

HB

286

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 286(FSH)
 (H) Publish Date: 2/13/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title Authorizing persons to hold more than one limited BRU Administration and Support
entry fishing permit Component Boards of Fisheries and Game
 Sponsor Representative Scalzi
 Requester House Fisheries Component No. 2048

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Gordy Williams
Commissioner's Office
 Approved by: Gordy Williams for Commissioner Frank Rue
 Agency: Fish and Game

Phone 465-6143
 Date/Time 1/31/02 2:00 PM
 Date 1/31/2002



Alaska State Legislature

Official Business

REPRESENTATIVE DREW SCALZI
State Capitol
Juneau, Alaska 99801-1182

(907) 465-2689; (800) 665-2689
FAX: (907) 465-3472

Representative_Drew_Scalzi@legis.state.ak.us

Sponsor Statement

HB286: "An Act allowing a person to hold two commercial fishing entry permits for a salmon fishery for the purpose of consolidating the fishing fleet for a salmon fishery; relation to salmon fishery associations and to salmon fishery assessments; and providing for an effective date."

The health of the salmon industry should be of the utmost importance to the state of Alaska as it directly impacts the economic health of the state. While nearly 175 million salmon were landed last summer, the fishermen's take was only \$216 million -- less than half of what they got 15 years ago. The upside is that global demand for salmon is exploding with the world consumption at almost 4 billion pounds last year, three times the amount of 20 years earlier. With a refocusing of fisheries management, the state should be able to regain its strong foothold in the worldwide market.

The goal of this bill is to voluntarily reduce the fleet size where desired and deemed necessary to promote greater economic incentives in a manner that would leave sufficient harvest capacity for large fish returns. With HB286, salmon limited entry and interim use permit holders will be allowed to hold no more than two permits; the provision applies exclusively to salmon fisheries.

Holders of two permits will not be granted any special fishing privileges over the holder of one permit; the Board of Fish would be prohibited from enacting regulations that would grant these privileges. This measure will facilitate removing a vessel and gear from a fishery; however, permits are not permanently removed from the system. If conditions improve, permits can be added back into fisheries, allowing each administrative area to address its particular difficulties by gear type.

HB286 provides the means for fishermen to tax (assess) themselves to assist fleet consolidation, thereby improving the fisheries for all participants. Fishermen are not asking the legislature to appropriate money for permit buybacks; they are seeking solutions from within the industry. This bill would provide the vehicle for collection of the self-assessment and the appropriation back to the association formed by the holders who wish to consolidate. Two-thirds of gear-type in an administrative area must approve the assessment; thus this measure ensures voluntary participation and approval from the majority of the permit holders. The assessment can be no greater than 5% of the ex-vessel value of the salmon landed by the permit holder; hence the value and assessment would vary from year to year. Some fisheries may feel they can only afford 1/4%, while others may feel secure in voting for 5%; allowing the individual needs of each fishery to be met.

The bill clearly delineates the assessment process with all checks and balances adequately addressed to ensure the intent of the measure is correctly administered.

Sectional Analysis

CS for HB 286(FSH)

“An Act allowing a person to hold two commercial fishing entry permits for a salmon fishery for the purpose of consolidating the fishing fleet for a salmon fishery; relating to salmon fishery association and to salmon fishery assessments; and providing for an effective date.”

Section 1. Salmon Fishery Associations

- The commissioner of the Alaska Department of Fish and Game shall assist and encourage the formation of salmon fishery associations if a fishery desires to form such an association
- Allows for the voluntary formation of salmon fishery associations for the purpose of fleet consolidation
- The associations would be comprised of entry permit holders by fishery (gear type) within administrative areas
- The association must be incorporated as a nonprofit corporation under Alaska law (AS 10.20); represent the salmon interim-use and entry permit holders within the designated fishery; and, have a board of directors representative of these individuals
- The association must develop by-laws and articles of incorporation

Section 2.

- Adds a new section to existing law (AS 16.43.140©) to allow an individual to hold two entry permits, but a person who holds two entry permits for a salmon fishery is not afforded additional fishing privileges for the second permit
- Upon passage of this bill, a salmon interim-use or entry permit holder may purchase a second permit in the same fishery
- The creation of an association or a vote on an assessment is not required before an individual may purchase a second permit in the same fishery

Section 3.

- Provides the assessment receipts flow for the budget process

Section 4.

Salmon Fishery Assessment

- Provides the mechanism and legal process for salmon fishermen to levy an assessment on themselves
- To proceed with a proposed assessment in a fishery it is a voluntary action of the salmon fishermen within a particular fishery (gear type)

see. analysis.

Definitions

- The definitions contained in this section are consistent with those for the Department of Revenue and the Department of Fish and Game already contained in law

Effective Date

- There is an immediate effective date under AS 01.10.070©

Petersburg Vessel Owners Association

P.O. Box 232

Petersburg, Alaska 99833

March 14, 2002 Phone (907) 772-9323 Fax (907) 772-4495

Representative Drew Scalzi
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

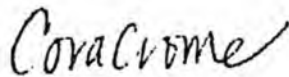
RE: Support HB 286 Own More Than One Limited Entry Permit

Petersburg Vessel Owners Association is a group of commercial fishermen who participate in a variety of fisheries statewide. Income from commercial fishing is very important to our community and to the Alaskan economy. In recent years, salmon fishermen have faced falling prices and weak markets for their products. This is due to a variety of factors including competition from cheap farmed salmon, a weak yen, and reduced market opportunities.

Fleet reduction is one way for our industry to reinvent itself to survive and prosper in the future. By creating mechanisms to reduce the number of active permits, we will enable fisheries to provide compensation for those who can no longer profit in the fishery and ensure that those who remain are able to survive. HB 286 is an innovative solution that would allow fleets around the state to design a program to reduce the number of permits in their fishery. Each fishery and region could customize the program to fit the special set of circumstances they are facing. Any assessment under this legislation would be voluntary, requiring a two-thirds majority vote.

This legislation is a valuable tool to help the industry face our challenges and move into the future. We appreciate your consideration of these comments and hope you will support this bill. If we can assist you in any way, please feel free to contact us.

Respectfully,



Cora Crome
Director

SUPPORT



UNITED FISHERMEN OF ALASKA

February 20, 2002

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

Representative Drew Scalzi
Representative Beverly Masek
Co-Chairs
House Resources Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Re: HB 286 Ownership Of More Than One Fishery Permit

Dear Co-Chairs:

United Fishermen of Alaska supports passage of this bill to allow fishery permit stacking for the purpose of fleet reduction. Specifically, we support allowing:

- A natural person to own up to two permits in a salmon fishery
- Formation of regional non-profit associations to facilitate funding.
- A 2/3 majority vote by permit holders to authorize a self assessment of up to 5% of ex-vessel value

As you are aware, the Alaska salmon industry is facing challenges due to imports of farmed fish, the value of the Japanese yen, the lagging Japanese economy, and inefficiencies in the present harvesting structure. It is important that fishermen have a self-directed means of removing excess capacity without the use of state funds and in a manner that is constitutionally viable.

We discussed expanding this permit-stacking program to fisheries other than salmon, but do not feel there has been adequate discussion with other non-salmon fisheries of this option at the present time.

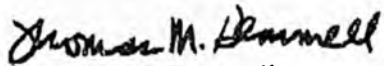
MEMBER ORGANIZATIONS

Alaska Longline Fishermen's Association • Alaska Trollers Association • Alaska Processors Association • Bristol Bay Reserve
Chignik Regional Aquaculture Association • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association
Copper River Salmon Producers Association • Cordova District Fishermen United • Douglas Island Pink and Chum
Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Seiners Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Old Harbor Fisherman's Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Pura Seine Vessel Owners Association • Seafood Producers Cooperative
Southeast Alaska Regional UFA Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Ditch Association • United Salmon Association • United Southeast Alaska Gillnetters

The twenty-nine member groups of UFA would appreciate your support in passing this bill.

If you have any questions about our position or if you need additional information, please feel free to contact me.

Sincerely,



Thomas M. Gemmell
Executive Director

Subject: [Fwd: Support HB 286]

Date: Thu, 14 Mar 2002 13:32:13 -0900

From: Representative Drew Scalzi <Representative_Drew_Scalzi@legis.state.ak.us>

To: Pat_Hartley@legis.state.ak.us

Subject: Support HB 286

Date: Thu, 14 Mar 2002 13:02:00 -0800

From: Sue Aspelund <cdfu@ptialaska.net>

To: House of Representatives <cdfu@ptialaska.net>

Dear Member,

On behalf of Cordova District Fishermen United—the fishermen of the Copper River and Prince William Sound—I would like to urge your support for HB 286. This bill provides an important flexible and immediate tool for fishermen to use when taking gear out of the water in a fishery is appropriate.

The bar for the self-assessment mechanism is purposefully high. It assures that a strong majority (2/3) of any fleet must support self-assessment.

We appreciate your support for legislation that provides a means for our industry to address one of our very real problems--overcapitalization. Thank you.

Sue

Sue Aspelund, Executive Director
Cordova District Fishermen United
P.O. Box 939
Cordova, AK 99574
907.424.3447 phone
907.424.3430 fax

Sent By: UFA;
To: Rep. Drew Scalzi
03/14/2002 13:06

At: 465-3472
9074867058

JetSuite;

Mar-14-02 2:10PM;

Page 1/1

UNITED SALMON ASSOC

PAGE 02



P.O. Box 762 • Kodiak • AK • 99615

Phone: (907) 486-8899 • Fax: (907) 486-7058 • Email: kodiak@unitedsalmon.org

March 14, 2002

Dear Representative;

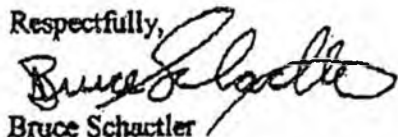
I am writing to express the support of the United Salmon Association for HB 286, a bill to allow a person to own two salmon permits.

The Alaskan salmon industry is at a critical juncture. Fishermen, processors, lawmakers, and other stakeholders are working on many fronts to make this important Alaskan industry more competitive in the world marketplace.

HB 286 will provide a valuable tool for salmon fishermen as they work to revitalize their industry. Many believe that inactive permits throughout the state stand to destabilize the recovery of the industry. The bill will allow fishermen to take action to reduce fleet size in their regions, streamlining the industry and improving the likelihood of successful revitalization.

United Salmon Association urges you to support this bill.

Respectfully,


Bruce Schactler

Cordova District Fishermen United

Celebrating 65 Years of Service to Commercial Fishermen in Cordova, Alaska
P.O. Box 939 Cordova, Alaska 99574 / phone (907) 424-3447 / fax (907) 424-3430 /
e-mail cdfu@ptialaska.net

February 9, 2002

House Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

SENT VIA FACSIMILE TO 907.465.3472

RE: CS for HB 286 - Permit Stacking for Fleet Reduction Purposes

Dear Members,

Cordova District Fishermen United, representing the fishing fleets of Area E-- Prince William Sound and the Copper River--supports the CS for HB 286. The salmon industry in Alaska is reeling from the impacts of low-cost farmed fish and a weakened Japanese economy, and must utilize a variety of mechanisms aimed at decreasing costs and increasing efficiencies. Harvesters in our industry need the ability to remove excess capacity, where desirable, so that their investments in efficiencies and decreased costs are not mooted by reactivation of present latent licenses once industry viability increases.

Additionally, we are in full support of the assessment mechanism that provides fleets, regionally and voluntarily, to assess themselves to accomplish their fleet reduction goals. The 2/3rd majority of the permit holders of any gear group that is required prior to any assessment provides an important safeguard.

This is thoughtful, responsible legislation that provides an extremely significant tool for salmon fishermen to utilize as they attempt to find viability in today's volatile salmon industry. We urge your full support of CS for HB 286.

Sincerely,

Sue Aspelund

Sue Aspelund
Executive Director

Support

Testimony of David Beard on House Bill 286

Executive Director of Southeast Alaska Seiners Association
Board of Directors of United Fishermen of Alaska.
Attorney

Mr. Chairman, members of the House Resources Committee, I appreciate this opportunity to speak to the Committee on HB 286, a bill that I believe is of great importance to the commercial fishermen of Alaska.

I would like to thank Representative Scalzi for introducing this legislation

HB 286 is offered at UFA's request

These are hard times in the salmon industry.

- >> In Bristol Bay, permits sell for one tenth what they commanded ten years ago. That permit value is a bench mark of the expectations fishermen have for that fishery and those expectations have dropped to ten cents on the dollar in ten years time.
- >> In Southeast Alaska dozens of purse seine boats, each of which employ five fishermen, will be tied to the docks this summer because there is no market for their fish.
- >> Fishermen across the state see the value of their fish dropping to the point that many can no longer make a living fishing salmon. For example, sockeye salmon that brought fishermen well over a dollar a pound ten years ago fetched as little as 40 cts per pound last summer.

While this underscores the concerns of commercial fishermen, the difficulties the industry confronts should be of concern to all Alaskans.

- >> the commercial fishing industry is the largest private sector employer in our state and salmon fishing is the heart of the commercial fisheries.
- >> In most coastal communities, commercial fisheries provide 50% or more of basic private sector employment.
- >> As the salmon fisheries go, whether up or down, so goes coastal Alaska.

HB 286, the fleet consolidation bill that you have before you, is part of Alaskan fishermen's effort to help themselves in the face of some tough times.

The solution is conceptually simple. With reduced numbers of fish in some areas of the state, and reduced prices for salmon statewide, it will be helpful in some areas to reduce the size of the salmon fleet so that each fishermen can catch more fish and get a reasonable wage for their efforts and investment.

In developing this bill we held a number of principles in mind

- >> First, that fishermen should shoulder the primary responsibility for the program
- >> Second, that the consolidation program should be voluntary and regional, and
- >> finally that the programs put in place should be accountable to the fishermen who will pay for the program and to the people of the state.

Overview: The program is conceptually simple. It

- >> allows individual fishermen to hold two permits for the purpose of fleet consolidation. NO increased fishing privileges could go with a second permit.
- >> allows fishermen to set up a non profit association to help with the consolidation program.
- >> allows fishermen to vote on whether to tax themselves to pay for consolidation with a 2/3 majority required to levy a tax; and
- >> establishes administrative procedures to protect the interests of the fishermen and the people of the state.

Responsibility:

- >> If fishmen wanted to set up a consolidation program the fishermen would pay up front costs to get the program running -- setting up the association, notifying permit holders, polling the permit holders
- >> fishermen could choose to assess themselves up to 5% to implement the program hence fishermen would contribute funds to help consolidate their fishery. Fishermen could also seek out other sources of funding.
- >> fishermen would be responsible for administering the program through the association they created and controlled.

Voluntary: UFA purposefully set the bar high.

- >> 2/3 "yes" vote of all permit holders within a fishery is required to approve a tax on the ex-vessel value of salmon harvested in the fishery..
- >> But the program is voluntary not only at the outset but all along the way. The bill includes procedures to repeal the tax. If 25% of permit holders petition the association then a new election must be held to determine whether fishermen wish to change or repeal the tax.

Regional:

- >> Each gear group in each region controls the program for its fishery. Thus seiners in Southeast decide only for seiners in Southeast. Gillnetters in Prince William Sound have no voice in what gillnetters in Cook Inlet decide.

Accountable:

- >> If fishermen choose to set up an association to pursue fleet consolidation the association must develop an annual business plan
- >> The association will be required to report annually to fishermen and to state.
- >> At any time that fishermen become dissatisfied with the program they can vote the program out of existence.

These are hard times in the salmon industry. I appreciate the efforts of you who serve in the legislature to lend a hand. This bill will help commercial salmon fishermen to make strides toward solving our problems.

Thank you. I urge you to support this bill and thereby help us to help ourselves



P.O. Box 762 • Kodiak • AK • 99615

Phone: (907) 486-6899 • Fax: (907) 486-7058 • Email: kodiak@unitedsalmon.org

February 21, 2002

Representative Drew Scalzi
State Capitol
Juneau, AK 99801-1182

Dear Drew;

The United Salmon Association would like to express its support for HB 286.

As fishermen work to strengthen the salmon industry in Alaska, tools such as those provided in HB 286 will allow them to address their own regional needs and move forward in their efforts to revitalize fisheries in their own areas.

Thank you for all of your efforts on behalf of Alaskan fishermen.

Sincerely,

A handwritten signature in cursive script that reads "Thom Wischer".

Thom Wischer
Chairman
USA/Kodiak

Cordova District Fishermen United

Celebrating 65 Years of Service to Commercial Fishermen in Cordova, Alaska
P.O. Box 939 Cordova, Alaska 99574 / phone (907) 424-3447 / fax (907) 424-3430 /
e-mail: cdfu@ptialaska.net

April 5, 2002

Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

SENT VIA FACSIMILE TO 907.465.4779

RE: CS for HB 286 - Permit Stacking for Fleet Reduction Purposes

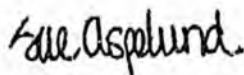
Dear Members,

Cordova District Fishermen United, representing the fishing fleets of Area E-- Prince William Sound and the Copper River--supports the CS for HB 286. The salmon industry in Alaska is reeling from the impacts of low-cost farmed fish and a weakened Japanese economy, and must utilize a variety of mechanisms aimed at decreasing costs and increasing efficiencies. Harvesters in our industry need the ability to remove excess capacity, where desirable, so that their investments in efficiencies and decreased costs are not mooted by reactivation of present latent licenses once industry viability increases.

Additionally, we are in full support of the assessment mechanism that provides fleets, regionally and voluntarily, to assess themselves to accomplish their fleet reduction goals. The 2/3rd majority of the permit holders of any gear group that is required prior to any assessment provides an important safeguard.

This is thoughtful, responsible legislation that provides an extremely significant tool for salmon fishermen to utilize as they attempt to find viability in today's volatile salmon industry. We urge your full support of CS for HB 286.

Sincerely,



Sue Aspelund
Executive Director



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

April 8, 2002

Senator John Torgerson
Chair
Senate Resources Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Re: HB 286 Ownership of More Than One Fishery Permit

Dear Senator Torgerson,

United Fishermen of Alaska supports passage of this bill to allow fishery permit stacking for the purpose of fleet reduction. Specifically, we support allowing:

- A natural person to own up to two permits in a salmon fishery.
- Formation of regional non-profit associations to facilitate funding.
- A 2/3 majority vote by permit holders to authorize a self assessment of up to 5% of ex-vessel value to fund the buyback.

As you are aware, the Alaska salmon industry is facing challenges due to imports of farmed fish, the value of the Japanese yen, the lagging Japanese economy, and inefficiencies in the present harvesting structure. It is important that fishermen have a self-directed means of removing excess capacity without the use of state funds and in a manner that is economically viable.

We discussed expanding this permit-stacking program to fisheries other than salmon, but do not feel there has been adequate discussion with other non-salmon fisheries of this option at the present time.

MEMBER ORGANIZATIONS

Alaska Longline Fishermen's Association • Alaska Trollers Association • At-sea Processors Association • Bristol Bay Reserve
Chignik Regional Aquaculture Association • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association
Copper River Salmon Producers Association • Cordova District Fishermen United • Douglas Island Pink and Chum
Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Seiners Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Old Harbor Fisherman's Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association • Seafood Producers Cooperative
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters

UFA would appreciate your support in passing this bill.

If you have any questions about our position or if you need additional information, please feel free to contact me.

Sincerely,

Thomas M. Gemmell

Thomas M. Gemmell
Executive Director

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR TORGERSON

TO: CSHB 286(RES)am

1 Page 2, line 31, following "percent":

2 Insert "and the termination date of the assessment"

3

4 Page 3, line 14:

5 Delete "and"

6 Insert ", "

7

8 Page 3, line 15, following "election":

9 Insert ", and the date on which the assessment would terminate under
10 AS 43.76.250(a)"

11

12 Page 4, line 3, following "rate":

13 Insert "and the proposed termination date"

14

15 Page 4, line 25, following "43.76.220":

16 Insert "and the date on which the assessment would terminate under AS 43.76.250(a)"

17

18 Page 5, line 15, following "rate":

19 Insert "or termination date"

20

21 Page 5, line 25, following "rate":

22 Insert "or termination date"

23

24 Page 5, line 30, following "rate":

1 Insert "or termination date"

2

3 Page 6, line 4, following "rate":

4 Insert "or termination date"

5

6 Page 6, line 5:

7 Delete "the proposed rate"

8 Insert ", as appropriate, the proposed rate or termination date"

9

10 Page 6, line 9:

11 Delete "the ballot"

12 Insert "a ballot to amend the rate of the salmon fishery assessment"

13

14 Page 6, line 10, following "whether the":

15 Insert "rate of the"

16

17 Page 6, line 12:

18 Following "43.76.220":

19 Insert "and the termination date of the assessment"

20 Following "amended;":

21 Insert "a ballot to amend the termination date of the salmon fishery assessment
22 must ask the question whether the termination date of the salmon fishery assessment
23 on salmon sold in the fishery shall be amended and must state the termination date of
24 the salmon fishery assessment if the termination date is amended;"

25

26 Page 6, line 25, following "revenue":

27 Insert "on the termination date determined at an election held under AS 43.76.230 to
28 establish or amend the assessment.

29 (b) Notwithstanding (a) of this section, the commissioner of revenue shall
30 terminate the salmon fishery assessment before the termination date determined at an
31 election held under AS 43.76.230 to establish or amend the assessment,"

1

2 Page 6, line 28:

3 Delete "(b)"

4 Insert "(c)"

5

6 Page 6, line 29:

7 Delete "(a)"

8 Insert "(b)"

LEGAL SERVICES

HB 286

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 16, 2002

SUBJECT: Sources of money for appropriations to fund qualified salmon fishery associations (CSHB 286(RES) am, Work Order No. 22-LS1099X.A)

TO: Representative Drew Scalzi
Attn: Pat Hartley

FROM: George Utermohle
Legislative Counsel

You have asked whether the legislature may use federal, state, or other funds as a source for appropriations for funding qualified salmon fishery associations. The answer is yes.

The latest version of HB 286 (CSHB 286(RES) am) provides that the legislature may appropriate revenue collected from the salmon fishery assessment to fund qualified salmon fishery associations. See, sec. 4, page 3, lines 5-8.

Notwithstanding, the availability of the salmon fishery assessment to provide funding for the salmon fishery associations, the legislature has the power to appropriate money from virtually any source to that purpose. The legislature may appropriate money to fund salmon fishery associations from a federal grant or private gift, grant, or bequest, as well as from state funds. The power of the legislature to appropriate money from any source to fund salmon fishery associations is virtually unlimited except for state money that is dedicated to another purpose and for federal or private money that is available to the state only for specific purposes that do not include funding for salmon fishery associations.

Also it is worth noting that nothing in the bill would limit the ability of a salmon fishery association to obtain direct federal and private grants on its own.

If I may be of further assistance, please advise.

GU:med
02-383.med



P.O. Box 762 • Kodiak • AK • 99618
Phone: (907) 486-8899 • Fax: (907) 486-7058 • Email: kodiak@unitedsalmon.org

April 9, 2002

Dear Senator Torgerson and Senate Resource Committee;

I am writing to express the support of the United Salmon Association for HB 286, a bill to allow a person to own two salmon permits. United Salmon Association also supports HB 288, a cousin bill.

The Alaskan salmon industry is at a critical juncture. Fishermen, processors, lawmakers, and other stakeholders are working on many fronts to make this important Alaskan industry more competitive in the world marketplace.

HB 286 will provide a valuable tool for salmon fishermen as they work to revitalize their industry. Many believe that inactive permits throughout the state stand to destabilize the recovery of the industry. The bill will allow fishermen to take action to reduce fleet size in their regions, streamlining the industry and improving the likelihood of successful revitalization. Likewise, HB 288 will improve the flexibility of this revitalization research.

United Salmon Association urges you to support these bills.

Respectfully,

A handwritten signature in cursive script that reads "Bruce Schactler".

Bruce Schactler