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COMMITTEE REPORT

HOUSE

3/26
Rules

FURTHER:

(5)

3/15/82

Date: 3-25-82

Mr. Speaker:

The Committee on LABOR & COMMERCE has had CSSB 771(L&C)am

"An Act exempting restaurants, grocery stores, and established fish markets from the labor bond required of fish processors and primary fish buyers; and providing for an effective date."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" ~~New~~ Fiscal Note *attached zero impact to bill*
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Jim Ragan

Randy

Robert [unclear] Randolph

Terry Masters

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Terry Masters
CHAIRMAN

ALASKA STATE LEGISLATURE - SENATE



SENATOR RICHARD I. ELIASON
P.O. BOX 143
SITKA, ALASKA 99838
POUCH V
JUNEAU, ALASKA 99811

COMMITTEES
FINANCE
RESOURCES
STATE AFFAIRS

February 23, 1982

MEMORANDUM

To: Senator Bob Mulcahy, Chairman
Senate Labor and Commerce Committee

From: Senator Dick Eliason *Dick E*

Re: Senate Bill 771

I recently introduced S.B. 771 which would exclude restaurants from obtaining the labor bond which is required of fish processors and primary fish buyers. The bill has been referred to the Labor and Commerce Committee and I would appreciate you scheduling a hearing for it.

Under current statute a restaurant is classified as a primary fish buyer and as a fisheries business as it is the entity "who first actually and physically processes the fishery resource" (AS 43.75.015 (c)) by cooking it. Therefore restaurants must go through all of the procedures to meet requirements for processors. These include filing an "intent to operate" statement with the Fish and Game Department, filing fish tickets with the Fish and Game Department each week, posting a \$10,000 labor bond with the Labor Department, obtaining a "fisheries business license" from the Revenue Department, filing a surety bond or prove lienable property or prepay the tax to the Revenue Department, and must file and pay this raw fish tax to the Revenue Department.

Obviously these are a lot of "hoops to jump through" for a restaurant which simply wants to include fresh seafood on its menu. It is evident to anyone who dines at Alaskan restaurants that it is often difficult to find fresh Alaskan seafood offered. My goal with S.B. 771 is to encourage the availability of good fresh seafood to Alaskans and to visitors to our state.

It is apparent when studying the various requirements for restaurants that the one which is the least necessary and by far the most costly and difficult is the labor bond. The other steps have some justification (management data from fish tickets, payment of the raw fish tax as these fish would go untaxed otherwise, and so on). However, the labor bond is meant to protect fishermen and cannery workers from fly-by-night fish buyers and seasonal operators who might buy fish or hire labor and leave without paying them. This is unnecessary for restaurants and is made even more ridiculous as restaurants already must meet labor protection requirements whether they buy fish or not. The labor bond is also very expensive to obtain, particularly for a small operation.

Currently the Department of Labor does not even bother to enforce the labor bond requirement for restaurants as they feel restaurants buy only small quantities of raw fish and are not likely to default to fishermen. The risk involved with breaking the law, however, may be enough to make some restaurants avoid offering fresh fish. Others, because they can't afford to buy the labor bond, may buy and serve fish but fail to do any of the required steps including paying the rawfish tax. Therefore, the State loses the revenue on the fish which are sold in restaurants.

I believe that the cost of the raw fish tax to a restaurant is so minimal that most would not mind remaining in compliance with all of the tax and paperwork requirements if the one which is the big financial burden, the labor bond, were removed.

Again, my goal is to encourage the availability of fresh Alaskan seafood to the consumer and provide a market alternative to fishermen. I believe we can meet our goals of encouraging availability of seafood, improving compliance with the necessary and purposeful paperwork and tax requirements and simplifying the permitting process by eliminating the labor bond requirement for restaurants.

Under current statute restaurants and grocery stores are classified as primary fish buyers and fisheries businesses when they buy and sell fresh fish.

The current statute requires them to:

- (1) Filing an "intent to operate" statement with the Fish and Game Department
- (2) Filing fish tickets with the Fish and Game Department each week
- (3) Obtaining a "fisheries business license" from the the Revenue Department
- (4) Filing a surety bond or prove lienable property or prepay the tax to the Revenue Department
- (5) Must file and pay this raw fish tax to the Revenue Department
- (6) ~~AND THE BIGGEST HARDSHIP~~ - Posting a \$10,000 labor bond with the Labor Department

Labor bond law for fish buyers was put on the books to protect fishermen and workers from fly-by-night fish buyers and seasonal operators who may default them.

There is no need for labor bond for retailers as covered by other labor protection laws.

GOAL of this bill is to encourage availability of good fresh seafood to Alaskans and visitors to our State.

ALASKA STATE LEGISLATURE - SENATE



SENATOR RICHARD I. ELIASON
P.O. BOX 143
SITKA, ALASKA 99835
POUCH V
JUNEAU, ALASKA 99811

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- (5) Must file and pay this raw fish tax to the Revenue Department
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II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected Labor Standards and Safety

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill has no fiscal impact on the operations of the Department of Labor.

IV. DATE 3/24/82

PREPARED BY

Nico Bus
Nico Bus

AGENCY

Department of Labor

PHONE

465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

DATE	SEC	PAGE	LEGISLATIVE ACTION
03/15/82	01	0590	FIRST READING -- COMMITTEE REPORTS
03/17/82	02	0530	L&C -- CSSE
03/17/82	03	0530	BY -- OTHERS?
			APPROVED IMMEDIATELY
03/17/82	04	0530	SECOND READING
03/17/82	05	0530	APPROVED IMMEDIATELY BY UNANIMOUS CONSENT
03/17/82	06	0530	APPROVED IMMEDIATELY BY UNANIMOUS CONSENT
03/17/82	07	0530	APPROVED IMMEDIATELY BY UNANIMOUS CONSENT
03/17/82	08	0530	THIRD READING
03/17/82	09	0530	PASSED BY DIV 17-0-3
03/17/82	10	0530	
****	**	**	***

SB 771 HOUSE ACTION 12:29 3/27/82 PAGE 3 OF 3

DATE	SEC	PAGE	LEGISLATIVE ACTION
03/15/82	01	0703	FIRST READING -- COMMITTEE REPORTS
03/24/82	02	0703	L&C -- BR04
03/26/82	03	0703	LENGTH EQUALS ZERO
			FILED
03/26/82	04	0703	***

exempting restaurants, etc. from
fish bond

SB 771
Eliason

Passed Senate 17-0-3 3/12/82

fiscal note 0, okay
modification okay
L&C report:

do pass: Rogers, Bylsma, Randolph, Martin

exempts restaurants, grocery stores,
& fish markets from labor bond
required of fish processors & primary
fish buyers