

SB 346

SENATE FINANCE COMMITTEE REPORT

DATE: 2/12/92

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered

SENATE BILL NO. 346

"An Act making an appropriation for a loan to the Alaska Fisheries Development Foundation for a commercial fisheries development endowment; and providing for an effective date."

DIED

and recommends:

replace with _____ CS _____ (FINANCE) same title
 or adopt previous _____ CS _____ () new title
 attaches amendment(s) technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

DO PASS:

OTHER RECOMMENDATIONS:

1. _____

Co-Chair: Signature/Recommendation

2. _____

Co-Chair: Signature/Recommendation

SENATE BILL NO. 346

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS ZHAROFF, Duncan

Introduced:	1/13/92	
Referred:	Resources, Finance	
Funding Information:	General Fund	\$5,000,000
	Other Funds	<u>-0-</u>
		\$5,000,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation for a loan to the Alaska Fisheries Development
2 Foundation for a commercial fisheries development endowment; and providing for an
3 effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. FINDINGS. The Alaska State Legislature finds that the seafood industry in the state
6 requires a stable source of funding for continuing research into improved seafood harvesting techniques,
7 new product forms, and new processing techniques for Alaskan seafood products in order to remain
8 competitive in national and international markets. The Alaska Fisheries Development Foundation has
9 compiled an impressive record of success in finding and developing innovative and profitable methods
10 for the harvest and processing of Alaskan fisheries resources. The foundation has an established
11 structure and system to ensure that commercial fisheries development funds are directed toward projects
12 with the greatest potential for success and the broadest application for the Alaska seafood industry. As
13 the amount of federal support for the foundation declines, the Alaska State Legislature recognizes the
14 need for the state to provide financial support for the foundation's vital mission in the form of a loan

1 to establish an endowment. By requiring the principal of the loan to be returned to the state after 10
2 years, the state retains the ability to reevaluate the research funding needs of the Alaskan seafood
3 industry at that time.

4 * Sec. 2. Contingent on the enactment into law of a bill passed by the Seventeenth Alaska State
5 Legislature authorizing the Department of Commerce and Economic Development to make a loan for
6 the establishment of a commercial fisheries development endowment, the sum of \$5,000,000 is
7 appropriated from the general fund to the Department of Commerce and Economic Development for a
8 loan to the Alaska Fisheries Development Foundation for the establishment of a commercial fisheries
9 development endowment to fund commercial fisheries development research conducted by the
10 foundation.

11 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR ZHAROFF

TO: SB 346

Page 2, line 1, after "endowment.":

Insert "The establishment of the endowment will contribute to restoration, replacement, and enhancement of services provided by resources affected by the Exxon Valdez oil spill and to acquisition of services equivalent to those provided by resources affected by the Exxon Valdez oil spill."

Page 2, line 7:

Delete "general fund"

Insert "remedial and compensatory payments received by the state under the plea agreement in United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, case No. A90-015CR.,"

Adjust funding information accordingly.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR ZHAROFF

TO: SB 346

Page 2, line 7:

Delete "general fund"

Insert "earnings reserve of the Alaska science and technology endowment"

Adjust funding information accordingly.

7-LS1450G
Utermohle
4/20/92

CS FOR SENATE BILL NO. 346 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATORS ZHAROFF, Duncan, Sturgulewski

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations to the commercial fisheries development endowment and
2 to the Alaska Fisheries Development Foundation; and providing for an effective date."

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

4 * Section 1. FINDINGS. The Alaska State Legislature finds that the seafood industry in the state
5 requires a stable source of funding for continuing research into improved seafood harvesting techniques,
6 new product forms, and new processing techniques for Alaskan seafood products in order to remain
7 competitive in national and international markets. The Alaska Fisheries Development Foundation has
8 compiled an impressive record of success in finding and developing innovative and profitable methods
9 for the harvest and processing of Alaskan fisheries resources. The foundation has an established
10 structure and system to ensure that commercial fisheries development funds are directed toward projects
11 with the greatest potential for success and the broadest application for the Alaska seafood industry. As
12 the amount of federal support for the foundation declines, the Alaska State Legislature recognizes the
13 need for the state to provide financial support for the foundation's vital mission by establishing an
14 endowment. By requiring the principal of the endowment to be returned to the state after 10 years, the

1 state retains the ability to reevaluate the research funding needs of the Alaskan seafood industry at that
2 time.

3 * Sec. 2. Contingent on the enactment into law of a bill passed by the Seventeenth Alaska State
4 Legislature establishing a commercial fisheries development endowment in the Department of Revenue,
5 the sum of \$5,000,000 is appropriated from the earnings reserve of the Alaska science and technology
6 endowment to the principal of the commercial fisheries development endowment.

7 * Sec. 3. The income earned on the commercial fisheries development endowment during fiscal year
8 1993 is appropriated to the Alaska Fisheries Development Foundation under AS 37.14.350 - 37.14.390
9 on July 1, 1993.

10 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:


P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 485-3474

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ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Pat Pourchot
Co-Chairman
Senator Jalmar Kerttula
Co-Chairman
Senate Finance Committee

FROM: Senator Fred F. Zharoff 

DATE: March 25, 1992

RE: Senate Bill 346 - "An Act making an appropriation for a loan to the Alaska Fisheries Development Foundation for a commercial fisheries development endowment; and providing for an effective date."

BILL SUMMARY: SB 346 appropriates \$5 million to the Department of Commerce and Economic Development to use for a commercial fisheries development endowment loan for the Alaska Fisheries Development Foundation. The commercial fisheries development endowment loan is established in a companion bill, CSSB 345.

The appropriation is contingent on the Alaska Legislature's passage and the governor's approval of CSSB 345.

An amendment has been prepared that identifies the income of the Alaska Science and Technology Foundation as the source of the \$5 million appropriation.

FISCAL IMPACT: Zero fiscal note submitted by the Department of Fish and Game.

PREVIOUS ACTION: Moved out of the Senate Resources Committee on Feb. 12 (5 DP).

BACKGROUND INFORMATION: The Alaska Fisheries Development Foundation estimates that a \$5 million endowment would generate approximately \$300,000 in income (assuming six percent interest), enough for a base level of operations. The principal would be protected so that it could be returned to the state upon the expiration of the loan. AFDF would supplement this money with an active fundraising campaign aimed at building an endowment with private donations.

Due to decreasing federal funding (Saltonstall-Kennedy grant monies), AFDF needs a new source of funds if it is to continue with its mission of developing new fisheries, new seafood processing techniques, and new seafood products in Alaska.

Since it was formed in 1978, AFDF has compiled an impressive track record of success, including the development of innovative new processing techniques for surimi, flatfish, and flounder.

With state funding, AFDF will also be able to pursue research and development projects for salmon, which does not now meet the criteria for federal grant monies because it is considered a developed species.

The surplus income of the Alaska Science and Technology Foundation is an appropriate source of funds for the AFDF endowment. AFDF could be considered an extension of the foundation's mission, only specifically targeted at Alaska's seafood industry. Where the science foundation funds fisheries development and research projects on a case by case basis, AFDF is able to conduct a more systematic evaluation of the seafood industry's needs and direct its efforts to the priority areas.

ATTACHED BACKUP INFORMATION:

1. Sectional analysis.
2. Department of Fish and Game fiscal note.

All the backup material submitted for CSSB 345 also applies to SB 346.



SENATOR FRED F. ZHARGFF
ALASKA STATE LEGISLATURE

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1.

DISTRICT N

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SECTIONAL ANALYSIS

Senate Bill No. 346

"An Act making an appropriation for a loan to the Alaska Fisheries Development Foundation for a commercial fisheries development endowment; and providing for an effective date."

SECTION 1

LEGISLATIVE FINDINGS.

Explains the purpose and intent of the bill.

SECTION 2

Appropriates \$5 million from the general fund to the Department of Commerce and Economic Development for a commercial fisheries development endowment loan to the Alaska Fisheries Development Foundation. This is contingent on the passage of SB 345 or similar legislation.

(An amendment has been prepared to change the source of the appropriation from the general fund to the income of the Alaska Science and Technology Foundation.)

SECTION 3

Immediate effective date.