

COMMITTEE REPORT
SENATE

FURTHER:

2/28/86

Date 5/2/86

Mr. President

The Committee on FINANCE considered CSHB 227(FIN)
relating to fish processors and primary fish buyers; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation -HFL (B)
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
Paul Fritter
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature] NR

[Signature]
Co - Chairman
N/R
Chairman recommendation

04-27-86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 227 (Fin)
 Title : Bonding for fish processors and fish buyers
 Sponsor : Finkley
 Requestor : HFC
 Date of Request : 2/21/86

FISCAL DETAIL

Agency Affected : Labor
 BRU : Labor Standards & Safety
 Components : Wage and Hour

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Fiscal notes for all previous versions of the bill have been zero. This C.S. does not change the fiscal impact of the bill.

Prepared by : Al Adams, Chair *APA* Phone : 465-3706
 Division : House Finance Committee Date : 2/21/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Offered: 2/26/86
For Today's Calendar

Original sponsor: Binkley

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 227 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to fish processors and primary fish
7 buyers; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 16.10.290(a) is amended to read:
10 (a) A person applying for a license as a fish processor or
11 primary fish buyer shall file with the commissioner of labor a surety
12 bond running to the State of Alaska conditioned upon the promise to
13 pay (1) all persons furnishing labor to a fish processor or primary
14 fish buyer, including contractual employee benefits; and (2) indepen-
15 dent registered commercial fishermen for the price of the raw fishery
16 resource purchased from them. The surety or sureties shall be satis-
17 factory, in the determination of the commissioner.
18 * Sec. 2. AS 16.10.290(b) is amended to read:
19 (b) The amount of the bond shall be \$10,000 unless, during the
20 preceding five years, that amount was insufficient to satisfy a final
21 judgment resulting from a claim asserted against the bond, cash depos-
22 its, or other security filed under this section. If \$10,000 was
23 insufficient, the bond shall be \$50,000; if \$50,000 was insufficient,
24 the bond shall be \$100,000. If the commissioner determines that
25 during the preceding five years, a fish processor or primary fish
26 buyer (1) has engaged in the business of fish processor or primary
27 fish buyer in the state while not in compliance with this section and
28 (2) has not yet satisfied a final judgment entered against the pro-
29 cessor or fish buyer for payment for labor furnished to, or raw

1 fishery resources purchased by, the processor or fish buyer, then the
2 amount of the bond for the processor or fish buyer shall be \$100,000.

3 In lieu of the surety bond the fish processor or primary fish buyer
4 may file with the commissioner a cash deposit or other negotiable
5 security acceptable to the commissioner in the amount specified for
6 the bond. If no claim is asserted under this section within two years
7 from the date the bond, cash deposit or other security is filed, the
8 term of the bond, cash deposit or other security shall be two years;
9 if a claim has been asserted within two years, the term of the bond,
10 cash deposit or other security shall be for five years.

11 * Sec. 3. AS 16.10.290(c) is repealed and reenacted to read:

12 (c) A bond is not required if the fish processor or primary fish
13 buyer has more than the amount of the bond in lienable property in the
14 state and provides proof of the property satisfactory to the commis-
15 sioner.

16 * Sec. 4. AS 16.10.291 is repealed and reenacted to read:

17 Sec. 16.10.291. EXEMPTION FROM BONDING REQUIREMENTS. A fish
18 processor or primary fish buyer that does not purchase fish or hire
19 employees is exempt from the bonding requirements of AS 16.10.290 -
20 16.10.296.

21 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

Sectional Analysis for
CSHB 51 (Finance)

An Act relating to a budget limitation and to
reserve funds

Section 1.

(a) Establishes the Budget Reserve Fund which consists of money appropriated to it and the balance which remains in the Rainy Day Fund as of July 1, 1986.

(b) Provides that no more than 25% of the Budget Reserve Fund can be appropriated in any one fiscal year. Also provides that monies can be expended by the Governor for an emergency and a reduction in nonstate revenue sources that may "seriously impair the ability for the state to perform essential functions".

Section 2. Amends the Executive Budget Act by stating that the Governor can not submit a budget which exceeds the prior year's appropriations from state sources by 15 percent, except for appropriations to the Permanent Fund. Any revenues which exceed the budget limit will be identified as available for appropriation to the Budget Reserve Fund.

Section 3. Adds a new section to the "Responsibilities of the Governor" section of the Executive Budget Act that for purposes of calculating the budget limit, (1) an appropriation is considered to be made in the calendar year in which it is enacted and (2) includes the amount carried forward from the preceding fiscal year.

Also defines in section (f) that state sources include the (1) undistributed income account of the Permanent Fund and (2) all sources of monies in the general fund except federal sources, bond proceeds and trusts.

Section 4. July 1, 1986 effective date.

STATE OF ALASKA

MEMBER
FINANCE COMMITTEE
SPECIAL COMMITTEE ON FISHERIES




RECEIVED MAR - 4 1986
OFFICE OF THE GOVERNOR
STATE OF ALASKA
1750 JED

REPRESENTATIVE JOHNE BINKLEY

March 3, 1986

M E M O R A N D U M

To: Senator John Sackett, Co-Chair, Senate Finance Committee
Senator Jan Faiks, Co-Chair, Senate Finance Committee

From: Representative Johne Binkley 

Re: House Bill 227 relating to fish buyer and fish processor bonds

I would like to request a hearing on HB 227 by the Senate Finance Committee. After a year's worth of work and several revisions this bill recently passed the House with no opposition.

HB 227 addresses situations where fish buyer and fish processor bonds are inadequate to satisfy final judgements against them. The higher bond rate would apply when the operator has not satisfied a final judgement or previously operated without a bond. Those operators who do not purchase fish or hire employees would be exempt. A zero fiscal note is attached to the bill along with a letter of intent requesting the Departments of Labor and Commerce and Economic Development to develop an educational program for fishermen and fishermen's groups. These departments will utilize existing resources funded in their existing operating budget. This bill would take effect immediately upon passage and would apply towards the upcoming fishing season.

Thank you for your consideration.

UC
7/26

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
CS HB 227 (FINANCE)

This legislation is designed to help ensure that Alaska fishermen have some recourse when a fish processor or primary fish buyer fails to make promised payments for the delivery of raw fisheries resources. The effectiveness of this surety bond program is questionable unless fishermen are aware of how the program works.

The Fourteenth Alaska Legislature respectfully requests the Alaska Department of Labor to work closely with the Office of Commercial Fisheries Development, Alaska Department of Commerce and Economic Development in the development of an educational program for the surety bond program. These agencies should work through the Alaska Marine Advisory Program, commercial fishermen's organizations, Native groups, fish and game advisory committees and the news media reaching coastal Alaska and the fishing fleets.



Al Adams, Chair
House Finance Committee

House adopted Letter of Intent 7-26/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 227 (Finance)
 Title : "An Act relating to fish processors & primary fish buyers"
 Sponsor : Binkley
 Requestor : House Finance
 Date of Request : 2/24/86

FISCAL DETAIL

Agency Affected : Labor
 BRU : Labor Standards & Safety
 Components : Wage and Hour

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						


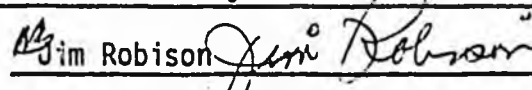
FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : 
 Division : Labor Standards & Safety Phone : 465-4870
 Date : 2/27/86
 Approved by Commissioner : 
 Agency : Labor Date : 2/27/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Bill No. Committee Substitute for House Bill No. 227
(Finance)

Date February 27, 1986

Title "An Act relating to surety for collection of
wages and payment."

Contact: Eileen Plate
465-2700
Robert J. Bacolas
465-4870

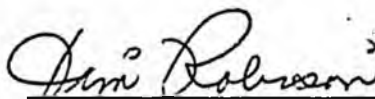
FEB 28 1986

This bill provides for an increase in the bonding requirements for fish processors and primary fish buyers if the processors or buyers previous bonding was insufficient to satisfy judgments against it. Basically, the bill provides for bonding commensurate with the processor's or buyer's track record during previous bonding periods.

The provisions of this bill, therefore, appear to be an equitable solution to the fish processor and buyer bonding problem in that they provide for the increased bonding sanction to only be imposed on those processors and buyers who fail to meet their obligations.

This legislation would not have a fiscal impact on the Department of Labor.

APPROVED:



Jim Robison, Commissioner
Department of Labor

POSITION PAPER/Department of Labor