

HOUSE BILL NO. 477

**IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Introduced: 2/13/92

Referred: Labor & Commerce, Resources, Finance

A BILL

FOR AN ACT ENTITLED

**1 "An Act establishing the Alaska Salmon Marketing and Development Fund Corporation,
2 relating to a fisheries business tax credit for donations to the Alaska salmon marketing
3 and development fund, and relating to the salmon marketing and development tax; and
4 providing for an effective date."**

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

6 * Section 1. AS 16.51 is amended by adding new sections to read:

7 ARTICLE 2. ALASKA SALMON MARKETING AND DEVELOPMENT FUND.

**8 Sec. 16.51.210. ALASKA SALMON MARKETING AND DEVELOPMENT FUND
9 CORPORATION ESTABLISHED. The Alaska Salmon Marketing and Development Fund
10 Corporation is established as a public corporation and instrumentality of the state in the
11 Department of Commerce and Economic Development, with a legal existence independent of and
12 separate from the state. Exercise by the corporation of the powers conferred by AS 16.51.210 -
13 16.51.295 is an essential governmental function of the state.**

14 Sec. 16.51.220. BOARD OF TRUSTEES. (a) The governing body of the corporation

1 is a board of trustees. The board consists of the commissioner of commerce and economic
2 development, or the commissioner's designee, and four trustees appointed by the governor. The
3 appointed trustees shall consist of a commercial salmon fisherman, a salmon processor, a person
4 who has experience in the operation and management of private nonprofit salmon hatcheries, and
5 a person who has experience in salmon product development or salmon marketing.

6 (b) The trustees appointed by the governor serve at the pleasure of the governor for
7 staggered four-year terms, or until a successor is appointed, and may be reappointed. An
8 appointment to fill a vacancy is for the remainder of the unexpired term. A vacancy on the board
9 shall be filled in the same manner as the original appointment.

10 (c) The board shall annually elect a chair and other necessary officers from among the
11 trustees.

12 (d) Appointed trustees receive no salary, but are entitled to per diem and travel expenses
13 authorized by law for other state boards and commissions under AS 39.20.180.

14 Sec. 16.51.230. MEETINGS AND QUORUM. (a) The board shall meet at least once
15 a year. A meeting of the board shall occur at the call of the chair, or upon the written request
16 of two trustees.

17 (b) Four trustees constitute a quorum for the transaction of business and the exercise of
18 the powers and duties of the board.

19 (c) The board may not take action except by the affirmative vote of at least four trustees.

20 Sec. 16.51.240. POWERS OF BOARD. (a) In carrying out the powers of the
21 corporation, the board may

22 (1) adopt, alter, and use a corporate seal;

23 (2) prescribe, adopt, amend, and repeal bylaws;

24 (3) sue and be sued in the name of the corporation;

25 (4) enter into agreements necessary to the exercise of its powers and functions;

26 (5) cooperate with a public or private board, organization, or agency engaged in
27 work or activities similar to the work or activities of the corporation, including entering into
28 contracts for joint programs of consumer education, sales promotion, quality control, advertising,
29 and research in the production, processing, or distribution of salmon and in the development of
30 salmon products;

31 (6) receive contributions of money from persons;

1 (7) establish offices in the state and otherwise incur expenses incidental to the
2 performance of its duties;

3 (8) appear on behalf of the corporation before boards, commissions, departments,
4 or other agencies of municipal, state, or federal government;

5 (9) acquire, hold, lease, sell, or otherwise dispose of property, but such property
6 is limited to that which is necessary to the administrative functioning of the corporation;

7 (10) establish and maintain one or more bank accounts for the transaction of the
8 corporation's business;

9 (11) prepare market research and product development plans for the promotion
10 of salmon and salmon by-products harvested in the state and processed for sale.

11 (b) The board may select and employ staff as necessary. Employees of the corporation
12 are in the exempt service under AS 39.25.

13 (c) In performing its functions under AS 16.51.210 - 16.51.295 the board may not expend
14 an amount for administrative expenses of the corporation that exceeds more than five percent of
15 the annual disbursements from the fund.

16 Sec. 16.51.250. DUTIES OF BOARD. (a) The board shall

17 (1) coordinate and conduct programs of education, research, advertising, or sales
18 promotion designed to increase consumption of Alaska salmon;

19 (2) solicit public and private funds to promote, market, and develop salmon
20 products;

21 (3) subject to appropriation by the legislature, allocate money in the fund for
22 salmon marketing and development projects in the following proportions:

23 (A) at least 40 percent for expansion of domestic markets for existing
24 salmon products;

25 (B) at least 20 percent for development and marketing of new salmon
26 products;

27 (C) at least 10 percent for promotion of, and technical assistance for,
28 direct marketing and product development by commercial fishermen; and

29 (D) other amounts, as the board may find appropriate, to implement
30 AS 16.51.210 - 16.51.295;

31 (4) promote all species of salmon and their by-products that are harvested in the

1 state and processed for sale; and

2 (5) submit an annual report to the governor and the legislature describing the
3 activities of the corporation.

4 (b) The operating budget of the corporation shall be prepared and submitted in
5 accordance with the Executive Budget Act (AS 37.07).

6 Sec. 16.51.260. ALASKA SALMON MARKETING AND DEVELOPMENT FUND.
7 The Alaska salmon marketing and development fund is created in the corporation. The fund
8 consists of grants and donations to the fund and appropriations to the fund by the legislature.
9 Subject to appropriation by the legislature, the corporation may use the money in the fund to
10 implement the purposes of AS 16.51.210 - 16.51.295.

11 Sec. 16.51.295. DEFINITIONS. In AS 16.51.210 - 16.51.295,

12 (1) "board" means the board of trustees of the corporation;

13 (2) "corporation" means the Alaska Salmon Marketing and Development Fund
14 Corporation;

15 (3) "fund" means the Alaska salmon marketing and development fund.

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

17 (30) employees of the Alaska Salmon Marketing and Development Fund
18 Corporation.

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

20 (54) Alaska Salmon Marketing and Development Fund Corporation
21 (AS 16.51.210).

22 * Sec. 4. AS 43.75 is amended by adding a new section to read:

23 Sec. 43.75.037. TAX CREDIT FOR SALMON MARKETING AND DEVELOPMENT
24 FUND DONATIONS. (a) A fisheries business is entitled to a credit of not more than 50 percent
25 of the business tax liability under AS 43.75.015 for donations made during tax years 1992, 1993,
26 1994, 1995, or 1996 to the Alaska salmon marketing and development fund established under
27 AS 16.51.260. A tax credit under this section may not be approved for more than 100 percent
28 of the donation.

29 (b) Notwithstanding (a) of this section, a fisheries business may receive a tax credit under
30 this section only to the extent that the total tax credit received under this section and any other
31 provision of this chapter does not exceed 50 percent of the tax liability of the fisheries business

1 for the tax year.

2 (c) The department may not approve a tax credit under this section if the fisheries
3 business claiming the credit is in arrears in the payment of a fisheries business tax under
4 AS 43.75.015; for purposes of this subsection, a taxpayer is not in arrears if the payment is under
5 administrative or judicial appeal.

6 (d) The department shall prepare an application form for a tax credit under this section.

7 (e) The department shall approve or disapprove an application for a tax credit under this
8 section not later than 60 days after receiving the application.

9 * Sec. 5. AS 43.75.130(b) is amended to read:

10 (b) For purposes of this section, tax revenue collected under AS 43.75.015 from a person
11 entitled to a credit under AS 43.75.032 or 43.75.037 shall be calculated as if the person's tax had
12 been collected without applying the credit.

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

14 ARTICLE 2. SALMON MARKETING AND DEVELOPMENT TAX.

15 Sec. 43.76.110. SALMON MARKETING AND DEVELOPMENT TAX. A person
16 holding a limited entry permit or interim-use permit under AS 16.43 shall pay a salmon
17 marketing and development tax at the rate of one percent of the value of salmon that the person
18 removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon
19 marketing and development tax at the time the salmon is acquired by the buyer.

20 Sec. 43.76.120. COLLECTION AND DISPOSITION OF PROCEEDS OF TAX. (a) A
21 buyer who acquires salmon that is subject to a salmon marketing and development tax imposed
22 by AS 43.76.110 shall collect the salmon marketing and development tax at the time of purchase
23 and shall remit the total salmon marketing and development tax collected during each month to
24 the department by the last day of the next month.

25 (b) A buyer who collects the salmon marketing and development tax shall

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

27 (2) report to the department by March 1 of each year the total value of the salmon
28 that the buyer has acquired during the preceding year.

29 (c) The owner of salmon removed from the state is liable for payment of the salmon
30 marketing and development tax imposed by AS 43.76.110 if, at the time the salmon is removed
31 from the state, the tax payable on the salmon has not been collected by a buyer. If the owner

1 of the salmon is liable for payment of the salmon marketing and development tax under this
2 subsection, the owner shall comply with the requirement of (a) and (b) of this section to remit
3 the tax to the department, to maintain records, and to report to the department.

4 (d) The salmon marketing and development tax collected under this section shall be
5 deposited in the general fund. The legislature may make appropriations based on this revenue
6 to the Alaska salmon marketing and development fund established under AS 16.51.260 for the
7 purpose of supporting the salmon marketing and development program of the Alaska Salmon
8 Marketing and Development Fund Corporation.

9 Sec. 43.76.130. DEFINITIONS. In AS 43.76.110 - 43.76.130,

10 (1) "buyer" means a person who acquires possession of salmon from the person
11 who caught the salmon regardless of whether there is an actual sale of the salmon, but does not
12 include a person engaged solely in interstate transportation of goods for hire

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

14 * Sec. 7. INITIAL TERMS OF THE APPOINTED TRUSTEES OF THE ALASKA SALMON
15 MARKETING AND DEVELOPMENT FUND CORPORATION. Notwithstanding AS 16.51.220, added
16 by sec. 1 of this Act, and AS 39.05.055, the governor shall appoint the first appointed trustees of the
17 board of trustees of the Alaska Salmon Marketing and Development Fund Corporation to the following
18 initial terms: one trustee to a term of one year; one trustee to a term of two years; one trustee to a term
19 of three years; and one trustee to a term of four years.

20 * Sec. 8. Section 6 of this Act takes effect January 1, 1995.

21 * Sec. 9. Except for sec. 6 of this Act, this Act takes effect July 1, 1992.