

SENATE CS FOR CS FOR HOUSE BILL NO. 275(FIN) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/7/93

Offered: 5/5/93

Sponsor(s): REPRESENTATIVE HUDSON

A BILL

FOR AN ACT ENTITLED

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

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
6 consists of 25 [18] voting members appointed by the governor. In making
7 appointments to the board, the governor shall consider, but need not appoint, nominees
8 presented by persons engaged in fish processing, the financing of fish processing, or
9 commercial fishing.

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

11 (b) Twelve members of the board shall be seafood processors: eight of the
12 seafood processors must have an annual payroll in the state of more than \$2,500,000
13 [**\$1,000,000 OR MORE**]; four of the seafood processors must have an annual payroll
14 in the state of \$50,000 - \$2,500,000. Twelve [**\$1,000,000. FIVE**] members of the

1 board must be engaged in commercial fishing. The governor, to the extent
2 practicable, shall appoint as commercial fishing members of the board persons
3 engaged in commercial fishing in a fishery management region of the state in the
4 same proportion that the region contributes, or is expected to contribute during
5 the next year, to the total salmon marketing tax collected under AS 43.76.110 -
6 43.76.130. One member of the board shall be a lay person selected by the governor.

7 * Sec. 3. AS 16.51.020(b) is repealed and reenacted to read:

8 (b) Twelve members of the board shall be seafood processors: eight of the
9 seafood processors must have an annual payroll in the state of more than \$2,500,000;
10 four of the seafood processors must have an annual payroll in the state of \$50,000 -
11 \$2,500,000. Twelve members of the board must be engaged in commercial fishing.
12 One member of the board shall be a lay person selected by the governor.

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

14 Sec. 16.51.050. QUORUM. Fourteen [TEN] members of the board appointed
15 under AS 16.51.020 constitute a quorum for the transaction of business and the
16 exercise of the powers and duties of the board.

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

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

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

- 1 (7) receive contributions of money from persons;
- 2 (8) establish offices in the state and otherwise incur expenses incidental
- 3 to the performance of its duties;
- 4 (9) appear on behalf of the institute before boards, commissions,
- 5 departments, or other agencies of municipal, state, or federal government;
- 6 (10) acquire, hold, lease, sell, or otherwise dispose of property, but such
- 7 property is limited to that which is necessary to the administrative functioning of the
- 8 office of the institute;
- 9 (11) establish and maintain one or more bank accounts for the
- 10 transaction of the institute's business;
- 11 (12) prepare market research and product development plans for the
- 12 promotion of any species of seafood and their by-products that may be harvested in
- 13 the state and processed for sale;
- 14 (13) establish committees related to the marketing of salmon and
- 15 salmon products: the board shall, to the extent practicable, appoint equal
- 16 numbers of seafood processors and persons engaged in commercial fishing to the
- 17 committees.

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

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

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

1 describing the activities of the institute; [AND]

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

5 (7) collect, organize, distribute, and make available to the public
6 information on prices paid and market conditions for raw salmon and salmon
7 products and provide this information on a regular and timely basis to all salmon
8 fishermen who hold permits under AS 16.43 and to all nonprofit salmon
9 enhancement organizations that hold a permit under AS 16.10.400;

10 (8) cooperate with commercial salmon fishermen, fishermen's
11 organizations, seafood processors, the Alaska Fisheries Development Foundation,
12 the Fisheries Industrial Technology Center, state and federal agencies, and other
13 relevant persons and entities to investigate market reception to new salmon
14 product forms and develop commodity standards and future markets for salmon
15 products;

16 (9) establish a salmon marketing committee to assist and advise the
17 board in administering the domestic salmon marketing program that is funded
18 through the tax collected under AS 43.76.110 - 43.76.130; the committee shall
19 consist of seven persons selected by the board, as follows:

20 (A) four persons shall be engaged in commercial salmon
21 fishing and hold salmon permits under AS 16.43, of whom

22 (i) one person shall be a member of the board of
23 directors of the institute; and

24 (ii) three persons shall be Alaska residents from
25 different salmon administrative areas established by the Alaska
26 Commercial Fisheries Entry Commission; and

27 (B) three persons shall be engaged in processing of salmon,
28 of whom

29 (i) one person shall be a member of the board of
30 directors of the institute;

31 (ii) one person shall be a salmon processor who is not

1 on the board of directors of the institute and who has an annual
2 payroll in the state of more than \$2,500,000; and

3 (iii) one person shall be a salmon processor who is
4 not on the board of directors of the institute and who has an annual
5 payroll in the state of \$50,000 - \$2,500,000.

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

7 ARTICLE 2. SALMON MARKETING TAX.

8 Sec. 43.76.110. SALMON MARKETING TAX. A person holding a limited
9 entry permit or interim-use permit under AS 16.43 shall pay a salmon marketing tax
10 at the rate of one percent of the value, as defined in AS 43.75.290, of salmon that the
11 person removes from the state or transfers to a buyer in the state. The buyer shall
12 collect the salmon marketing tax at the time the salmon is acquired by the buyer.

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

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

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

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

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

30 (d) The salmon marketing tax collected under this section shall be deposited
31 in the general fund. The legislature may appropriate revenue generated by the salmon

1 marketing tax to the Alaska Seafood Marketing Institute for the purpose of supporting
2 the institute's salmon marketing program under AS 16.51.100(7) - (9) and the
3 institute's domestic salmon marketing program. Except as otherwise provided in an
4 appropriation by the legislature, the amount of the allocation made to the institute's
5 salmon marketing program under AS 16.51.100(7) and (8) should not exceed 10
6 percent of the total amount of salmon marketing tax revenue appropriated for the
7 institute.

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

12 * Sec. 8. TRANSITION FOR MEMBERS OF THE BOARD OF DIRECTORS OF THE
13 ALASKA SEAFOOD MARKETING INSTITUTE. (a) Notwithstanding AS 16.51.020(b),
14 as amended by sec. 2 of this Act, a person who is serving as a member of the board of
15 directors of the Alaska Seafood Marketing Institute on the day before the effective date of sec.
16 2 of this Act may continue to serve as a member of the board for the remainder of the term
17 to which the person was appointed.

18 (b) As soon as practicable after the effective date of sec. 1 of this Act, the governor
19 shall appoint seven persons engaged in commercial fishing to the new memberships created
20 on the board of directors of the Alaska Seafood Marketing Institute by secs. 1 and 2 of this
21 Act. Notwithstanding AS 16.51.030, the governor shall appoint two persons appointed under
22 this subsection to one-year terms, two persons appointed under this subsection to two-year
23 terms, and three persons appointed under this subsection to three-year terms.

24 (c) Notwithstanding AS 16.51.020(b), as amended by sec. 3 of this Act, a person who
25 is serving as a member of the board of directors of the Alaska Seafood Marketing Institute
26 on the day before the effective date of sec. 3 of this Act may continue to serve as a member
27 of the board for the remainder of the term to which the person was appointed.

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

29 * Sec. 10. AS 16.51.100(7), 16.51.100(8), and 16.51.100(9) are repealed June 30, 1999.

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

31 * Sec. 12. Section 3 of this Act takes effect upon the repeal of AS 43.76.110, 43.76.120,

1 and 43.76.130.