

CS FOR HOUSE BILL NO. 477 (RESOURCES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 4/28/92
Referred: Finance

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the membership, quorum, powers, and duties of the board of directors
2 of the Alaska Seafood Marketing Institute; establishing the Alaska salmon marketing fund
3 in the Alaska Seafood Marketing Institute; relating to a fisheries business tax credit for
4 donations to the Alaska salmon marketing fund; relating to the salmon marketing tax; and
5 providing for an effective date."

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

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

8 (a) The governing body of the institute is a board of directors. The board consists of 20
9 [18] voting members appointed by the governor. In making appointments to the board the
10 governor shall consider, but need not appoint, nominees presented by persons engaged in fish
11 processing, the financing of fish processing, or commercial fishing.

12 * Sec. 2. AS 16.51.020(a) is amended to read:

13 (a) The governing body of the institute is a board of directors. The board consists of 21

1 [20] voting members appointed by the governor. In making appointments to the board the
2 governor shall consider, but need not appoint, nominees presented by persons engaged in fish
3 processing, the financing of fish processing, or commercial fishing.

4 * Sec. 3. AS 16.51.020(b) is amended to read:

5 (b) Twelve members of the board shall be seafood processors: eight of the seafood
6 processors must have an annual payroll in the state of more than \$2,500,000 [\$1,000,000 OR
7 MORE]; four of the seafood processors must have an annual payroll in the state of \$50,000 -
8 \$2,500,000 [\$1,000,000]. Seven [FIVE] members of the board must be engaged in commercial
9 fishing. One member of the board shall be a lay person selected by the governor.

10 * Sec. 4. AS 16.51.020(b) is amended to read:

11 (b) Ten [TWELVE] members of the board shall be seafood processors: seven [EIGHT]
12 of the seafood processors must have an annual payroll in the state of more than \$2,500,000;
13 three [FOUR] of the seafood processors must have an annual payroll in the state of \$50,000 -
14 \$2,500,000. Ten [SEVEN] members of the board must be engaged in commercial fishing. One
15 member of the board shall be a lay person selected by the governor.

16 * Sec. 5. AS 16.51.050 is amended to read:

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

20 * Sec. 6. AS 16.51.090 is amended to read:

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

- 23 (1) adopt, alter, and use a corporate seal;
- 24 (2) prescribe, adopt, amend, and repeal bylaws;
- 25 (3) sue and be sued in the name of the institute;
- 26 (4) enter into any agreements necessary to the exercise of its powers and
27 functions;
- 28 (5) cooperate with a public or private board, organization, or agency engaged in
29 work or activities similar to the work or activities of the institute, including entering into
30 contracts for joint programs of consumer education, sales promotion, quality control, advertising,
31 and research in the production, processing, or distribution of seafood;

- 1 (6) conduct, or contract for, scientific research to develop and discover health,
2 dietetic, or other uses of seafood harvested and processed in the state;
3 (7) receive contributions of money from persons;
4 (8) establish offices in the state and otherwise incur expenses incidental to the
5 performance of its duties;
6 (9) appear on behalf of the institute before boards, commissions, departments, or
7 other agencies of municipal, state, or federal government;
8 (10) acquire, hold, lease, sell, or otherwise dispose of property, but such property
9 is limited to that which is necessary to the administrative functioning of the office of the institute;
10 (11) establish and maintain one or more bank accounts for the transaction of the
11 institute's business;
12 (12) prepare market research and product development plans for the promotion
13 of any species of seafood and their by-products that may be harvested in the state and processed
14 for sale;
15 (13) establish an executive committee to assist the board in efficiently
16 exercising the board's powers and duties under this chapter; the executive committee
17 consists of seven members selected from and by the board and must include at least two
18 members who are engaged in commercial fishing;
19 (14) promote newly developed seafood products.

20 * Sec. 7. AS 16.51.100 is amended to read:

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

- 22 (1) conduct programs of education, research, advertising, or sales promotion
23 designed to accomplish the purposes of this chapter;
24 (2) promote all species of seafood and their by-products that are harvested in the
25 state and processed for sale;
26 (3) develop market-oriented quality specifications for Alaska seafoods to be used
27 in developing a high quality image for Alaska seafood in domestic and world markets, and adopt
28 and distribute recommendations regarding the handling of seafood from the moment of capture
29 to final distribution;
30 (4) prepare market research and product development plans for the promotion of
31 all species of seafood and their by-products that are harvested in the state and processed for sale;

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

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

6 (7) establish a salmon marketing committee to administer the salmon
7 marketing program that is funded through the Alaska salmon marketing fund; the
8 committee consists of seven members appointed from among the membership of the board
9 and must include four members who are engaged in commercial fishing and three other
10 members of the board; the board may not override an action of the committee except by
11 a vote of a three-quarters majority of the board; and

12 (8) annually prepare and distribute, to each person who holds a limited entry
13 permit or interim-use permit under AS 16.43 for a salmon fishery, a report describing

14 (A) the salmon marketing efforts of the institute for the prior year and
15 for the current year; and

16 (B) the salmon marketing plans of the institute for subsequent years.

17 * Sec. 8. AS 16.51 is amended by adding a new section to read:

18 Sec. 16.51.115. ALASKA SALMON MARKETING FUND. The Alaska salmon
19 marketing fund is created in the institute. The fund consists of grants and donations to the fund
20 and appropriations to the fund by the legislature. The institute may use the money in the fund
21 to promote and develop markets for Alaska salmon.

22 * Sec. 9. AS 43.75 is amended by adding a new section to read:

23 Sec. 43.75.037. TAX CREDIT FOR SALMON MARKETING FUND DONATIONS.

24 (a) A fisheries business is entitled to a credit for donations made during tax years 1992, 1993,
25 or 1994 to the Alaska salmon marketing fund established under AS 16.51.115. A tax credit
26 under this section may not be approved for more than 100 percent of the donation. The
27 maximum tax credit allowed under this section for tax year 1992 is 20 percent of the business
28 tax liability under AS 43.75.015, for tax year 1993 is 20 percent of the business tax liability
29 under AS 43.75.015, and for tax year 1994 is 10 percent of the business tax liability under
30 AS 43.75.015.

31 (b) Notwithstanding (a) of this section, a fisheries business may receive a tax credit under

1 this section only to the extent that the total tax credit received under this section and any other
2 provision of this chapter does not exceed 50 percent of the tax liability of the fisheries business
3 for the tax year.

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

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

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

10 * Sec. 10. AS 43.75.130(b) is amended to read:

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

14 * Sec. 11. AS 43.76 is amended by adding new sections to read:

15 ARTICLE 2. SALMON MARKETING TAX.

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

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

25 (b) A buyer who collects the salmon marketing 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 tax imposed by AS 43.76.110 if, at the time the salmon is removed from the state, the
31 tax payable on the salmon has not been collected by a buyer. If the owner of the salmon is liable

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

4 (d) The salmon marketing tax collected under this section shall be deposited in the
5 general fund. The legislature may make appropriations based on this revenue to the Alaska
6 salmon marketing fund established under AS 16.51.115 for the purpose of supporting the salmon
7 marketing program of the Alaska Seafood Marketing Institute.

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

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

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

13 * Sec. 12. AS 43.76.110 is amended to read:

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

19 * Sec. 13. APPOINTMENT OF ADDITIONAL COMMERCIAL FISHERMEN TO BOARD OF
20 DIRECTORS OF THE ALASKA SEAFOOD MARKETING INSTITUTE. (a) As soon as practicable
21 after the effective date of sec. 1 of this Act, the governor shall appoint two persons engaged in
22 commercial fishing to the new memberships created on the board of directors of the Alaska Seafood
23 Marketing Institute by secs. 1 and 3 of this Act. These persons shall be appointed to three-year terms.

24 (b) As soon as practicable after the effective date of sec. 2 of this Act, the governor shall appoint
25 one person engaged in commercial fishing to the new membership created on the board of directors of
26 the Alaska Seafood Marketing Institute by secs. 2 and 4 of this Act. This person shall be appointed to
27 a three-year term.

28 (c) Notwithstanding AS 16.51.020(b), as amended by sec. 4 of this Act, the governor shall
29 appoint persons engaged in commercial fishing to the first memberships on the board of directors of the
30 Alaska Seafood Marketing Institute that are vacated, after the effective date of sec. 4 of this Act, by a
31 seafood processor member who has an annual payroll in the state of more than \$2,500,000 and by a

1 seafood processor member who has an annual payroll in the state of \$50,000 - \$2,500,000. If a person
2 is appointed under this subsection to fill a vacancy arising other than by the expiration of a term of
3 office, the person shall be appointed to complete the remainder of the unexpired term.

4 * Sec. 14. SEAFOOD PROCESSOR MEMBERS OF THE BOARD OF DIRECTORS OF THE
5 ALASKA SEAFOOD MARKETING INSTITUTE. Notwithstanding AS 16.51.020(b), as amended by
6 sec. 3 of this Act, those persons who are serving as seafood processor members of the board of directors
7 of the Alaska Seafood Marketing Institute on the effective date of sec. 3 of this Act may continue to
8 serve on the board for the term to which they are appointed. This section may not be construed as
9 limiting the power of the governor to remove members of the board of directors of the Alaska Seafood
10 Marketing Institute. Those persons who are appointed as seafood processor members of the board after
11 the effective date of sec. 3 of this Act, shall be appointed in accordance with the qualifications set out
12 in AS 16.51.020(b), as amended by sec. 3 of this Act.

13 * Sec. 15. REPORT ON SALMON MARKETING EFFORTS AND PLAN. Notwithstanding
14 AS 16.51.100(8), added by sec. 7 of this Act, the board of directors of the Alaska Seafood Marketing
15 Institute shall prepare and distribute the first report required under AS 16.51.100(8) by March 15, 1994.

16 * Sec. 16. Sections 1, 3, 5 - 10, 13(a), 14, and 15 of this Act take effect immediately under
17 AS 01.10.070(c).

18 * Sec. 17. Section 11 of this Act takes effect January 1, 1994.

19 * Sec. 18. Sections 2, 4, 12, 13(b), and 13(c) of this Act take effect January 1, 1995.