

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 414 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/14/92

Referred: Resources, Finance

Sponsor(s): REPRESENTATIVES HUDSON, Jacko, Grussendorf, C.Davis

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a salmon marketing tax and to the Alaska Seafood Marketing
2 Institute."

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

4 * **Section 1.** AS 16.51.020(a) is amended to read:

5 (a) The governing body of the institute is a board of directors. The board consists of 20
6 [18] voting members appointed by the governor. In making appointments to the board, the
7 governor shall consider, but need not appoint, nominees presented by persons engaged in fish
8 processing, the financing of fish processing, or commercial fishing.

9 * **Sec. 2.** AS 16.51.020(b) is amended to read:

10 (b) Twelve members of the board shall be seafood processors: eight of the seafood
11 processors must have an annual payroll in the state of \$1,000,000 or more; four of the seafood
12 processors must have an annual payroll in the state of \$50,000 - \$1,000,000. Seven [FIVE]
13 members of the board must be engaged in commercial fishing. One member of the board shall
14 be a lay person selected by the governor.

1 * Sec. 3. AS 16.51.050 is amended to read:

2 Sec. 16.51.050. QUORUM. Twelve [TEN] members of the board appointed under
3 AS 16.51.020 constitute a quorum for the transaction of business and the exercise of the powers
4 and duties of the board.

5 * Sec. 4. AS 16.51.090 is amended to read:

6 Sec. 16.51.090. POWERS OF BOARD. In carrying out the powers of the institute, the
7 board may

- 8 (1) adopt, alter, and use a corporate seal;
- 9 (2) prescribe, adopt, amend, and repeal bylaws;
- 10 (3) sue and be sued in the name of the institute;
- 11 (4) enter into any agreements necessary to the exercise of its powers and
12 functions;
- 13 (5) cooperate with a public or private board, organization, or agency engaged in
14 work or activities similar to the work or activities of the institute, including entering into
15 contracts for joint programs of consumer education, sales promotion, quality control, advertising,
16 and research in the production, processing, or distribution of seafood;
- 17 (6) conduct, or contract for, scientific research to develop and discover health,
18 dietetic, or other uses of seafood harvested and processed in the state;
- 19 (7) receive contributions of money from persons;
- 20 (8) establish offices in the state and otherwise incur expenses incidental to the
21 performance of its duties;
- 22 (9) appear on behalf of the institute before boards, commissions, departments, or
23 other agencies of municipal, state, or federal government;
- 24 (10) acquire, hold, lease, sell, or otherwise dispose of property, but such property
25 is limited to that which is necessary to the administrative functioning of the office of the institute;
- 26 (11) establish and maintain one or more bank accounts for the transaction of the
27 institute's business;
- 28 (12) prepare market research and product development plans for the promotion
29 of any species of seafood and their by-products that may be harvested in the state and processed
30 for sale;
- 31 (13) establish an executive board to assist the board in efficiently exercising

1 the board's powers and duties under this chapter; the executive board shall consist of seven
2 members selected from and by the board and shall include at least two members who are
3 engaged in commercial fishing.

4 * Sec. 5. AS 16.51.100 is amended to read:

5 Sec. 16.51.100. DUTIES OF BOARD. The board shall

6 (1) conduct programs of education, research, advertising, or sales promotion
7 designed to accomplish the purposes of this chapter;

8 (2) promote all species of seafood and their by-products that are harvested in the
9 state and processed for sale;

10 (3) develop market-oriented quality specifications for Alaska seafoods to be used
11 in developing a high quality image for Alaska seafood in domestic and world markets, and adopt
12 and distribute recommendations regarding the handling of seafood from the moment of capture
13 to final distribution;

14 (4) prepare market research and product development plans for the promotion of
15 all species of seafood and their by-products that are harvested in the state and processed for sale;

16 (5) submit an annual report to the governor and the legislature describing the
17 activities of the institute; [AND]

18 (6) develop marketing programs based on the "inspection" and "premium quality"
19 seals designed under AS 03.05.026 [,] and use the seals in advertising and promotion efforts of
20 the institute; and

21 (7) establish a salmon marketing committee to administer the domestic
22 salmon marketing program that is funded through the salmon marketing tax under
23 AS 43.76.110 - 43.76.130; the committee shall consist of seven members appointed from
24 among the membership of the board and shall include four members who are engaged in
25 commercial fishing and three other members of the board; the board may not override an
26 action of the committee except by a vote of a three-quarters majority of the board.

27 * Sec. 6. AS 43.76 is amended by adding new sections to read:

28 ARTICLE 2. SALMON MARKETING TAX.

29 Sec. 43.76.110. SALMON MARKETING TAX. A person holding a limited entry permit
30 or interim-use permit under AS 16.43 shall pay a salmon marketing tax at the rate of one percent
31 of the value, as defined in AS 43.75.290, of salmon that the person removes from the state or

1 transfers to a buyer in the state. The buyer shall collect the salmon marketing tax at the time the
2 salmon is acquired by the buyer.

3 Sec. 43.76.120. COLLECTION OF TAX. (a) A buyer who acquires salmon that is
4 subject to a salmon marketing tax imposed by AS 43.76.110 shall collect the salmon marketing
5 tax at the time of purchase and shall remit the total salmon marketing tax collected during each
6 month to the Department of Revenue by the last day of the next month.

7 (b) A buyer who collects the salmon marketing tax shall

8 (1) maintain records of the value of salmon purchased in the state;

9 (2) report to the Department of Revenue by March 1 of each year the total value,
10 as defined in AS 43.75.290, of the salmon that the buyer has acquired during the preceding year.

11 (c) The owner of salmon removed from the state is liable for payment of a salmon
12 marketing tax imposed by AS 43.76.110 if, at the time the salmon is removed from the state, the
13 tax payable on the salmon has not been collected by a buyer. If the owner of the salmon is liable
14 for payment of the salmon marketing tax under this subsection, the owner shall comply with the
15 requirements under (a) and (b) of this section to remit the tax to the Department of Revenue, to
16 maintain records, and to report to the Department of Revenue.

17 (d) The salmon marketing tax collected under this section shall be deposited in the
18 general fund. The legislature may make appropriations based on this revenue to the Department
19 of Commerce and Economic Development for the purpose of supporting the domestic salmon
20 marketing program of the Alaska Seafood Marketing Institute.

21 Sec. 43.76.130. DEFINITION. In AS 43.76.110 - 43.76.130, "buyer" means a person
22 who acquires possession of salmon from the person who caught the salmon regardless of whether
23 there is an actual sale of the salmon, but does not include a person engaged solely in interstate
24 transportation of goods for hire.

25 * Sec. 7. INITIAL TERMS OF NEW MEMBERS OF THE BOARD OF DIRECTORS OF THE
26 ALASKA SEAFOOD MARKETING INSTITUTE. The persons initially appointed to the new positions
27 added to the board of directors of the Alaska Seafood Marketing Institute by secs. 1 and 2, of this Act
28 shall be appointed to three-year terms.

29 * Sec. 8. AS 43.76.110, 43.76.120, and 43.76.130 are repealed three years after the effective date of
30 this Act.