

HOUSE BILL NO. 275

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE HUDSON

Introduced: 4/7/93

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to salmon marketing, a salmon marketing tax, and the Alaska
2 Seafood Marketing Institute; and providing for an effective date."

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

4 * Section 1. AS 16.10 is amended by adding new sections to read:

5 **ARTICLE 10A. SALMON MARKETING.**

6 **Sec. 16.10.570. SALMON MARKET INFORMATION.** The Department of
7 Commerce and Economic Development shall collect, organize, and distribute
8 information on prices paid and market conditions for raw salmon and salmon products.
9 The department shall provide this information on a regular and timely basis to all
10 salmon fishermen who hold permits under AS 16.43 and to all nonprofit salmon
11 enhancement organizations that hold a permit under AS 16.10.400.

12 **Sec. 16.10.580. SALMON MARKETING SERVICES.** The department shall
13 cooperate with commercial salmon fishermen, fishermen's organizations, seafood
14 processors, the Alaska Seafood Marketing Institute, the Alaska Fisheries Development

1 Foundation, the Fisheries Industrial Technology Center, state and federal agencies, and
2 other relevant persons and entities to investigate market reception to new salmon
3 product forms and develop commodity standards and future markets for salmon
4 products.

5 Sec. 16.10.590. SALMON ADVISORY COMMITTEE. The commissioner
6 shall establish a salmon marketing advisory committee to assist and advise the
7 department in fulfilling the department's responsibilities under AS 16.10.570 -
8 16.10.599. The committee shall consist of one commercial salmon fisherman
9 appointed by the commissioner from each salmon administrative area established by
10 the Alaska Commercial Fisheries Entry Commission. The commissioner shall adopt
11 regulations that are necessary to implement this section.

12 Sec. 16.10.599. DEFINITIONS. In AS 16.10.570 - 16.10.599,

13 (1) "commissioner" means the commissioner of commerce and
14 economic development;

15 (2) "department" means the Department of Commerce and Economic
16 Development.

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

18 (a) The governing body of the institute is a board of directors. The board
19 consists of 24 [18] voting members appointed by the governor. In making
20 appointments to the board, the governor shall consider, but need not appoint, nominees
21 presented by persons engaged in fish processing, the financing of fish processing, or
22 commercial fishing.

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

24 (b) Twelve members of the board shall be seafood processors: eight of the
25 seafood processors must have an annual payroll in the state of more than \$2,500,000
26 [\$1,000,000 OR MORE]; four of the seafood processors must have an annual payroll
27 in the state of \$50,000 - \$2,500,000. Twelve [\$1,000,000. FIVE] members of the
28 board must be engaged in commercial fishing. [ONE MEMBER OF THE BOARD
29 SHALL BE A LAY PERSON SELECTED BY THE GOVERNOR.]

30 * Sec. 4. AS 16.51.050 is amended to read:

31 Sec. 16.51.050. QUORUM. Fourteen [TEN] members of the board appointed

1 under AS 16.51.020 constitute a quorum for the transaction of business and the
2 exercise of the powers and duties of the board.

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

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

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

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

8 (3) sue and be sued in the name of the institute;

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

11 (5) cooperate with a public or private board, organization, or agency
12 engaged in work or activities similar to the work or activities of the institute, including
13 entering into contracts for joint programs of consumer education, sales promotion,
14 quality control, advertising, and research in the production, processing, or distribution
15 of seafood;

16 (6) conduct, or contract for, scientific research to develop and discover
17 health, dietetic, or other uses of seafood harvested and processed in the state;

18 (7) receive contributions of money from persons;

19 (8) establish offices in the state and otherwise incur expenses incidental
20 to the performance of its duties;

21 (9) appear on behalf of the institute before boards, commissions,
22 departments, or other agencies of municipal, state, or federal government;

23 (10) acquire, hold, lease, sell, or otherwise dispose of property, but such
24 property is limited to that which is necessary to the administrative functioning of the
25 office of the institute;

26 (11) establish and maintain one or more bank accounts for the
27 transaction of the institute's business;

28 (12) prepare market research and product development plans for the
29 promotion of any species of seafood and their by-products that may be harvested in
30 the state and processed for sale;

31 (13) establish an executive board to assist the board in efficiently

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

4 (14) establish committees related to the marketing of salmon and
5 salmon products; the board shall, to the extent practicable, appoint equal
6 numbers of seafood processors and persons engaged in commercial fishing to the
7 committee.

8 * Sec. 6. AS 16.51.100 is amended to read:

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

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

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

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

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

21 (5) submit an annual report to the governor and the legislature
22 describing the activities of the institute; and

23 (6) develop marketing programs based on the "inspection" and
24 "premium quality" seals designed under AS 03.05.026 [,] and use the seals in
25 advertising and promotion efforts of the institute.

26 * Sec. 7. AS 43.76 is amended by adding new sections to read:

27 ARTICLE 2. SALMON MARKETING TAX.

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

1 collect the salmon marketing tax at the time the salmon is acquired by the buyer.

2 Sec. 43.76.120. COLLECTION OF TAX. (a) A buyer who acquires salmon
3 that is subject to a salmon marketing tax imposed by AS 43.76.110 shall collect the
4 salmon marketing tax at the time of purchase and shall remit the total salmon
5 marketing tax collected during each month to the Department of Revenue by the last
6 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
10 total value, as defined in AS 43.75.290, of the salmon that the buyer has acquired
11 during the preceding year.

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

19 (d) The salmon marketing tax collected under this section shall be deposited
20 in the general fund. The legislature may make appropriations allocating this revenue
21 between the Department of Commerce and Economic Development for the purpose of
22 supporting the salmon marketing program of the department under AS 16.10.570 -
23 16.10.590 and the domestic salmon marketing program of the Alaska Seafood
24 Marketing Institute. Except as otherwise provided in an appropriation by the
25 legislature, the amount of the allocation made to the salmon marketing program of the
26 department under AS 16.10.570 - 16.10.590 should not exceed 10 percent of the total
27 amount appropriated for the department and the institute.

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

1 * **Sec. 8. TRANSITION FOR MEMBERS OF THE BOARD OF DIRECTORS OF THE**
2 **ALASKA SEAFOOD MARKETING INSTITUTE.** (a) Notwithstanding AS 16.51.020(b),
3 as amended by sec. 3 of this Act, and (c) of this section, a person who is serving as a member
4 of the board of directors of the Alaska Seafood Marketing Institute on the day before the
5 effective date of sec. 3 of this Act may continue to serve as a member of the board for the
6 remainder of the term to which the person was appointed.

7 (b) As soon as practicable after the effective date of sec. 2 of this Act, the governor
8 shall appoint six persons engaged in commercial fishing to the new memberships created on
9 the board of directors of the Alaska Seafood Marketing Institute by secs. 2 and 3 of this Act.
10 Notwithstanding AS 16.51.030, the governor shall appoint two persons appointed under this
11 subsection to one-year terms, two persons appointed under this subsection to two-year terms,
12 and two persons appointed under this subsection to three-year terms.

13 (c) Notwithstanding AS 16.51.020(b), as amended by sec. 3 of this Act, the governor
14 shall appoint a person engaged in commercial fishing to the membership on the board of
15 directors of the Alaska Seafood Marketing Institute that is vacated by the lay person member.
16 If a person is appointed under this subsection to fill a vacancy arising other than by the
17 expiration of a term of office, the person shall be appointed to complete the remainder of the
18 unexpired term.

19 * **Sec. 9.** AS 43.76.110, 43.76.120, and 43.76.130 are repealed June 30, 1998.

20 * **Sec. 10.** AS 16.10.570, 16.10.580, 16.10.590, and 16.10.599 are repealed June 30, 1999.

21 * **Sec. 11.** Section 7 of this Act takes effect July 1, 1993.