

HOUSE BILL NO. 358

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE KUBINA

Introduced: 1/13/92

Referred: Labor & Commerce, Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska State Salmon Marketing Association."

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

3 * Section 1. AS 16 is amended by adding a new chapter to read:

4 CHAPTER 53. ALASKA STATE SALMON MARKETING ASSOCIATION.

5 Sec. 16.53.010. ALASKA STATE SALMON MARKETING ASSOCIATION
6 ESTABLISHED. The Alaska State Salmon Marketing Association is established as a public
7 corporation in the Department of Commerce and Economic Development, but with a legal
8 existence independent of and separate from the state. Exercise by the association of the powers
9 conferred by this chapter is an essential governmental function of the state.

10 Sec. 16.53.020. BOARD OF DIRECTORS. (a) The governing body of the association
11 is a board of directors. The board consists of 13 voting members appointed by the governor.
12 Two members of the board shall be appointed from each of the six regions established by the
13 department under AS 16.53.160. Each regional salmon marketing committee established under
14 AS 16.53.160 shall nominate persons to be appointed to the board from its region. The governor

1 shall also appoint one member of the board who has experience in the operation and management
2 of private nonprofit salmon hatcheries.

3 (b) The commissioner of fish and game and the commissioner of commerce and
4 economic development, or their designees, shall serve as ex-officio, nonvoting members of the
5 board.

6 (c) The board shall annually elect a chair and other necessary officers from among its
7 voting members.

8 Sec. 16.53.030. TERM OF OFFICE. The voting members of the board serve staggered
9 three-year terms and until a successor is appointed. Members of the board may be reappointed.

10 Sec. 16.53.040. REMOVAL AND VACANCIES. The voting members of the board
11 serve at the governor's pleasure. A vacancy on the board occurring other than by expiration of
12 term shall be filled in the same manner as the original appointment but for the unexpired term
13 only.

14 Sec. 16.53.050. QUORUM. Seven voting members of the board constitute a quorum for
15 the transaction of business and the exercise of the powers and duties of the board.

16 Sec. 16.53.060. COMPENSATION OF BOARD MEMBERS. Board members appointed
17 under AS 16.53.020(a) do not receive compensation, but are entitled to per diem and travel
18 expenses authorized by law for boards and commissions under AS 39.20.180.

19 Sec. 16.53.070. MEETINGS. The board shall meet at least once a year. A meeting of
20 the board shall occur at the call of the chair or upon the written request of two voting members
21 of the board.

22 Sec. 16.53.080. EMPLOYMENT OF PERSONNEL. The board may employ and
23 determine the duties and salary of a marketing director and a regional coordinator. The
24 marketing director may, with the approval of the board, select and employ additional employees
25 as necessary. The marketing director and all other employees of the association are in the
26 exempt service under AS 39.25.110.

27 Sec. 16.53.090. POWERS OF BOARD. The board may

- 28 (1) adopt, alter, and use a corporate seal;
29 (2) prescribe, adopt, amend, and repeal bylaws;
30 (3) sue and be sued in the name of the association;
31 (4) conduct, or contract for, scientific research to develop and discover health,

- 1 dietetic, or other uses of salmon harvested and processed in the state;
- 2 (5) prepare market research and product development plans for the promotion of
3 all species of salmon and their by-products that may be harvested in the state and processed for
4 sale;
- 5 (6) make grants to a regional salmon marketing committee to develop markets for
6 salmon, to develop new salmon products, or to otherwise promote the goals of the association
7 within that region;
- 8 (7) cooperate with a public or private board, organization, or agency engaged in
9 work or activities similar to the work or activities of the association, including entering into
10 contracts for joint programs of consumer education, sales promotion, quality control, advertising,
11 and research in the production, processing, or distribution of salmon;
- 12 (8) enter into agreements necessary to the exercise of its powers and functions;
- 13 (9) receive contributions of money from persons;
- 14 (10) establish offices in the state and otherwise incur expenses incidental to the
15 performance of its duties;
- 16 (11) appear on behalf of the association before boards, commissions, departments,
17 or other agencies of municipal, state, or federal government;
- 18 (12) acquire, hold, lease, sell, or otherwise dispose of property, but such property
19 is limited to that which is necessary to the administrative functioning of the association;
- 20 (13) establish and maintain one or more bank accounts for the transaction of the
21 association's business.
- 22 Sec. 16.53.100. DUTIES OF BOARD. (a) The board shall
- 23 (1) prepare market research and product development plans for the promotion of
24 all species of salmon and their by-products that are harvested in the state and processed for sale;
- 25 (2) promote all species of salmon and their by-products that are harvested in the
26 state and processed for sale;
- 27 (3) conduct programs of education, research, advertising, or sales promotion
28 designed to accomplish the purposes of this chapter;
- 29 (4) submit an annual report to the governor and the legislature describing the
30 activities of the association.
- 31 (b) The operating budget of the association shall be prepared and submitted in accordance

1 with the Executive Budget Act (AS 37.07).

2 **Sec. 16.53.110. SALMON MARKETING ASSESSMENT.** (a) A salmon marketing
3 assessment shall be levied on salmon sold in the state as provided in (b) of this section if a
4 majority of the voting members of the board approves an election for the levying of an
5 assessment under this section and if an election is held under AS 16.53.130 at which the
6 assessment is approved by eligible interim-use permit and entry permit holders.

7 (b) A person holding an interim-use permit or entry permit under AS 16.43 shall pay a
8 salmon marketing assessment at the rate of one percent of the value of salmon that the person
9 removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon
10 marketing assessment at the time the salmon is acquired by the buyer.

11 **Sec. 16.53.120. TERMINATION OF SALMON MARKETING ASSESSMENT.** The
12 salmon marketing assessment levied under AS 16.53.110 shall be terminated by the commissioner
13 of revenue if

14 (1) a petition is presented to the commissioner of commerce and economic
15 development requesting termination of the salmon marketing assessment that is signed by at least
16 25 percent of the number of persons who voted under AS 16.53.130 in the election approving
17 the salmon marketing assessment;

18 (2) an election is held in accordance with AS 16.53.130; the ballot shall ask the
19 question whether the salmon marketing assessment shall be terminated; the ballot shall be worded
20 so that a "yes" vote is for continuation of the salmon marketing assessment and a "no" vote is
21 for termination of the salmon marketing assessment;

22 (3) a majority of the eligible interim-use permit and entry permit holders who vote
23 in the election cast a ballot for the termination of the salmon marketing assessment; and

24 (4) the commissioner of commerce and economic development certifies the results
25 of the election to the commissioner of revenue.

26 **Sec. 16.53.130. ELECTION TO APPROVE OR TERMINATE SALMON MARKETING**
27 **ASSESSMENT.** (a) The board may conduct an election to approve or terminate a salmon
28 marketing assessment after the commissioner of commerce and economic development approves

29 (1) the notice to be published by the board;

30 (2) the ballot to be used in the election; and

31 (3) the registration and voting procedure for the election.

1 (b) The salmon marketing assessment is levied under AS 16.53.110, or is terminated
2 under AS 16.53.120, on the effective date stated on the ballot if

3 (1) the assessment or termination of the assessment is approved by a majority vote
4 of the eligible interim-use permit and entry permit holders voting in an election held under this
5 section; and

6 (2) the election results are certified by the commissioner of commerce and
7 economic development.

8 (c) In conducting an election under this section, the board shall adopt the following
9 procedures:

10 (1) the board shall hold at least one public meeting in each region established
11 under AS 16.53.160 not less than 30 days before the date on which ballots must be postmarked
12 to be counted in the election to explain the reason for levying, terminating, or continuing a
13 salmon marketing assessment and to explain the registration and voting procedure to be used in
14 the election; the board shall provide notice of the meeting by

15 (A) mailing the notice to each eligible interim-use permit and entry permit
16 holder who holds an interim-use permit or entry permit to fish for salmon in the region;

17 (B) posting the notice in at least three public places in the region; and

18 (C) publishing the notice in at least one newspaper of general circulation
19 in the region at least once a week for two consecutive weeks before the meeting;

20 (2) the board shall mail two ballots to each eligible interim-use permit and entry
21 permit holder; the first ballot shall be mailed not more than 45 days before the date ballots must
22 be postmarked to be counted in the election; the second ballot shall be mailed not less than 15
23 days before the date ballots must be postmarked to be counted in the election; the board shall
24 adopt procedures to ensure that only one ballot from each eligible interim-use permit and entry
25 permit holder is counted in the election;

26 (3) the ballot must include an effective date for the levy, or for the termination
27 of the levy, of the salmon marketing assessment and indicate the date on which returned ballots
28 must be postmarked in order to be counted;

29 (4) the ballots shall be returned by mail and shall be counted by the commissioner
30 of commerce and economic development or by a person approved by the commissioner of
31 commerce and economic development.

1 (d) The commissioner of commerce and economic development shall certify the results
2 of an election under this section if the commissioner determines that the requirements of (a) and
3 (c) of this section have been satisfied.

4 (e) In this section, "eligible interim-use permit and entry permit holder" means an
5 individual who, 90 days before the date ballots must be postmarked to be counted in an election
6 under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission
7 as the legal owner of an interim-use permit or an entry permit that authorizes the individual to
8 fish for salmon in the state.

9 Sec. 16.53.140. COLLECTION OF ASSESSMENT AND DISPOSITION OF
10 PROCEEDS. (a) A buyer who acquires fisheries resources that are subject to a salmon
11 marketing assessment imposed by AS 16.53.110 shall collect the salmon marketing assessment
12 at the time of purchase and shall remit the total salmon marketing assessment collected during
13 each month to the Department of Revenue by the last day of the month following the month in
14 which the assessment was collected.

15 (b) A buyer who collects the salmon marketing assessment shall

16 (1) maintain records reflecting the amount of salmon that was purchased in the
17 state; and

18 (2) report to the Department of Revenue by March 1 of each year the total value
19 of the salmon that the buyer has acquired in the state during the preceding year.

20 (c) The salmon marketing assessment collected under this chapter shall be deposited in
21 the general fund. The legislature may make appropriations based on this revenue to the
22 association for the purpose of implementing this chapter.

23 Sec. 16.53.150. LIABILITY FOR ASSESSMENT ON SALMON SHIPPED FROM
24 STATE. (a) The owner of salmon at the time the salmon is removed from the state is liable for
25 payment of the salmon marketing assessment imposed by AS 16.53.110 if, at the time the salmon
26 is removed from the state, the assessment payable on the salmon has not been collected by a
27 buyer.

28 (b) If the owner of salmon is liable for payment of the salmon marketing assessment
29 under (a) of this section, the owner shall

30 (1) maintain records reflecting the amount of salmon removed from the state
31 before the assessment was collected by a buyer;

1 (2) report to the Department of Revenue by March 1 of each year the total value
2 of the salmon removed from the state before the assessment was collected by a buyer.

3 Sec. 16.53.160. REGIONAL SALMON MARKETING COMMITTEES. (a) The
4 Department of Commerce and Economic Development shall establish regions in the state and
5 organize salmon marketing committees to further the purposes of the association and this chapter
6 within those regions. The department shall establish the following regions, which shall be
7 reasonably similar to the administrative and management regions utilized by the Department of
8 Fish and Game and the Alaska Commercial Fisheries Entry Commission:

- 9 (1) Southeast Alaska;
10 (2) Prince William Sound;
11 (3) Cook Inlet;
12 (4) Kodiak Island;
13 (5) Bristol Bay;
14 (6) Arctic-Yukon River/Kuskokwim River.

15 (b) A salmon marketing committee shall consist of nine members appointed by the
16 commissioner of commerce and economic development who hold a salmon fishery interim-use
17 permit or entry permit for the region for which the committee is established. The membership
18 on each committee shall be allocated among persons who hold salmon fishery interim-use permits
19 or entry permits for each gear type recognized by the Alaska Commercial Fisheries Entry
20 Commission in the same proportion that the gear type bears to the total number of salmon fishery
21 interim-use permits and entry permits issued for that region. Members shall be appointed to a
22 committee for staggered three-year terms.

23 (c) Each salmon marketing committee shall elect a chair from among its members. Each
24 committee may adopt bylaws as it considers appropriate.

25 (d) The members of a salmon marketing committee do not receive compensation, but are
26 entitled to per diem and travel expenses authorized by law for boards and commissions under
27 AS 39.20.180.

28 Sec. 16.53.990. DEFINITIONS. In this chapter,

- 29 (1) "association" means the Alaska State Salmon Marketing Association;
30 (2) "board" means the board of directors of the Alaska State Salmon Marketing
31 Association;

1 (3) "buyer" means a person who acquires possession of salmon from the person
2 who caught the salmon regardless of whether there is an actual sale of the salmon but excluding
3 a transfer to a person engaged solely in interstate transportation of goods for hire;

4 (4) "value" has the meaning given in AS 43.75.290.

5 * Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:

6 (30) employees of the Alaska State Salmon Marketing Association.

7 * Sec. 3. AS 39.50.200(b) is amended by adding a new paragraph to read:

8 (53) Alaska State Salmon Marketing Association (AS 16.53.010).