five years.

7 * Sec. 2. AS 16.10.290 is amended by adding a new subsection to read:

8 (h) The amount of bond required of a fish processor that processes 30,000 pounds or less
9 of fish a year is \$2,000. If a processor who has filed a bond under this subsection processes
10 more than 30,000 pounds of fish in a year, the processor shall, within seven days from the day
11 on which the 30,000 pound threshold is exceeded, notify the commissioner and comply with (b)
12 of this section. If a processor who has filed a bond under this subsection processes more than
13 30,000 pounds of fish in a year, and does not comply with (b) of this section within seven days
14 from the day on which the 30,000 pound threshold is exceeded, the processor shall cease
15 processing fish until a bond has been filed under (b) of this section. In lieu of the surety bond,
16 the fish processor may file with the commissioner a cash deposit or other negotiable security
17 acceptable to the commissioner in the amount specified for the bond. If no claim is asserted
18 under this section within two years from the date the bond, cash deposit, or other security is filed,
19 the term of the bond, cash deposit, or other security shall be two years; if a claim has been
20 asserted within two years, the term of the bond, cash deposit, or other security shall be for five
21 years.