

SENATE BILL NO. 177  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/29/93  
Referred: L&C, FIN

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. (a) The department  
13 shall provide professional services to assist commercial salmon fishermen in  
14 developing annual and long-term contracts with seafood processors for the purchase

1 of salmon.

2 (b) The department shall cooperate with commercial salmon fishermen,  
3 fishermen's organizations, seafood processors, the Alaska Seafood Marketing Institute,  
4 state and federal agencies, and other relevant persons and entities to develop  
5 commodity standards for salmon products.

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

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

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

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

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

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

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

25 (b) Ten [TWELVE] members of the board shall be seafood processors: seven  
26 [EIGHT] of the seafood processors must have an annual payroll in the state of  
27 \$1,000,000 or more; three [FOUR] of the seafood processors must have an annual  
28 payroll in the state of \$50,000 - \$1,000,000. Ten [FIVE] members of the board must  
29 be engaged in commercial fishing. [ONE MEMBER OF THE BOARD SHALL BE  
30 A LAY PERSON SELECTED BY THE GOVERNOR.]

31 \* Sec. 4. AS 16.51.050 is amended to read:

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

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

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

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

1                                   **(13) establish an executive board to assist the board in efficiently**  
2                                   **exercising the board's powers and duties under this chapter; the executive board**  
3                                   **shall consist of seven members selected from and by the board and shall include**  
4                                   **at least three members who are engaged in commercial fishing.**

5 \* Sec. 6. AS 16.51.100 is amended to read:

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

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

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

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

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

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

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

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

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

31                                   ARTICLE 2. SALMON MARKETING TAX.

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

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

11           (b) A buyer who collects the salmon marketing tax shall  
12           (1) maintain records of the value of salmon purchased in the state;  
13           (2) report to the Department of Revenue by March 1 of each year the  
14 total value, as defined in AS 43.75.290, of the salmon that the buyer has acquired  
15 during the preceding year.

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

23           (d) The salmon marketing tax collected under this section shall be deposited  
24 in the general fund. The legislature may make appropriations based on this revenue to  
25 the Department of Commerce and Economic Development for the purpose of  
26 supporting the salmon marketing program of the department under AS 16.10.570 -  
27 16.10.590 and the domestic salmon marketing program of the Alaska Seafood  
28 Marketing Institute.

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

1 person engaged solely in interstate transportation of goods for hire.

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

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

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

20 (d) Notwithstanding AS 16.51.020(b), as amended by sec. 3 of this Act, the governor  
21 shall appoint persons engaged in commercial fishing to the first memberships on the board of  
22 directors of the Alaska Seafood Marketing Institute that are vacated, after the effective date  
23 of sec. 3 of this Act, by a seafood processor member who has an annual payroll in the state  
24 of \$1,000,000 or more and by a seafood processor member who has an annual payroll in the  
25 state of \$50,000 - \$1,000,000. If a person is appointed under this subsection to fill a vacancy  
26 arising other than by the expiration of a term of office, the person shall be appointed to  
27 complete the remainder of the unexpired term.

28 \* **Sec. 9.** AS 43.76.110, 43.76.120, and 43.76.130 are repealed five years after the effective  
29 date of sec. 7 of this Act.

30 \* **Sec. 10.** AS 16.10.570, 16.10.580, 16.10.590, 16.10.599, and AS 16.51.100(7) are  
31 repealed six years after the effective date of sec. 7 of this Act.

1 \* Sec. 11. Section 7 of this Act takes effect January 1, 1994.