

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SB 482 155

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SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE \_\_\_\_\_

4/28/88

Mr. President:

\_\_\_\_\_ Finance \_\_\_\_\_ Committee considered <sup>SB</sup> 482 \_\_\_\_\_

farming of aquatic plants and aquatic animals; prohibiting the aquatic farming of finfish in saltwater; efd

and recommended

[ ] replace with \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] same title  
[ ] or adopt \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] new title

[ ] attached amendment(s) and

[ ] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [ ] attached or [ ] adopted fiscal note(s)

[ ] new [ ] updated or [ ] previous

[ ] zero [ ] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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Chairman signature and recommendation

[ ] Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Bills. ~~501~~ 601

5-1806N

Date of \_\_\_\_\_ 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: Finance

\*\*FISCAL NOTE(S) ATTACHED \_\_\_\_\_ \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

2/24/88 DATE TURNED INTO OFFICE \_\_\_\_\_  
Mr. President:

Resources \_\_\_\_\_ Committee considered SB 482

farming of aquatic plants and aquatic animals; prohibiting the aquatic farming of finfish in saltwater; efd

and recommended:

- replace with CS SB 482 (b)  
N same title  
 new title
- attached amendment(s) and *I reports it back as follows*
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_ *4-FN's*
- letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

<i>2 Curtis Sturgulew she amended</i>	<i>3 Jim Dunca - no Rec.</i>
<i>2 Farming if amended</i>	<i>3 [Signature] " "</i>
_____	<i>3 [Signature] " "</i>
_____	<i>3 Carl Smith No Rec</i>
_____	_____
_____	_____

*[Signature]* DO PASS  
Chairman signature and recommendation

Committee Backup Attached

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 482 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the farming of aquatic plants and  
7 aquatic animals; prohibiting the aquatic farming of  
8 Pacific salmon in saltwater; and providing for an  
9 effective date."

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

11 \* Section 1. FINDINGS AND POLICY. (a) The legislature finds that

12 (1) aquatic farming in the state would

13 (A) provide a consistent source of quality food;

14 (B) provide new jobs;

15 (C) increase state exports;

16 (D) create new business opportunities; and

17 (E) increase the stability and diversity of the state's  
18 economy; and

19 (2) development of aquatic farming in the state would increase  
20 the availability of fresh seafood to Alaskans and would strengthen the  
21 competitiveness of Alaska seafood in the world marketplace by broadening  
22 the diversity of products and providing year-round supplies of premium  
23 quality seafood.

24 (b) It is the policy of the state

25 (1) to encourage the establishment and responsible growth of an  
26 aquatic farming industry in the state; and

27 (2) that allocation of aquatic farming sites be made with full  
28 consideration of established and ongoing activities in an area.

29 \* Sec. 2. AS 16.40 is amended by adding new sections to read:  
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1 the aquatic animal or aquatic plant proposed;

2 (2) the proposed farm may not unreasonably affect  
3 management of natural stocks, and must not require significant  
4 alterations in traditional fisheries or other existing uses of fish  
5 and wildlife resources;

6 (3) the proposed farm may not significantly affect fisher-  
7 ies, wildlife, or their habitats in an adverse manner; and

8 (4) the proposed farm plans and staffing plans must demon-  
9 strate technical and operational feasibility.

10 Sec. 16.40.110. PERMIT APPLICATION, RENEWAL, AND TRANSFER. (a)  
11 An applicant for an aquatic farming or hatchery permit required under  
12 AS 16.40.100 shall apply on a form prescribed by the commissioner. An  
13 application for a permit must include a plan for the development and  
14 operation of the aquatic farm or hatchery, which must be approved by  
15 the commissioner before the permit is issued.

16 (b) An application for renewal or transfer of a permit must be  
17 accompanied by fees required by the commissioner, a report of the  
18 disease history of the farm or hatchery covered by the permit, and  
19 evidence that satisfies the commissioner that the applicant has com-  
20 plied with the development plan required under (a) of this section.  
21 The commissioner may require a health inspection of the farm or  
22 hatchery as a condition of renewal. The department may conduct the  
23 inspection or contact with a disease diagnostician to conduct the  
24 inspection.

25 (c) A person to whom a permit is transferred may use the permit  
26 only for the purposes for which the permit was authorized to be used  
27 by the transferor, and subject to the same conditions and limitations.

28 Sec. 16.40.120. AQUATIC STOCK ACQUISITION PERMITS. (a) A  
29 person may not acquire aquatic plants or aquatic animals from wild

1 stock in the state for the purpose of supplying stock to an aquatic  
2 farm or hatchery required to have a permit under AS 16.40.100 unless  
3 the person holds an acquisition permit from the commissioner.

4 (b) An acquisition permit authorizes the permit holder to ac-  
5 quire the species and quantities of wild stock in the state specified  
6 in the permit for the purposes of supplying stock to

7 (1) an aquatic farm or hatchery required to have a permit  
8 under AS 16.40.100;

9 (2) the department; or

10 (3) sources outside of the state.

11 (c) The commissioner shall specify the expiration date of an  
12 acquisition permit and may attach conditions to an acquisition permit,  
13 including conditions relating to the time, place, and manner of har-  
14 vest. Size, gear, place, time, licensing, and other limitations  
15 applicable to sport, commercial, or subsistence harvest of aquatic  
16 plants and aquatic animals do not apply to a harvest with a permit  
17 issued under this section. The commissioner of fish and game shall  
18 issue or deny a permit within 30 days after receiving an application.

19 (d) The commissioner shall deny or restrict a permit under this  
20 section upon finding that the proposed harvest will impair sustained  
21 yield of the species. The commissioner may deny or restrict a permit  
22 under this section upon finding that the proposed harvest will  
23 unreasonably disrupt established uses of the resources by commercial,  
24 sport, personal use, or subsistence users. The commissioner shall  
25 forward to the Board of Fisheries for action permit applications for  
26 species that support commercial fisheries subject to limited entry  
27 under AS 16.43. A denial of the permit by the commissioner must  
28 contain the factual basis for the findings.

29 (e) The Board of Fisheries may adopt regulations for the

1 conservation, maintenance, and management of species for which an  
2 acquisition permit is required.

3 (f) Except as provided in (d) of this section, the commissioner  
4 shall issue a permit if

5 (1) wild stock is necessary to meet the initial needs of  
6 farm or hatchery stock;

7 (2) there are technological limitations on the propagation  
8 of cultured stock for the species sought;

9 (3) wild stock sought is not fully utilized by commercial,  
10 sport, personal use, or subsistence fisheries; or

11 (4) wild stock is needed to maintain the gene pool of a  
12 hatchery or aquatic farm.

13 (g) Aquatic plants and aquatic animals acquired under a permit  
14 issued under this section become the property of the permit holder and  
15 are no longer a public or common resource.

16 Sec. 16.40.130. IMPORTATION OF AQUATIC PLANTS OR AQUATIC ANIMALS  
17 FOR STOCK. A person may not import into the state an aquatic plant or  
18 aquatic animal for the purpose of supplying stock to an aquatic farm  
19 or hatchery unless authorized by a regulation of the Board of Fisher-  
20 ies.

21 Sec. 16.40.140. LIMITATION ON SALE, TRANSFER OF STOCK, AND  
22 PRODUCTS. (a) A private hatchery required to have a permit under  
23 AS 16.40.100 may sell or transfer stock from the hatchery only to an  
24 aquatic farm or other hatchery that has a permit issued under AS 16.-  
25 40.100, except that bivalve shellfish spat may also be sold or offered  
26 for sale to an aquatic farm or related hatchery outside of the state.

27 (b) Stock may not be transferred to or from an aquatic farm or  
28 hatchery required to have a permit under AS 16.40.100 without prior  
29 notice of the transfer to the commissioner. A notice of transfer

1 shall be submitted at least 45 days before the proposed date of trans-  
2 fer.

3 (c) A notice of transfer must be accompanied by a report of a  
4 health inspection of the stock. The department shall conduct the  
5 inspection or contract with a disease diagnostician to conduct the  
6 inspection. The cost of inspection shall be borne by the department.

7 (d) The department may restrict or disapprove a transfer of  
8 stock if it finds that the transfer would present a risk of spreading  
9 disease.

10 (e) A person may not sell, transfer, or offer to sell or trans-  
11 fer, or knowingly purchase or receive, an aquatic farm product grown  
12 or propagated in the state unless the product was grown or propagated  
13 on a farm with a permit issued under AS 16.40.100. The permit must be  
14 in effect at the time of the sale, transfer, purchase, receipt, or  
15 offer.

16 Sec. 16.40.150. DISEASE CONTROL AND INSPECTION. (a) The de-  
17 partment shall order the quarantine or the destruction and disposal of  
18 diseased hatchery stock or of aquatic farm products when necessary to  
19 protect wild stock. A holder of a permit issued under AS 16.40.100  
20 shall report to the department an outbreak or incidence of disease  
21 among stock or aquatic farm products of the permit holder within 48  
22 hours after discovering the outbreak or incidence.

23 (b) A holder of a permit issued under AS 16.40.100 shall allow  
24 the department to inspect the permit holder's farm or hatchery during  
25 operating hours and upon reasonable notice. The cost of inspection  
26 shall be borne by the department.

27 (c) The department shall develop a disease management and cor-  
28 trol program for aquatic farms and hatcheries.

29 (d) The department may enter into an agreement with a state or

1 federal agency or a private, state-certified provider to provide ser-  
2 vices under (b) and (c) of this section, or inspections under AS 16.-  
3 40.110(b).

4 Sec. 16.40.160. REGULATIONS. The commissioner may adopt regu-  
5 lations necessary to implement AS 16.40.100 - 16.40.199.

6 Sec. 16.40.170. PENALTY. A person who violates a provision of  
7 AS 16.40.100 - 16.40.199, a regulation adopted under AS 16.40.100 -  
8 16.40.199, or a term or condition of a permit issued under AS 16.40.-  
9 100 - 16.40.199, is guilty of a class B misdemeanor.

10 Sec. 16.40.199. DEFINITIONS. In AS 16.40.100 - 16.40.199

11 (1) "aquatic animal" means shellfish or finfish;

12 (2) "aquatic farm" means a facility that grows, farms, or  
13 cultivates aquatic farm products in captivity or under positive con-  
14 trol;

15 (3) "aquatic farm product" means an aquatic plant or  
16 aquatic animal, or part of an aquatic plant or aquatic animal, that is  
17 propagated, farmed, or cultivated in an aquatic farm and sold or  
18 offered for sale;

19 (4) "aquatic plant" means a plant indigenous to state water  
20 or that is authorized to be imported into the state under a permit  
21 issued by the commissioner;

22 (5) "commissioner" means the commissioner of fish and game;

23 (6) "hatchery" means a facility for the artificial propa-  
24 gation of stock, including rearing of juvenile aquatic plants or  
25 aquatic animals;

26 (7) "positive control" means, for mobile species, enclosed  
27 within a natural or artificial escape-proof barrier; for species with  
28 limited or no mobility, such as a bivalve or an aquatic plant, "posi-  
29 tive control" also includes managed cultivation in unenclosed water;

1 (8) "shellfish" means a species of crustacean, mollusk, or  
2 other invertebrate, in any stage of its life cycle, that is indigenous  
3 to state water or that is authorized to be imported into the state  
4 under a permit issued by the commissioner;

5 (9) "stock" means live aquatic plants or aquatic animals  
6 acquired, collected, possessed, or intended for use by a hatchery or  
7 aquatic farm for the purpose of further growth or propagation.

8 \* Sec. 3. AS 03.05.011(a) is amended to read:

9 (a) To carry out the requirements of this title, the commis-  
10 sioner of environmental conservation may issue orders, regulations,  
11 permits, quarantines, and embargoes relating to

12 (1) examination and inspection of premises containing  
13 products, articles, and commodities carrying pests;

14 (2) establishment of quarantines for eradication of pests;

15 (3) establishment of standards and labeling requirements  
16 pertaining to the sale of meat, fish, and poultry;

17 (4) tests and analyses which may be made and hearings which  
18 may be held to determine whether the commissioner will issue a stop  
19 order or quarantine;

20 (5) cooperation with federal and other state agencies;

21 (6) regulation of fur farming; for purposes of this para-  
22 graph, "fur farming" means the raising of and caring for animals for  
23 the purpose of marketing their fur, or animals themselves for breeding  
24 stock;

25 (7) examination and inspection of meat, fish, and poultry  
26 advertised for sale or sold to the public;

27 (8) enforcement of quality assurance plans developed in  
28 cooperation with appropriate industry representatives;

29 (9) establishment of standards and conditions for the

1 operation and siting of aquatic farms and related hatcheries, includ-  
2 ing

3 (A) restrictions on the use of chemicals; and

4 (B) requirements to protect the public from contami-  
5 nated aquatic farm products that pose a risk to health;

6 (10) monitoring aquatic farms and aquatic farm products to  
7 ensure compliance with this chapter and with the requirements of the  
8 national shellfish sanitation program manual of operations published  
9 by the Food and Drug Administration.

10 \* Sec. 4. AS 03.05.020(a) is amended to read:

11 (a) The commissioner shall

12 (1) require routine inspection of food animals, fish,  
13 poultry and derivative food products, to protect the public against  
14 fraud, disease and spoilage, and in this connection adopt uniform  
15 regulations establishing standards of identity and composition of  
16 these food products and minimum standards of sanitation and handling  
17 methods as to all phases of slaughtering, processing, storing, trans-  
18 porting, displaying and selling of these food products;

19 (2) issue orders or cause the orders to be issued by an  
20 authorized veterinarian prohibiting transportation and sale of food  
21 products intended for human consumption which do not meet the minimum  
22 requirements established under (1) of this subsection, and limiting  
23 their use and disposal in conformity with protection of the public;

24 (3) adopt a schedule of fees or charges, and credit pro-  
25 visions, for services rendered by state veterinarians to farmers and  
26 others at their request in caring for livestock and poultry, and all  
27 the fees shall be transmitted to the commissioner for deposit in the  
28 state treasury;

29 (4) designate points of entry for admission of livestock or

1 poultry into the state, and arrange inspection at those points with or  
2 without collaboration and assistance of the federal government, and  
3 bar entry of stock or poultry not shipped under a valid permit or not  
4 free from contagious or infectious disease;

5 (5) adopt, repeal, and amend regulations consistent with  
6 existing law for

7 (A) the labeling and grading of milk and milk products  
8 and standards of cleanliness and sanitation, to at least the  
9 minimum of current recommendations of the United States Public  
10 Health Service, for the operation of dairies selling, or offering  
11 for sale, milk or milk products;

12 (B) the production and sale of ice cream and allied  
13 frozen desserts;

14 (C) the production and sale of imitation milk and  
15 imitation milk products;

16 (D) the labeling of aquatic farm products as aquatic  
17 farm products.

18 \* Sec. 5. AS 03.05.040(a) is amended to read:

19 (a) On any business day during the usual hours of business the  
20 commissioner or an authorized inspector may, for the purpose of in-  
21 specting agricultural, [OR] fisheries, or aquatic farm products or  
22 aquatic farm sites subject to regulation, enter a storehouse, ware-  
23 house, cold storage plant, packing house, slaughterhouse, retail store  
24 or other building or place where those products are kept, stored,  
25 processed or sold.

26 \* Sec. 6. AS 03.05.100 is amended to read:

27 Sec. 03.05.100. DEFINITIONS. In this chapter,

28 (1) "agricultural products" does not include fish or fish-  
29 eries products;

1 (2) "aquatic farm" and "aquatic farm product" have the  
2 meanings given in AS 16.40.199;

3 (3) "fish or fisheries products" means any aquatic animal,  
4 including amphibians, or aquatic plants or parts of those plants,  
5 animals or amphibians that are usable as human food.

6 \* Sec. 7. AS 16.05.050 is amended by adding a new paragraph to read:

7 (17) to permit and regulate aquatic farming in the state in  
8 a manner that ensures the protection of the state's fish and game  
9 resources and improves the economy, health, and well-being of the  
10 citizens of the state;

11 \* Sec. 8. AS 16.05.251 is amended by adding a new subsection to read:

12 (f) Except as expressly provided in AS 16.40.120(d) and 16.40.-  
13 130, the Board of Fisheries may not adopt regulations or take action  
14 regarding the issuance, denial, or conditioning of a permit under  
15 AS 16.40.100 or 16.40.120, the construction or operation of a farm or  
16 hatchery required to have a permit under AS 16.40.100, or a harvest  
17 with a permit issued under AS 16.40.120. Regulations or orders adopt-  
18 ed by the Board of Fisheries under this section do not apply to a  
19 harvest with a permit issued under AS 16.40.120.

20 \* Sec. 9. AS 16.05.330(a) is amended to read:

21 (a) Except as otherwise permitted in this chapter, a person may  
22 not engage in sport fishing, including the taking of razor clams; in  
23 hunting, trapping, or fur dealing; in the farming of [FISH,] fur [,]  
24 or game; or in taxidermy, without having the appropriate license or  
25 tag in actual possession.

26 \* Sec. 10. AS 16.05.930 is amended by adding a new subsection to read:

27 (g) AS 16.05.330 - 16.05.720 do not apply to an activity au-  
28 thorized by a permit issued under AS 16.40.100 or 16.40.120, or to a  
29 person or vessel employed in an activity authorized by a permit issued

1 under AS 16.40.100 or 16.40.120.

2 \* Sec. 11. AS 16.05.940(14) is amended to read:

3 (14) "[FISH OR] game farming" means the business of prop-  
4 agating, breeding, raising, or producing [FISH OR] game in captivity  
5 for the purpose of marketing the [FISH OR] game or game [THEIR] prod-  
6 ucts, and "captivity" means having the [FISH OR] game under positive  
7 control, as in a pen [, POND,] or an area of land that [OR WATER  
8 WHICH] is completely enclosed by a generally escape-proof barrier;

9 \* Sec. 12. AS 16.10 is amended by adding a new section to read:

10 Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not  
11 apply to the purchase or sale of aquatic farm products from a holder  
12 of a permit issued under AS 16.40.100 or stock from a holder of a  
13 permit issued under AS 16.40.120.

14 \* Sec. 13. AS 16.10.400 is amended by adding a new subsection to read:

15 (h) AS 16.10.400 - 16.10.475 do not apply to the construction or  
16 operation of a private hatchery that has a permit issued under AS 16.-  
17 40.100.

18 \* Sec. 14. AS 16.43.140 is amended by adding a new subsection to read:

19 (d) This chapter does not apply to activities authorized by a  
20 permit issued under AS 16.40.100 or 16.40.120.

21 \* Sec. 15. AS 16.51.180(5) is amended to read:

22 (5) "seafood" means finfish, shellfish, and fish by-prod-  
23 ucts, including but not limited to salmon, halibut, herring, flounder,  
24 crab, clam, cod, shrimp, and pollock, but does not include aquatic  
25 farm products as defined in AS 16.40.199;

26 \* Sec. 16. AS 38.05 is amended by adding a new section to read:

27 Sec. 38.05.083. AQUATIC FARMING AND HATCHERY SITE LEASES. (a)  
28 The commissioner may offer to the public for lease a site that has  
29 been developed for aquatic farming or related hatchery operations

1 under a permit issued under AS 38.05.856. Before offering the site to  
2 the public, the commissioner shall offer the site to the permittee.

3 (b) A site shall be leased under this section for not less than  
4 the appraised fair market value of the lease. The value of the lease  
5 shall be reappraised every five years.

6 (c) A lease under this section may be assigned, but if the  
7 assignee changes the use of the site the lease reverts to the state.

8 (d) Before entering into a lease under this section, the commis-  
9 sioner shall require the lessee to post a performance bond or provide  
10 other security to cover the costs to the department of restoring the  
11 leased site in the event the lessee abandons the site.

12 \* Sec. 17. AS 38.05 is amended by adding a new section to read:

13 Sec. 38.05.856. TIDELAND AND LAND USE PERMITS FOR AQUATIC FARM-  
14 ING. (a) The commissioner may issue a tideland or land use permit  
15 for the establishment and operation of an aquatic farm and related  
16 hatchery operations. A permit under this section is valid for three  
17 years after the date of issuance. The permit may not be transferred.

18 (b) Before issuing or renewing a permit under this section, the  
19 commissioner shall allow interested persons to submit written or oral  
20 testimony concerning the issuance or renewal to the commissioner  
21 within 30 days after the date of the notice. The commissioner may  
22 hold a hearing to take testimony.

23 (c) Before issuing or renewing a permit under this section, the  
24 commissioner shall consider all relevant testimony submitted under  
25 this section. The commissioner may deny the application for issuance  
26 or renewal for good cause, but shall provide the applicant with writ-  
27 ten findings that explain the reason for the denial.

28 (d) Before issuing or renewing a permit under this section, the  
29 commissioner shall require the permittee to post a performance bond or

1 provide other security to cover the costs to the department of restor-  
2 ing the permitted site in the event the permittee abandons the site.

3 (e) The commissioner shall adopt regulations establishing crite-  
4 ria for the approval or denial of permits under this section and for  
5 limiting the number of sites for which permits may be issued in an  
6 area in order to protect the environment and natural resources of the  
7 area. The regulations must provide for the consideration of upland  
8 management policies and whether the proposed use of a site is compati-  
9 ble with the traditional and existing uses of the area in which the  
10 site is located.

11 \* Sec. 18. AS 38.05.945(a) is amended to read:

12 (a) This section establishes the requirements for notice given  
13 by the department for the following actions:

14 (1) classification or reclassification of state land under  
15 AS 38.05.300 and the closing of land to mineral leasing or entry under  
16 AS 38.05.185;

17 (2) zoning of land under applicable law;

18 (3) a decision under AS 38.05.035(e) regarding the sale,  
19 lease, or disposal of an interest in state land or resources; [AND]

20 (4) a competitive disposal of an interest in state land or  
21 resources after final decision under AS 38.05.035(e);

22 (5) a public hearing under AS 38.05.856(b).

23 \* Sec. 19. AS 38.05.945 is amended by adding a new subsection to read:

24 (g) Notice at least 30 days before action under (a)(5) or (6)  
25 shall be given to appropriate

26 (1) regional fish and game councils established under  
27 AS 16.05.260; and

28 (2) coastal resource service areas organized under AS 46.-  
29 40.110 - 46.40.210.

1 \* Sec. 20. AS 16.05.340(a)(14) is repealed.

2 \* Sec. 21. Notwithstanding any other provisions of law, a person who is  
3 lawfully operating an aquatic farm or related hatchery in the state on the  
4 effective date of this Act is entitled to continue lawful operations at the  
5 existing site. The person may obtain an initial lease or permit for the  
6 person's existing operations under AS 38.05.083 or 38.05.856, enacted by  
7 secs. 16 and 17 of this Act, but as a condition of obtaining the lease or  
8 permit the person must agree that during the term of the lease or permit  
9 the person will not change the use of the site.

10 \* Sec. 22. LAND MANAGEMENT REPORT REQUIRED. The commissioner of natu-  
11 ral resources shall submit to the legislature not later than January 30,  
12 1989, a report detailing the department's implementation of AS 38.05.083  
13 and 38.05.856, enacted by secs. 16 and 17 of this Act. The report must  
14 include

15 (1) the number of applications received under AS 38.05.083 and  
16 38.05.856, and the number of leases and permits issued, according to type  
17 of aquatic farm product;

18 (2) the restrictions attached to permits and leases;

19 (3) a discussion of the system the department implements for  
20 issuing leases and tideland and land use permits;

21 (4) the level of public involvement in the issuance process; and

22 (5) a discussion of how the program is working, and the depart-  
23 ment's plans for modifications of the program.

24 \* Sec. 23. This Act takes effect immediately under AS 01.10.070(c).  
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27  
28  
29

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 SENATE BILL NO. 482

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the farming of aquatic plants and  
7 aquatic animals; prohibiting the aquatic farming of  
8 finfish in saltwater; and providing for an effective  
9 date."

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

11 \* Section. 1. AS 16.40 is amended by adding new sections to read:

12 ARTICLE 2. AQUATIC FARMING.

13 Sec. 16.40.100. AQUATIC FARM AND HATCHERY PERMITS. (a) A  
14 person may not, without a permit from the commissioner, construct or  
15 operate

16 (1) an aquatic farm; or

17 (2) a hatchery for the purpose of supplying aquatic plants  
18 or aquatic animals to an aquatic farm.

19 (b) A permit issued under this section authorizes the permittee,  
20 subject to the conditions of AS 16.40.100 - 16.40.199, to acquire,  
21 purchase, offer to purchase, transfer, possess, sell, and offer to  
22 sell stock and aquatic farm products that are used or reared at the  
23 hatchery or aquatic farm.

24 (c) The commissioner, after consulting with the commissioner of  
25 environmental conservation, may attach conditions to a permit issued  
26 under this section that are necessary to protect the public health or  
27 natural stock.

28 (d) A permit issued under this section is nontransferable.

29 (e) Notwithstanding other provisions of law, the commissioner  
S

1 may not issue a permit under this section for the farming of, or  
2 hatchery operations involving, finfish in saltwater.

3 Sec. 16.40.105. CRITERIA FOR ISSUANCE OF PERMITS. The commis-  
4 sioner shall issue permits under AS 16.40.100 on the basis of the  
5 following criteria:

6 (1) the biological and environmental suitability of the  
7 site for the proposed aquatic farm or hatchery;

8 (2) the ability of the permit applicant to establish and  
9 operate the aquatic farm or hatchery without

10 (A) adversely affecting the department's management of  
11 wild stocks;

12 (B) requiring substantial alterations in traditional  
13 fisheries and other existing uses of fish and wildlife resources;  
14 or

15 (C) adversely affecting wild stocks of fish or wild-  
16 life, or their habitats.

17 Sec. 16.40.110. PERMIT APPLICATION AND RENEWAL. (a) An appli-  
18 cant for an aquatic farming or hatchery permit required under AS 16.-  
19 40.100 shall apply on a form prescribed by the commissioner. An  
20 application for a permit must include a plan for the development of  
21 the aquatic farm or hatchery, which must be approved by the commis-  
22 sioner before the permit is issued.

23 (b) An application for renewal must be accompanied by fees re-  
24 quired by the commissioner, a report of a health inspection of the  
25 farm or hatchery covered by the permit, and evidence that satisfies  
26 the commissioner that the applicant has complied with the development  
27 plan required under (a) of this section. The department shall conduct  
28 the inspection or contract with a disease diagnostician to conduct the  
29 inspection. The inspection shall be conducted not more than 30 days

1 before the application is submitted to the department.

2 Sec. 16.40.120. AQUATIC FARM STOCK ACQUISITION PERMITS. (a) A  
3 person may not acquire aquatic plants or aquatic animals from wild  
4 stock in the state for the purpose of supplying stock to an aquatic  
5 farm or hatchery required to have a permit under AS 16.40.100 unless  
6 the person holds an acquisition permit from the commissioner.

7 (b) An acquisition permit authorizes the permit holder to ac-  
8 quire the species and quantities of wild stock in the state specified  
9 in the permit for the purpose of supplying stock to an aquatic farm or  
10 hatchery required to have a permit under AS 16.40.100.

11 (c) The commissioner shall specify the expiration date of an  
12 acquisition permit and may attach conditions to an acquisition permit,  
13 including conditions relating to the time, place, and manner of har-  
14 vest. Size, gear, place, time, licensing, and other limitations  
15 applicable to sport, commercial, or subsistence harvest of aquatic  
16 plants and aquatic animals do not apply to a harvest with a permit  
17 issued under this section. The commissioner of fish and game shall  
18 issue or deny a permit within 30 days after receiving an application.

19 (d) The commissioner shall deny or restrict a permit under this  
20 section upon finding that the proposed harvest will substantially  
21 impair sustained yield of the species. The commissioner may deny or  
22 restrict a permit under this section upon finding that the proposed  
23 harvest will significantly disrupt established uses of the resources  
24 by commercial, sport, personal use, or subsistence users. The commis-  
25 sioner shall forward to the Board of Fisheries for action permit  
26 applications for species that support commercial fisheries subject to  
27 limited entry under AS 16.43. A denial of the permit by the commis-  
28 sioner must contain the factual basis for the findings. The commis-  
29 sioner shall forward denied permit applications to the Board of

1 Fisheries for consideration at the next regularly scheduled meeting of  
2 the board.

3 (e) Except as provided in (d) of this section, the commissioner  
4 shall issue a permit if

5 (1) wild stock is necessary to meet the initial needs of  
6 farm or hatchery stock;

7 (2) there are technological limitations on the propagation  
8 of cultured stock for the species sought;

9 (3) wild stock sought is not fully utilized by commercial,  
10 sport, personal use, or subsistence fisheries; or

11 (4) wild stock is needed to maintain the gene pool of a  
12 hatchery or aquatic farm.

13 (f) Aquatic plants and aquatic animals acquired under a permit  
14 issued under this section become the property of the permit holder and  
15 are no longer a public or common resource.

16 Sec. 16.40.130. IMPORTATION OF AQUATIC PLANTS OR SHELLFISH FOR  
17 STOCK. A person may not import into the state an aquatic plant or  
18 aquatic animal for the purpose of supplying stock to an aquatic farm  
19 or hatchery unless authorized by the commissioner or by a regulation  
20 of the Board of Fisheries.

21 Sec. 16.40.140. LIMITATION ON SALE, TRANSFER OF STOCK, AND  
22 PRODUCTS. (a) A private hatchery required to have a permit under  
23 AS 16.40.100 may sell or transfer stock from the hatchery only to an  
24 aquatic farm or other hatchery that has a permit issued under AS 16.-  
25 40.100.

26 (b) Stock may not be transferred to or from an aquatic farm or  
27 hatchery required to have a permit under AS 16.40.100 without prior  
28 notice of the transfer to the commissioner. A notice of transfer  
29 shall be submitted at least 30 days before the proposed date of

1 transfer.

2 (c) A notice of transfer must be accompanied by a report of a  
3 health inspection of the stock. The department shall conduct the  
4 inspection or contract with a disease diagnostician to conduct the  
5 inspection. The cost of inspection shall be borne by the department.

6 (d) The department may restrict or disapprove a transfer of  
7 stock if it finds that the transfer would present a substantial risk  
8 of spreading disease.

9 (e) A person may not sell, transfer, or offer to sell or trans-  
10 fer, or knowingly purchase or receive, an aquatic farm product grown  
11 or propagated in the state unless the product was grown or propagated  
12 on a farm with a permit issued under AS 16.40.100. The permit must be  
13 in effect at the time of the sale, transfer, purchase, receipt, or  
14 offer.

15 Sec. 16.40.150. DISEASE CONTROL AND INSPECTION. (a) The de-  
16 partment shall order the quarantine or the destruction and disposal of  
17 diseased hatchery stock or of aquatic farm products when necessary to  
18 protect wild stock. A holder of a permit issued under AS 16.40.100  
19 shall report to the department an outbreak or incidence of disease  
20 among stock or aquatic farm products of the permit holder.

21 (b) A holder of a permit issued under AS 16.40.100 shall allow  
22 the department to inspect the permit holder's farm or hatchery during  
23 operating hours and upon reasonable notice. The cost of inspection  
24 shall be borne by the department.

25 (c) The department shall develop a disease management and con-  
26 trol program for aquatic farms and hatcheries.

27 (d) The department may enter into an agreement with a state or  
28 federal agency or a private provider to provide services under (b) and  
29 (c) of this section, or inspections under AS 16.40.110(b).

1           Sec. 16.40.160. REGULATIONS. The commissioner may adopt regu-  
2 lations necessary to implement AS 16.40.100 - 16.40.199.

3           Sec. 16.40.170. PENALTY. A person who violates a provision of  
4 AS 16.40.100 - 16.40.199, a regulation adopted under AS 16.40.100 -  
5 16.40.199, or a term or condition of a permit issued under AS 16.40.-  
6 100 - 16.40.199, is guilty of a class B misdemeanor.

7           Sec. 16.40.199. DEFINITIONS. In AS 16.40.100 - 16.40.199

8           (1) "aquatic farm" means a facility that grows, farms, or  
9 cultivates aquatic farm products in captivity or under positive con-  
10 trol;

11           (2) "aquatic farm product" means an aquatic plant, finfish,  
12 shellfish, or other aquatic animal, or part of an aquatic plant or  
13 aquatic animal, that is propagated, farmed, or cultivated in an  
14 aquatic farm and sold or offered for sale for the purpose of consump-  
15 tion;

16           (3) "aquatic plant" means a plant indigenous to state water  
17 or that is authorized to be imported into the state under a permit  
18 issued by the commissioner;

19           (4) "commissioner" means the commissioner of fish and game;

20           (5) "hatchery" means a facility for the artificial incu-  
21 bation of stock, including rearing of juvenile aquatic plants or  
22 aquatic animals;

23           (6) "positive control" means, for mobile species, enclosed  
24 within a natural or artificial escape-proof barrier; for species with  
25 limited or no mobility, such as a bivalve or an aquatic plant, "posi-  
26 tive control" also includes managed cultivation in unenclosed water;

27           (7) "shellfish" means a species of crustacean, mollusk, or  
28 other invertebrate, in any stage of its life cycle, that is indigenous  
29 to state water or that is authorized to be imported into the state

1 under a permit issued by the commissioner;

2 (8) "stock" means live aquatic plants or aquatic animals  
3 acquired, collected, possessed, or intended for use by a hatchery or  
4 aquatic farm for the purpose of further growth or propagation.

5 \* Sec. 2. AS 03.05.011(a) is amended to read:

6 (a) To carry out the requirements of this title, the commis-  
7 sioner of environmental conservation may issue orders, regulations,  
8 permits, quarantines, and embargoes relating to

9 (1) examination and inspection of premises containing  
10 products, articles, and commodities carrying pests;

11 (2) establishment of quarantines for eradication of pests;

12 (3) establishment of standards and labeling requirements  
13 pertaining to the sale of meat, fish, and poultry;

14 (4) tests and analyses which may be made and hearings which  
15 may be held to determine whether the commissioner will issue a stop  
16 order or quarantine;

17 (5) cooperation with federal and other state agencies;

18 (6) regulation of fur farming; for purposes of this para-  
19 graph, "fur farming" means the raising of and caring for animals for  
20 the purpose of marketing their fur, or animals themselves for breeding  
21 stock;

22 (7) examination and inspection of meat, fish, and poultry  
23 advertised for sale or sold to the public;

24 (8) enforcement of quality assurance plans developed in  
25 cooperation with appropriate industry representatives;

26 (9) establishment of standards and conditions of operation  
27 for aquatic farms and related hatcheries, including

28 (A) restrictions on the use of chemicals; and

29 (B) requirements to protect the public from

1                   contaminants that pose a risk to health.

2 \* Sec. 3. AS 03.05.020(a) is amended to read:

3           (a) The commissioner shall

4                   (1) require routine inspection of food animals, fish,  
5 poultry and derivative food products, to protect the public against  
6 fraud, disease and spoilage, and in this connection adopt uniform  
7 regulations establishing standards of identity and composition of  
8 these food products and minimum standards of sanitation and handling  
9 methods as to all phases of slaughtering, processing, storing, trans-  
10 porting, displaying and selling of these food products;

11                   (2) issue orders or cause the orders to be issued by an  
12 authorized veterinarian prohibiting transportation and sale of food  
13 products intended for human consumption which do not meet the minimum  
14 requirements established under (1) of this subsection, and limiting  
15 their use and disposal in conformity with protection of the public;

16                   (3) adopt a schedule of fees or charges, and credit pro-  
17 visions, for services rendered by state veterinarians to farmers and  
18 others at their request in caring for livestock and poultry, and all  
19 the fees shall be transmitted to the commissioner for deposit in the  
20 state treasury;

21                   (4) designate points of entry for admission of livestock or  
22 poultry into the state, and arrange inspection at those points with or  
23 without collaboration and assistance of the federal government, and  
24 bar entry of stock or poultry not shipped under a valid permit or not  
25 free from contagious or infectious disease;

26                   (5) adopt, repeal, and amend regulations consistent with  
27 existing law for

28                           (A) the labeling and grading of milk and milk products  
29 and standards of cleanliness and sanitation, to at least the

1 minimum of current recommendations of the United States Public  
2 Health Service, for the operation of dairies selling, or offering  
3 for sale, milk or milk products;

4 (B) the production and sale of ice cream and allied  
5 frozen desserts;

6 (C) the production and sale of imitation milk and  
7 imitation milk products;

8 (D) the labeling of aquatic farm products as aquatic  
9 farm products;

10 (6) monitor aquatic farms that hold permits under AS 16.-  
11 40.100 to ensure compliance with the requirements of the national  
12 shellfish sanitation program manual of operations published by the  
13 Food and Drug Administration.

14 \* Sec. 4. AS 03.05.040(a) is amended to read:

15 (a) On any business day during the usual hours of business the  
16 commissioner or an authorized inspector may, for the purpose of in-  
17 specting agricultural, [OR] fisheries, or aquatic farm products or  
18 aquatic farm sites subject to regulation, enter a storehouse, ware-  
19 house, cold storage plant, packing house, slaughterhouse, retail store  
20 or other building or place where those products are kept, stored,  
21 processed or sold.

22 \* Sec. 5. AS 03.05.100 is amended to read:

23 Sec. 03.05.100. DEFINITIONS. In this chapter,

24 (1) "agricultural products" does not include fish or fish-  
25 eries products;

26 (2) "aquatic farm" and "aquatic farm product" have the  
27 meanings given in AS 16.40.199;

28 (3) "fish or fisheries products" means any aquatic animal,  
29 including amphibians, or aquatic plants or parts of those plants,

1 animals or amphibians that are usable as human food.

2 \* Sec. 6. AS 16.05.050 is amended by adding a new paragraph to read:

3 (17) to permit and regulate aquatic farming in the state in  
4 a manner that ensures the protection of the state's fish and game  
5 resources and improves the economy, health, and well-being of the  
6 citizens of the state;

7 \* Sec. 7. AS 16.05.251 is amended by adding a new subsection to read:

8 (f) Except as expressly provided in AS 16.40.120(d) and 16.40.-  
9 130, the Board of Fisheries may not adopt regulations or take action  
10 regarding the issuance, denial, or conditioning of a permit under  
11 AS 16.40.100 or 16.40.120, the construction or operation of a farm or  
12 hatchery required to have a permit under AS 16.40.100, or a harvest  
13 with a permit issued under AS 16.40.120. Regulations or orders adopt-  
14 ed by the Board of Fisheries under this section do not apply to a  
15 harvest with a permit issued under AS 16.40.120.

16 \* Sec. 8. AS 16.05.330(a) is amended to read:

17 (a) Except as otherwise permitted in this chapter, a person may  
18 not engage in sport fishing, including the taking of razor clams; in  
19 hunting, trapping, or fur dealing; in the farming of [FISH,] fur [,]  
20 or game; or in taxidermy, without having the appropriate license or  
21 tag in actual possession.

22 \* Sec. 9. AS 16.05.930 is amended by adding a new subsection to read:

23 (g) AS 16.05.330 - 16.05.720 do not apply to an activity au-  
24 thorized by a permit issued under AS 16.40.100 or 16.40.120, or to a  
25 person or vessel employed in an activity authorized by a permit issued  
26 under AS 16.40.100 or 16.40.120.

27 \* Sec. 10. AS 16.05.940(14) is amended to read:

28 (14) "[FISH OR] game farming" means the business of prop-  
29 agating, breeding, raising, or producing [FISH OR] game in captivity

1 for the purpose of marketing the [FISH OR] game or game [THEIR] prod-  
2 ucts, and "captivity" means having the [FISH OR] game under positive  
3 control, as in a pen [, POND,] or an area of land that [OR WATER  
4 WHICH] is completely enclosed by a generally escape-proof barrier;

5 \* Sec. 11. AS 16.10 is amended by adding a new section to read:

6 Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not  
7 apply to the purchase or sale of aquatic farm products from a holder  
8 of a permit issued under AS 16.40.100 or stock from a holder of a  
9 permit issued under AS 16.40.120.

10 \* Sec. 12. AS 16.10.400 is amended by adding a new subsection to read:

11 (h) AS 16.10.400 - 16.10.475 do not apply to the construction or  
12 operation of a private hatchery that has a permit issued under AS 16.-  
13 40.100.

14 \* Sec. 13. AS 16.43.140 is amended by adding a new subsection to read:

15 (d) This chapter does not apply to activities authorized by a  
16 permit issued under AS 16.40.100 or 16.40.120.

17 \* Sec. 14. AS 16.51.180(5) is amended to read:

18 (5) "seafood" means finfish, shellfish, and fish by-prod-  
19 ucts, including but not limited to salmon, halibut, herring, flounder,  
20 crab, clam, cod, shrimp, and pollock, but does not include aquatic  
21 farm products as defined in AS 16.40.199;

22 \* Sec. 15. AS 38.05 is amended by adding a new section to read:

23 Sec. 38.05.083. AQUATIC FARMING AND HATCHERY SITE LEASES. (a)  
24 The commissioner may offer to the public for lease a site that has  
25 been developed for aquatic farming or related hatchery operations  
26 under a permit issued under AS 38.05.856. Before offering the site to  
27 the public, the commissioner shall offer the site to the permittee.

28 (b) A site shall be leased under this section for not less than  
29 the appraised fair market value of the lease. The value of the lease

1 shall be reappraised every five years.

2 (c) A lease under this section may be assigned, but if the  
3 assignee changes the use of the site the lease reverts to the state.

4 (d) Before entering into a lease under this section, the commis-  
5 sioner shall require the lessee to post a performance bond or provide  
6 other security to cover the costs to the department of restoring the  
7 leased site in the event the lessee abandons the site.

8 \* Sec. 16. AS 38.05 is amended by adding a new section to read:

9 Sec. 38.05.856. TIDELAND AND LAND USE PERMITS FOR AQUATIC FARM-  
10 ING. (a) The commissioner may issue a tideland or land use permit  
11 for the establishment and operation of an aquatic farm and related  
12 hatchery operations for not less than the appraised fair market value  
13 of the permit. The value of the permit shall be reappraised every  
14 five years.

15 (b) A permit under this section is valid for five years after  
16 the date of issuance. The permit may not be transferred.

17 (c) Before issuing or renewing a permit under this section, the  
18 commissioner shall require the applicant to (1) provide a copy of the  
19 application to newspapers, radio and television stations for public  
20 service announcement or (2) to provide paid notice of the application  
21 once each week for three successive weeks in a newspaper or by radio.  
22 The notice required in this subsection must be in more than one lan-  
23 guage if the commissioner decides it is necessary. The notice must  
24 state that interested persons may submit written and oral testimony  
25 concerning the issuance or renewal to the commissioner within 30 days  
26 after the date of the notice. The commissioner may hold a hearing if  
27 necessary to take testimony.

28 (d) Before issuing or renewing a permit under this section, the  
29 commissioner shall consider all relevant testimony submitted. Based

1 on the the testimony or other good cause, the commissioner may deny  
2 the application for issuance or renewal, but must provide the appli-  
3 cant with written findings that explain the reason for the denial.

4 (e) Before issuing or renewing a permit under this section, the  
5 commission shall require the permittee to post a performance bond or  
6 provide other security to cover the costs to the department of restor-  
7 ing the permitted site in the event the permittee abandons the site.

8 (f) The commissioner shall adopt regulations establishing crite-  
9 ria for the approval or denial of permits under this section and for  
10 limiting the number of sites for which permits may be issued in an  
11 area in order to protect the economy, environment, and natural  
12 resources of the area.

13 \* Sec. 17. AS 16.05.340(a)(14) is repealed.

14 \* Sec. 18. Except as provided in sec. 20 of this Act, the commissioner  
15 of fish and game may not issue a permit under AS 16.40.100 or 16.40.120,  
16 enacted by sec. 1 of this Act, until regulations have been adopted under  
17 AS 16.40.160, enacted by sec. 1 of this Act.

18 \* Sec. 19. Except as provided in sec. 20 of this Act, the commissioner  
19 of natural resources may not enter into a lease under AS 38.05.083 or issue  
20 a permit under AS 38.05.856, enacted by secs. 15 and 16 of this Act, until  
21 the commissioner adopts regulations necessary for the implementation of  
22 AS 38.05.083 and 38.05.856.

23 \* Sec. 20. Notwithstanding any other provisions of law, a person who is  
24 lawfully operating an aquatic farm or related hatchery in the state on the  
25 effective date of this Act is entitled to continue lawful operations at the  
26 existing site. The person may obtain an initial lease or permit for the  
27 person's existing operations under AS 38.05.083 or 38.05.856, enacted by  
28 secs. 15 and 16 of this Act, but as a condition of obtaining the lease or  
29 permit the person must agree that during the term of the lease or permit

1 the person will not expand operations beyond the scope allowed under the  
2 existing permit.

3 \* Sec. 21. This Act takes effect immediately under AS 01.10.070(c).  
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STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 482 *CSB 482 / SB 514*  
PUBLISH DATE: SENATE 4/28/88 *RLG*  
*AB-1*

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Farming of Aquatic Plants and  
Animals -- Finfish Prohibition  
Sponsor: Resources Committee  
Requestor: \_\_\_\_\_

Agency Affected: Office of the Governor  
BRU: Division of Governmental  
Coordination  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		49.8	99.5	99.5	99.5	99.5
TRAVEL		2.0	4.0	4.0	4.0	4.0
CONTRACTUAL		3.0	4.0	2.0	2.0	2.0
SUPPLIES		0.5	1.0	1.0	1.0	1.0
EQUIPMENT		3.5	3.5			
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		58.8	112.0	106.5	106.5	106.5

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		58.8	112.0	106.5	106.5	106.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1	1			
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attachment 1

Prepared by: Robert L. Grogan *RLG*  
Division: Division of Governmental Coordination

Phone: 465-3562  
Date: 3/8/88

Approved by Commissioner: \_\_\_\_\_  
Agency: Office of the Governor

Date: 3/16/88

Distribution (by preparer):

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

Attachment 1

Division of Governmental Coordination  
Bill Analysis  
SB 482

The Division of Governmental Coordination (DGC) currently provides assistance to applicants seeking state permits for their coastal development projects. DGC provides applicant preapplication services, establishes interagency project review schedules and comment deadlines, mediates proposed conditions which are disputed by the applicant or another state agency, and issues the conclusive state consistency determination for the project as required by AS 44.19.145(11).

Passage of SB 482\* is expected to have an effect on the number of project proposals in Alaska's Southeast and Southcentral regions. The state's mariculture workgroup has projected the following number of shellfish and sea vegetables farm applications for the next five years:

<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>
30	50	75	100	75	75

This increase in number of project reviews, and the additional coordination needed to incorporate the Aquatic Farm Permit into each project review, requires the addition of two professional staff, Range 18, to be located in the effected regional offices.

Funding supporting these two individuals includes \$2000 for travel to public meetings or site visits for controversial projects, approximately \$1000 for annual phone bills and an initial \$3000 contractual fee for PROFS hookup and associated setup costs. Each staff work area includes a desk, file cabinet, bookcase, computer table and a 3179 IBM Display Terminal.

csak8803080ldmf

\* CSSB 482 and SB 514 is anticipated to have a similar project load effect on the division.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 482 (Resources)  
PUBLISH DATE: SENATE 4/28/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to the farming of aquatic plants and aquatic animals;\*  
Sponsor: Resources Committee  
Requestor: Resources Committee

Agency Affected: Environmental Conservation  
BRU: Environmental Quality  
Components: SERO, SCRO, WOM

\*prohibiting the aquatic farming of pacific salmon in saltwater; and providing for an effective date.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	--	74.7	74.7	99.6	99.6	99.6
TRAVEL	--	12.0	12.0	20.0	20.0	20.0
CONTRACTUAL	--	12.0	12.0	16.0	16.0	16.0
SUPPLIES	--	3.5	3.5	2.7	2.7	2.7
EQUIPMENT	--	2.0	2.0	1.5	1.5	1.5
LAND & STRUCTURES	--	--	--	--	--	--
GRANTS, CLAIMS	--	--	--	--	--	--
MISCELLANEOUS	--	--	--	--	--	--
TOTAL OPERATING	--	104.2	104.2	139.8	139.8	139.8

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

GENERAL FUND	--	104.2	104.2	139.8	139.8	139.8
FEDERAL FUNDS	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL	--	104.2	104.2	139.8	139.8	139.8

POSITIONS:

FULL-TIME	--	--	--	1.0	1.0	1.0
PART-TIME	--	3.0	3.0	2.0	2.0	2.0
TEMPORARY	--	--	--	--	--	--

ANALYSIS : (Attach a separate page if necessary)

[Empty box for analysis]

Prepared by: \_\_\_\_\_ Phone: 465-2653  
Division: Environmental Quality Date: 4/28/88

Approved by Commissioner: Dennis D. Kelso Date: 4/28/88  
Agency: Environmental Conservation

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 482 (Resources)  
PUBLISH DATE: SENATE 4/28/88

FISCAL NOTE

REQUEST:

Revision Date:     --      
Title: An Act relating to the farming of aquatic plants & aquatic animals.\*  
Sponsor: Resources Committee  
Requestor: Resources Committee

Agency Affected: Environmental Conservation  
BRU: Environmental Health  
Components: Seafood Industry  
Palmer Laboratory

prohibiting the aquatic farming of pacific salmon in saltwater; and providing for an effective date.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	67.2	88.1	88.1	88.1	88.1
TRAVEL	0	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	0	7.0	8.5	8.5	8.5	8.5
SUPPLIES	0	3.0	13.0	13.0	13.0	13.0
EQUIPMENT	0	18.0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	110.2	124.6	124.6	124.6	124.6

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	0	110.2	124.6	124.6	124.6	124.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	110.2	124.6	124.6	124.6	124.6

POSITIONS:

FULL-TIME	0	1.0	2.0	2.0	2.0	2.0
PART-TIME	0	1.0	1.0	1.0	1.0	1.0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

[Empty box for analysis]

Prepared by: Douglas C. Donegan, Director Phone: 465-2609  
Division: Environmental Health Date: 4/28/88

Approved by Commissioner: Dennis D. Kelso Date: 4/28/88  
Agency: Environmental Conservation

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

CSSB 482 (RESOURCES) FISCAL NOTE ANALYSIS

The fiscal note includes funding for three functions at the Department of Environmental Conservation associated with development of mariculture projects. These are (1) regulation of sites and facilities to ensure that aquatic products are safe for human consumption; (2) testing of shellfish aquatic farm products for paralytic shellfish poisoning; (3) regulation of aquatic farm facilities to avoid unacceptable environmental impacts, particularly to water quality.

The two fiscal note forms break down costs by division. The first two functions identified above relate to the Division of Environmental Health. The third one is located within the Division of Environmental Quality.

This fiscal note relies upon the assumptions developed by the Interagency Working Group in aquatic farming for the numbers of facilities that would need to be permitted during the next several years. There are currently 50 permitted mariculture facilities in Alaska. The working group assumed that 75 new mariculture (non-salt water finfish) applications will be submitted within one year of passage of the legislation; 100 applications would be submitted the second year; 75 the third year; 75 the fourth year; and 60 the sixth year. It was further assumed that half of the applications would result in operating farms. These farms will need to be permitted and then monitored.

Division of Environmental Health

The Division of Environmental Health (DEH) will need one full time position in Sitka and one half time position in Juneau to develop regulations, monitor chemical use, provide technical assistance, collect samples for site certification, enforce labeling requirements and monitor levels of paralytic shellfish poison (PSP).

The Division will include examination for presence of heavy metals in its site certification process because of increasing concern over the propensity of shellfish to bioaccumulate heavy metals such as lead, mercury, cadmium, and arsenic. Several states, including Alaska, have initiated some testing of shellfish for heavy metals. The federal government may eventually require examination of sites for the presence of heavy metals as part of the National Shellfish Sanitation Program. DEH intends to incorporate this concern into its site certification process under the proposed legislation.

The Palmer laboratory will need 18.0 in non-recurring equipment funding to purchase a muffle furnace and a graphite furnace to conduct heavy metal analyses. Currently, the laboratory has limited ability to perform heavy metal analysis. The purchase of this equipment will allow the department to conduct heavy metals analysis without additional staff.

With the growth in the shellfish industry through the development of mariculture facilities comes a corresponding increase in the need for testing of shellfish for paralytic shellfish poisoning. Shellfish lots must be tested for PSP before they can be released into interstate commerce. The Department has a limited capacity to absorb additional testing. Beginning in FY 90, the fiscal note includes a part time environmental laboratory technician at the Palmer biological lab to handle the projected increase in the need for PSP testing. An additional \$10,000 would be necessary for the purchase of mice used in the analysis for PSP. These costs do not result solely from the passage of this bill, as the requirements for PSP testing are already in place, but funding is needed to accomplish the testing that is projected to be needed.

#### Division of Environmental Quality

The Division of Environmental Quality (DEQ) must review proposals for mariculture facilities to ensure that they comply with air, land, and water quality regulations. DEC is also required to certify whether projects will comply with water quality standards as part of the federal permitting process. These reviews are conducted in the DEQ's regional offices. Currently, one position in each region is largely responsible for reviewing more than 200 projects per year. (Current low staffing levels require that some projects not be reviewed.) The projected workload for mariculture facilities would require additional staff in these offices to handle the increased workload. Otherwise, these projects will not receive adequate review.

Mariculture facilities have the potential to cause water quality problems through the discharge of feces and chemicals. While the concern is much less than it would be for finfish facilities, an additional workload will be created. The Department requests one half-time position in the Southeast Region and one half-time position in the Southcentral Region to handle the permitting and monitoring of these facilities for the first two years after passage of the legislation. After the third year, the position in Southeast Alaska would become full time to accommodate the increasing workload.

In making this request, the Department assumes that the siting criteria to be developed by the Department of Natural Resources will provide for separation of mariculture facilities from sewage discharges and from sources of runoff that may contain high levels of fecal coliform bacteria. Consequently, we assume that it will not be necessary for DEC to determine the precise zone of

impact of large numbers of sewage discharges. If this is not the case, then additional resources will be needed.

The proposed new positions would review mariculture project applications, participate in the coordinated consistency review process, inspect sites as needed, propose conditions needed to prevent water pollution, and perform other needed duties. Travel funds are requested for visits to some of the projected sites.

The Water Quality Management component in Juneau coordinates the Department's involvement in programs such as mariculture from a policy perspective. Funding for a part-time position in this component is requested to participate in inter-agency discussions, particularly including the development of siting guidelines and planning to address use conflicts and to assist in drafting regulations and procedures. This position would also research the experiences of other states and provinces concerning mariculture.

Position Title Environmental Sanitarian II		No. of Positions	Range/Step 16A	Barg. Unit G																																				
Time Status F	Staff Months 12	Location Sitka	Election District 3																																					
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>2</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>33.6</td> <td></td> </tr> <tr> <td>Benefits</td> <td>11.2</td> <td></td> </tr> <tr> <td>Premium Pay</td> <td>-0-</td> <td></td> </tr> <tr> <td>Other</td> <td>-0-</td> <td></td> </tr> <tr> <td><b>Total Personal Services</b></td> <td></td> <td><b>44.8</b></td> </tr> <tr> <td>Travel</td> <td></td> <td>10.0</td> </tr> <tr> <td>Contractual</td> <td></td> <td>3.6</td> </tr> <tr> <td>Commodities</td> <td></td> <td>1.5</td> </tr> <tr> <td>Equipment</td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> </tr> <tr> <td><b>Total Cost</b></td> <td></td> <td><b>59.8</b></td> </tr> </tbody> </table>		Type of Expenditure	2	3	Salary	33.6		Benefits	11.2		Premium Pay	-0-		Other	-0-		<b>Total Personal Services</b>		<b>44.8</b>	Travel		10.0	Contractual		3.6	Commodities		1.5	Equipment			Other			<b>Total Cost</b>		<b>59.8</b>	<b>Justification</b>  This position will develop regulations, monitor chemical use, provide technical assistance, collect samples for site certification, enforce labeling requirements and monitor levels of paralytic shellfish poison. The support funding will provide for an acceptable level of on-site inspections to in-product quality and safety.		
Type of Expenditure	2	3																																						
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**Request For  
New Position**

Agency Environmental Conservation  
BRU Environmental Health  
Component Seafood Industry

Page 1 of 1  
Revised Date

**FY 89**

Position Title <b>Environmental Sanitarian II</b>			No. of Positions	Range/Step	16A	Barg. Unit	G
Time Status	Staff Months		Location		Election District		
P	6		Juneau		4		
			<b>Justification</b>				
			This position will develop regulations, conduct plan reviews, provide technical assistance, conduct on-site inspections, and monitor product in transit for quality and wholesomeness. Support funding will provide for an acceptable level of on-site inspections and product quality monitoring.				
<b>Type of Expenditure</b>			<b>Amount</b>				
1			2		3		
Salary			16.8				
Benefits			5.6				
Premium Pay			-0-				
Other			-0-				
<b>Total Personal Services</b>					22.4		
Travel					5.0		
Contractual					3.5		
Commodities					1.5		
Equipment					-0-		
Other					-0-		
<b>Total Cost</b>					32.4		
<b>Funding Source for Total Cost</b>					-0-		
Federal Receipts 1002					-0-		
G. F. Match 1003					-0-		
General Fund 1004					32.4		
GF Program Receipts 1005					-0-		
Other					-0-		

**Request For  
New Position**

Agency Environmental Conservation  
 BRU Environmental Health  
 Component Seafood Industry

Page 1 of 1  
 Revised Date

**FY 89**

Position Title Environmental Laboratory Technician		No. of Positions 1	Range/Step 12A	Barg. Unit G
Time Status F	Staff Months 12	Location Palmer		Election District 16
Type of Expenditure		Amount		
	2	3		
Salary	15.0			
Benefits	4.4			
Premium Pay	1.5			
Other	-0-			
Total Personal Services		20.9		
Travel		-0-		
Contractual		1.5		
Commodities		10.0		
Equipment		18.0		
Other		-0-		
Total Cost		50.4		
Funding Source for Total Cost		-0-		
Federal Receipts 1002		-0-		
C. P. Match 1003		-0-		
General Fund 1004		50.4		
GP Program Receipts 1005		-0-		
Other		-0-		

**Justification**

The increased workload for PSP testing will necessitate increasing PCN 7307 to permanent-full-time status in FY 90. This requested support funds will cover the increased cost for laboratory expendibles, and glassware involved in testing, communications and sample shipment and delivery. In FY 89, non-recurring equipment funds are needed to purchase a muffle furnace and a graphite furnace to conduct heavy metal analysis. At the present time, the Palmer Laboratory has limited ability to perform heavy metal analysis. The method in use is time-consuming and labor intensive. The purchase of this equipment will increase efficiency.

**Request For  
New Position**

Agency Environmental Conservation  
 BRU Environmental Health  
 Component Palmer Laboratory

Page 1 of 1  
 Revised Date

**FY 89**

Position Title <b>Ecologist II</b>		No. of Positions <b>1</b>	Range/Step <b>18/A</b>	Barg. Unit <b>G</b>																																															
Time Status <b>F</b>	Staff Months <b>12</b>	Location <b>Juneau</b>		Election District <b>4</b>																																															
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>1</th> <th>2</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td></td> <td>37.4</td> <td></td> </tr> <tr> <td>Benefits</td> <td></td> <td>12.4</td> <td></td> </tr> <tr> <td>Premium Pay</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Total Personal Services</b></td> <td></td> <td></td> <td><b>49.8</b></td> </tr> <tr> <td>Travel</td> <td></td> <td></td> <td>5.0</td> </tr> <tr> <td>Contractual</td> <td></td> <td></td> <td>5.0</td> </tr> <tr> <td>Commodities</td> <td></td> <td></td> <td>1.5</td> </tr> <tr> <td>Equipment</td> <td></td> <td></td> <td>0</td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td>--</td> </tr> <tr> <td><b>Total Cost</b></td> <td></td> <td></td> <td><b>79.3</b></td> </tr> </tbody> </table>		Type of Expenditure	1	2	3	Salary		37.4		Benefits		12.4		Premium Pay				Other				<b>Total Personal Services</b>			<b>49.8</b>	Travel			5.0	Contractual			5.0	Commodities			1.5	Equipment			0	Other			--	<b>Total Cost</b>			<b>79.3</b>	<b>Justification</b> This position will review mariculture project applications, participate in consistency determinations, inspect sites during the permit process as needed, propose conditions needed to prevent water pollution at individual sites, inspect the mariculture facilities once they become operational, and follow-up on any monitoring required by permit conditions.	
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Other		--																																																	

**Request For  
New Position**

Agency Environmental Conservation  
BRU Environmental Quality  
Component SERO

Page 1 of 3  
Revised Date

**FY 89**

Position Title <b>Ecologist II</b>		No. of Positions <b>1</b>	Range/Step <b>18/A</b>	Barg. Unit <b>G</b>
Time Status <b>P</b>	Staff Months <b>6</b>	Location <b>Anchorage</b>		Election District
		<b>Justification</b>		
		This position will review mariculture project applications, participate in consistency determinations, inspect sites during the permit process as needed, propose conditions needed to prevent water pollution at individual sites, inspect the mariculture facilities once they become operational, and follow-up on any monitoring required by permit conditions.		
<b>Type of Expenditure</b>		<b>Amount</b>		
	<b>2</b>	<b>3</b>		
Salary	18.7			
Benefits	6.2			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>24.9</b>		
Travel		<b>5.0</b>		
Contractual		<b>5.0</b>		
Commodities		<b>1.5</b>		
Equipment		<b>.0</b>		
Other		<b>--</b>		
<b>Total Cost</b>		<b>46.9</b>		
<b>Funding Source for Total Cost</b>		<b>--</b>		
Federal Receipts	1002	<b>--</b>		
G. F. Match	1003	<b>--</b>		
General Fund	1004	<b>46.9</b>		
GF Program Receipts	1005	<b>--</b>		
Other		<b>--</b>		

**Request For  
New Position**

Agency Environmental Conservation  
 BRU Environmental Quality  
 Component SCRO

Page 2 of 3  
 Revised Date

**FY 89**

Position Title <b>Ecologist II</b>		No. of Positions <b>1</b>	Range/Step <b>18/8</b>	Barg. Unit <b>G</b>
Time Status <b>P</b>	Staff Months <b>6</b>	Location <b>Juneau</b>		Election District <b>4</b>
<b>Type of Expenditure</b>		<b>Amount</b>		
	<b>2</b>	<b>3</b>		
Salary	18.7			
Benefits	6.2			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>24.9</b>		
Travel		<b>2.0</b>		
Contractual		<b>5.0</b>		
Commodities		<b>.5</b>		
Equipment		<b>1.0</b>		
Other		<b>---</b>		
<b>Total Cost</b>		<b>33.4</b>		
<b>Funding Source for Total Cost</b>		<b>---</b>		
Federal Receipts	1002	<b>---</b>		
G. F. Match	1003	<b>---</b>		
General Fund	1004	<b>33.4</b>		
GF Program Receipts	1005	<b>---</b>		
Other		<b>---</b>		
<b>Justification</b>				
This position is responsible for coordinating Department involvement in new water-related programs, such as mariculture. This position will serve as a single point-of-contact for federal permitting (i.e. general permits from EPA likely), interagency review of mariculture project permits under CZM procedures, assistance in planning and siting functions, and assistance in drafting regulations in conjunction with DNR and ADF&G. This position will also research the experiences of other states and provinces concerning mariculture and assist in developing siting guidelines and criteria.				

**Request For  
New Position**

Agency Environmental Conservation  
 BRU Environmental Quality  
 Component Water Quality Management

Page 3 of 3  
 Revised Date

**FY 89**

FISCAL NOTE

REQUEST:

Revision Date: 4/14/88  
Title: Act relating to the farming of aquatic plants and aquatic animals  
Sponsor: Senate Resources  
Requestor: \_\_\_\_\_

Agency Affected: Fish and Game  
BRU: FRED  
Components: FRED Division  
Permitting and Technical Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		145.3	194.3	267.4	268.3	268.3
TRAVEL		13.3	14.3	17.3	24.3	27.3
CONTRACTUAL		2.4	2.4	3.4	5.4	9.4
SUPPLIES		2.6	4.6	6.6	10.6	22.6
EQUIPMENT				1.0	2.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		163.6	215.6	295.7	310.6	332.6

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	0	3	4	5	5	5
PART-TIME		2	2	2	2	2
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached.

Prepared by: Brian J. Allee, Director Phone: 465-4160  
Division: FRED Date: April 27, 1988

Approved by Commissioner: [Signature] Date: April 27, 1988  
Agency: Department of Fish and Game

Distribution (by preparer):

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

During the legislative interim, the Alaska Department of Fish and Game (ADF&G) Commissioner's Office has chaired a multi-agency work group, including the Departments of Natural Resources, Environmental Conservation, Commerce and Economic Development, and the Division of Governmental Coordination of the Governor's Office. Through work group interaction, ADF&G has more clearly defined technical and permitting responsibilities mandated by proposed mariculture legislation and in relation to those of other agencies. The ADF&G fiscal note reflects the most realistic and accurate analysis of the costs of these responsibilities that is possible at this time.

Establishing the shellfish mariculture permitting system has allowed for assessment of needs for permitting personnel. A range I6 research analyst position would perform the professional review function for permits. A Clerk V would provide system support, including computerized tracking, routine review closeout, letters of acknowledgement, accepting fees, and processing permits.

In the fiscal note for the previous mariculture legislation (87-88), the role of technical services was not clear. Lacking a clear sense of what tasks would be involved, no funding was identified. After a year of experience in dealing with farms and farmers and in studying the situation in other states and provinces, it is clear that the following are necessary:

1. A biologist/administrator in Juneau to serve as program leader. This position will deal with the public, other agencies, answer requests, and develop the program.
2. A biologist, under the program leader's direction, to assure biological and environmental suitability of proposed projects, and confirm that the potential farmer will be capable of operating the farm in a way that will realize benefit to the state while protecting natural stocks.
3. Technician time so that our local area biologists can be freed up to deal with projects out of the local offices. Area biologists will be the prime contact with real and potential farmers.

The pathology laboratory will need to add staff to handle the paperwork associated with stock transfers, disease screening of stocks involved with shellfish, plant, and freshwater fish farming, and site inspections and delivery of fish health services to the farmers. The additional staff would include a Clerk IV, a Microbiologist, and a Pathologist. These positions must be added quickly because passage of this bill will precipitate additional work immediately.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CCSB 482 (Resources)  
PUBLISH DATE: SENATE 4/28/88

FISCAL NOTE

REQUEST:

Revision Date: 4/22/88  
Title: Aquatic Farming  
Sponsor: Resource Committee  
Requestor: Senator Eliason

Agency Affected: Natural Resources  
BRU: Land and Water Management  
Parks and Outdoor Recreation  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	-	88.0	214.0	273.0	273.0	317.0
TRAVEL	-	5.0	7.0	9.0	9.0	10.0
CONTRACTUAL	-	5.0	7.0	9.0	9.0	10.0
SUPPLIES	-	1.0	2.0	3.0	3.0	4.0
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	99.0	230.0	294.0	273.0	341.0

CAPITAL	-	-	-	-	-	-
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REVENUE	-	27.5	40.0	59.5	57.0	70.0
---------	---	------	------	------	------	------

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	99.0	230.0	294.0	294.0	341.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	99.0	230.0	294.0	294.0	341.0

POSITIONS:

FULL-TIME	-	2	3	4	4	5
PART-TIME	-	-	3	4	4	4
TEMPORARY	-	-	-	-	-	-

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Paula Burgess  
Division: Land and Water Management

Phone: 465-3400  
Date: 4/22/88

Approved by Commissioner: Judith M. Bury  
Agency: Natural Resources

Date: 4/25/88

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Position Title Natural Resource Officer II			No. of Positions :	Range/Step :6	Barg. Unit GGU
Time Status Fulltime	Staff Months 12		Location Anchorage		Election District
Type of Expenditure			Justification		
		Amount	<p>The adjudicator would process all permit and lease applications that were received by the Southcentral Regional Office in Anchorage. We estimate some 25 to 30 applications may be received the first year. In order to complete site inspections and compliance reports, monies are included under Travel and Contractual. This Regional Office includes all of Prince William Sound, the Kodiak Island area, and the Aleutian Chain. Applications might be expected in any of these areas. This individual and this source of funds would also be used to hold public hearings.</p>		
1	2	3			
Salary	33.0				
Benefits	11.0				
Premium Pay					
Other					
Total Personal Services		44.0			
Travel		2.0			
Contractual		3.0			
Commodities		1.0			
Equipment					
Other					
Total Cost		50.0			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	50.0			
GF Program Receipts	1005				
Other					

**Request For  
New Position**

Agency Natural Resources  
 BRU Land and Water Management  
 Component Land and Water Public Use

Page 3 of 6  
 Revised Date 4/22/88

**FY 89**

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CCSB 482 (Resources)  
PUBLISH DATE: SENATE 4/28/88

FISCAL NOTE

REQUEST:

Revision Date: 4/22/88  
Title: Aquatic Farming  
Sponsor: Resource Committee  
Requestor: Senator Eliason

Agency Affected: Natural Resources  
BRU: Land and Water Management  
Parks and Outdoor Recreation  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	-	88.0	214.0	273.0	273.0	317.0
TRAVEL	-	5.0	7.0	9.0	9.0	10.0
CONTRACTUAL	-	5.0	7.0	9.0	9.0	10.0
SUPPLIES	-	1.0	2.0	3.0	3.0	4.0
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	99.0	230.0	294.0	273.0	341.0

CAPITAL	-	-	-	-	-	-
---------	---	---	---	---	---	---

REVENUE	-	27.5	40.0	59.5	57.0	70.0
---------	---	------	------	------	------	------

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	99.0	230.0	294.0	294.0	341.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	99.0	230.0	294.0	294.0	341.0

POSITIONS:

FULL-TIME	-	2	3	4	4	5
PART-TIME	-	-	3	4	4	4
TEMPORARY	-	-	-	-	-	-

ANALYSIS : (Attach a separate page if necessary)

[Empty box for analysis]

Prepared by: Paula Burgess  
Division: Land and Water Management  
Approved by Commissioner: [Signature]  
Agency: Natural Resources

Phone: 465-3400  
Date: 4/22/88  
Date: 4/25/88

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

Position Title <b>Natural Resource Officer II</b>		No. of Positions <b>1</b>	Range/Step <b>16</b>	Barg. Unit <b>GGU</b>	
Time Status <b>Fulltime</b>	Staff Months <b>12</b>	Location <b>Juneau</b>		Election District	
Type of Expenditure		Justification			
Amount		<p>The adjudicator would process all permit and lease applications that were received by the Southeast Regional Office in Juneau. We estimate some 25 to 30 applications may be received the first year. In order to complete site inspections and compliance reports, monies are included under Travel and Contractual. This source of funds would also be used to hold the public hearing. The Southeast Regional Office is responsible for the entire panhandle.</p>			
1	2				3
Salary	33.0				
Benefits	11.0				
Premium Pay					
Other					
Total Personal Services					44.0
Travel					3.0
Contractual					2.0
Commodities					
Equipment					
Other					
Total Cost		49.0			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	49.0			
GF Program Receipts	1005				
Other					

**Request For  
New Position**

Agency Natural Resources  
 BRU Land and Water Management  
 Component Land and Water Public Use

Page 2 of 6  
 Revised Date 4/22/88

**FY 89**

Position Title Natural Resource Officer II		No. of Positions 6	Range/Step 6	Barg. Unit GGU
Time Status Fulltime	Staff Months 12	Location Anchorage		Election District
Type of Expenditure		Justification		
1	2	The adjudicator would process all permit and lease applications that were received by the Southcentral Regional Office in Anchorage. We estimate some 25 to 30 applications may be received the first year. In order to complete site inspections and compliance reports, monies are included under Travel and Contractual. This Regional Office includes all of Prince William Sound, the Kodiak Island area, and the Aleutian Chain. Applications might be expected in any of these areas. This individual and this source of funds would also be used to hold public hearings.		
Amount				
Salary	33.0			
Benefits	11.0			
Premium Pay				
Other				
Total Personal Services	44.0			
Travel	2.0			
Contractual	3.0			
Commodities	1.0			
Equipment				
Other				
Total Cost	50.0			
Funding Source for Total Cost				
Federal Receipts 1002				
G. F. Match 1003				
General Fund 1004	50.0			
GF Program Receipts 1005				
Other				

**Request For  
New Position**

Agency Natural Resources  
BRU Land and Water Management  
Component Land and Water Public Use

Page 3 of 6  
Revised Date 4/22/88

**FY 89**

ANALYSIS  
CSSB 482

The fiscal note for CSSB 482 is based on an estimate of the number of new applications for tideland leases and permits that we might expect to receive over the next five years. All state agencies have used the same base estimates for their fiscal notes for shellfish and sea vegetables. The estimates are an extrapolation of existing trends in shellfish applications, assuming continued progress in those industries, an assumption that progress will be made in the farming of scallops, and that some experimentation may begin in the farming of sea vegetables. CSSB 482 does allow the farming of some types of finfish, so DNR has increased these estimates by five applications each year. The total number of new applications of all types we estimate to be:

1989	1990	1991	1992	1993
55	80	105	80	80

In addition to the processing of new applications, we must budget for monitoring the permits and leases that are granted. For this purpose, we are assuming an approximate 25 percent success rate of the new applications after the first two years. (For the first two years we assume that all of the applications require some form of monitoring.) Under these assumptions, we would expect to see some 60 "successful" mariculture farms at the end of five years. ("Success" is defined here as a farm that is actually growing something in the water. No assumption is made about marketing of the product.)

In order to process and monitor the permits and leases, the Division of Land and Water Management (DLWM) will need one adjudicator in the Southeast Region, and one adjudicator in the Southcentral Region in the first year. In the second year, DLWM will need one additional adjudicator to be located where the need is the greatest (depending upon which region receives most of the new applications). By the third year DLWM will need two adjudicators in each of the two regions. By the fifth year DLWM will need one additional adjudicator, again to be located where the need is the greatest. (For the purpose of preparing the fiscal note, one of the additional positions is assumed to be in the Southeast Region, and one in the Southcentral Region.)

By the second year DLWM will need one half-time contract administrator to handle the accumulation of two years of lease contracts, and one half-time surveyor in each region to review survey plats. We do not anticipate the need for contract administrators and surveyors to increase beyond these levels during the five year period covered by the fiscal note.

In order to avoid land speculation, it would be desirable to inspect permit and lease sites once a year. Some inspections can be combined with other field investigations, and some may be performed under cooperative agreements with other agencies. CSSB 482 also states that the Commissioner may hold a public hearing to take oral testimony. Given the controversial nature of many mariculture proposals, we can expect frequent requests for public hearings in nearby communities. A lean inspection program, plus the holding of public hearings, will cost the department \$5,000 for each adjudicator the first year (travel, contractual, and per diem).

The Division of Parks and Outdoor Recreation (DPOR) is responsible for adjudicating mariculture applications within park boundaries. DPOR anticipates receiving additional applications for mussel farming in Kachemak Bay over the next few years (11 permits have already been granted within the park on an experimental basis). By 1991 DPOR will need a seasonal position to process mariculture applications and to complete field inspections, as well as incidental marine supplies to operate the field equipment that currently exists.

Assuming a reasonable flat rate fee is set for the new permit, such as \$250 per acre per year (with a \$250 minimum), and assuming an average farm size of two acres, some \$27,500 in revenue might be generated the first year.

POSITION SUMMARY

Fiscal Year '89

Two (2) - Natural Resource Officers II (Range 16)

Fiscal Year '90

Three (3) - Natural Resource Officers II (Range 16)

One (1) - Half-time Contract Administrator (Range 14)

Two (2) - Half-time Surveyors (Range 20)

Fiscal Year '91

Four (4) - Natural Resource Officers II (Range 16)

One (1) - Half-time Contract Administrator (Range 14)

Two (2) - Half-time Surveyors (Range 20)

One (a) - Seasonal Park Ranger (Range 16)

Fiscal Year '92

Four (4) - Natural Resource Officers II (Range 16)

One (1) - Half-time Contract Administrator (Range 14)

Two (2) - Half-time Surveyors (Range 20)

One (a) - Seasonal Park Ranger (Range 16)

Fiscal Year '93

Five (5) - Natural Resource Officers II (Range 16)

One (1) - Half-time Contract Administrator (Range 14)

Two (2) - Half-time Surveyors (Range 20)

One (a) - Seasonal Park Ranger (Range 16)

**ALASKA STATE LEGISLATURE**

15th . . . Legislature . . . 2nd . . . Session

SENATE . . . . . BILL . . . . . NO. 482 . .

By . THE RESOURCES COMMITTEE . . . .

"An Act relating to the farming of aquatic plants and aquatic animals; prohibiting the aquatic farming of finfish in saltwater; and providing for an effective date."

Introduced in the Senate . . . . 2/24 . . . . , 19 88 . . . .

**HISTORY IN THE SENATE**

19 88

Read first time and referred to Committee on

2 24

**Resources Finance**

Reported back with recommendation that

*4 28 Yes replace w/CS  
1 do pass, 2 do pass  
if amended 4  
no rec, 4 FN to Fin*

Read second time and

Read third time and

PASSED	Effective Date
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration  
Reconsideration not taken up

PASSED	Effective Date
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASSED	Effective Date
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration  
Reconsideration not taken up

PASSED	Effective Date
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Chapter No. ....

Filed with Lt. Governor

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1736  
PHONE: (907) 465-2400

OFFICE OF THE COMMISSIONER

May 2, 1988

The Honorable Fred Zharoff  
Alaska State Senate  
P.O. Box V  
Juneau, Alaska 99811

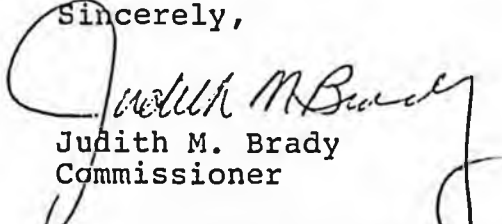
Dear Senator Zharoff:

I understand that the subject of land use regulations for mariculture activities continues to be an issue in the progress of SB 482 and SB 514. I believe that passage of a mariculture bill this session is extremely important to resolve some of the many pending policy questions surrounding the rearing of finfish and shellfish.

I support your position that districting, opening of application periods, and preparation of final written findings not appear in statute (specifically, Section 18, lines 5 through 24 in SB 514). Placing these provisions in statute restricts the department's ability to fine tune our system for processing applications if we find that it needs adjusting several years from now. Should either SB 482 or SB 514 pass this session without including this system in statute I do intend to propose the adoption of the system in regulation. It is essential that the public be aware of, and participate in the development of the rules that affect them.

As you are aware, this system for processing applications was proposed by the department. I would not oppose passage of a bill solely because it mandates this language in statute. I believe the need for the Legislature to settle the larger policy questions is greater than any constraints the department may encounter if the language were in statute. If I may be of further assistance to you, do not hesitate to contact me.

Sincerely,

  
Judith M. Brady  
Commissioner

cc: Members of the Senate Finance Committee  
Senator Richard Eliason  
Rod Swope  
Bob Evans  
Richard LeFebvre

SECTIONAL ANALYSIS

CSSB 482 (Res) - "An Act relating to the farming of aquatic plants and aquatic animals; prohibiting aquatic farming of finfish in saltwater; and providing for an effective date."

Section 1 AS 16.40 is amended by adding new sections to read:

16.40.100 - A person may not operate or construct an aquatic farm or hatchery (for the purpose of supplying aquatic plants or animals to an aquatic farm) without a permit from the Commissioner of Fish and Game. Conditions that are necessary to protect the public health or natural stock may be attached to the permit.

The Commissioner of Fish and Game may not issue a permit for the farming of, or hatchery operations involving, finfish in saltwater.

16.40.105 - The Commissioner of Fish and Game shall issue the aquatic farm or hatchery permits on the basis of the following -

- the biological and environmental suitability of the site

- the ability of applicant to establish the site without adversely affecting the Department of Fish and Game's management of the stock, without requiring substantial alterations in traditional fisheries, or without adversely affecting the wild stocks

16.40.110 - An applicant for an aquatic farm or hatchery permit must submit a development and operation plan to the Commissioner of Fish and Game.

An application for renewal or transfer must be accompanied by a fee determined by the Commissioner of Fish and Game, a report of the disease history, and a report by the applicant on how the site was developed.

The Department of Fish and Game may conduct a health inspection of the farm or hatchery as a condition of renewal.

A transferred permit maybe used only for the purposes for which the permit was authorized,

subject to the same conditions and limitations.

- 16.40.120 - An aquatic farm stock acquisition permit is required from the Commissioner of Fish and Game before a person may acquire aquatic plants or animals from wild stock for the purpose of supplying stock to an aquatic farm or hatchery.

The Commissioner of Fish and Game shall specify the expiration date of the acquisition permit and may attach conditions relating to the time, place, and manner of harvest. The commissioner shall issue or deny a permit within 30 days after receiving an application.

The Commissioner of Fish and Game shall deny an acquisition permit if the proposed harvest will impair sustained yield of the species. The Commissioner may deny a permit if the proposed harvest will disrupt established uses of the resources by commercial, sport, personal use or subsistence users.

The Board of Fisheries will act on requests for an acquisition permit involving species that are subject to limited entry. The Board of Fisheries will consider any requests for an acquisition permit denied by the Commissioner of Fish and Game. The Board may adopt regulations.

Except for the reasons stated above for denial, the Commissioner of Fish and Game shall issue an acquisition permit if -

- wild stock is necessary to meet the initial needs of an aquatic farm or hatchery,
- there are technological limitations on the propagation of cultured stock,
- wild stock sought is not fully utilized, or
- wild stock is need to maintain the gene pool

Stock acquired under an acquisition permit becomes the property of the permit holder.

- 16.40.130 - An aquatic plant or animal may not be imported into the state unless authorized by the Board of Fisheries.
- 16.40.140 - A private hatchery permitted under AS 16.40.100 may sell or transfer stock only to an aquatic farm or hatchery. Stock may not be transferred

without notifying the Commissioner of Fish and Game at least 30 days before the proposed date of transfer.

A notice of transfer must be accompanied by a report of a health inspection of the stock. The Department of Fish and Game may restrict or disapprove a transfer if the Department finds that the transfer would present a substantial risk of spreading disease.

- 16.40.150 - An aquatic farm or hatchery permit holder shall notify the Department of Fish and Game of an outbreak or incidence of disease among the stock. The Department shall order the quarantine or the destruction of stock when necessary to protect the wild stock.

The holder of an aquatic farm or hatchery permit shall allow the Department of Fish and Game to inspect the farm or hatchery. The cost of this inspection shall be paid by the Department.

The Department of Fish and Game shall develop a disease management and control program for aquatic farms and hatcheries. The Department can contract with a state or federal agency or a private state-certified provider to conduct the health inspections.

- 16.40.160 - The Commissioner of Fish and Game may adopt regulations necessary to implement this statute.
- 16.40.170 - A person who violates these statutes is guilty of a class B misdemeanor.
- 16.40.199 - The following terms are defined: aquatic farm, aquatic farm product, aquatic plant, aquatic animal, commissioner, hatchery, positive control, shellfish, and stock.

Section 2 AS 03.05.011(a) is amended to read:

The Commissioner of Environmental Conservation may adopt regulations regarding the standards and conditions of operating an aquatic farm or hatchery including the restrictions on the use of chemicals and the requirements necessary to protect the public from contaminants that pose a risk to health.

Section 3 AS 03.05.020(a) is amended to read:

The Commissioner of Environmental Conservation

shall adopt regulations regarding the labeling of aquatic farm products as aquatic farm products and shall monitor aquatic farms to ensure compliance with the requirements of the national shellfish sanitation program manual.

Section 4 AS 03.05.040(a) is amended to read:

The Commissioner of Environmental Conservation may inspect an aquatic farm or hatchery.

Section 5 AS 03.05.100 is amended to read:

The definition of an aquatic farm and aquatic farm product have the meanings given in AS 16.40.199.

Section 6 AS 16.05.050 is amended by adding a new paragraph to read:

The Commissioner of Fish and Game has the authority to permit and regulate aquatic farming in the state.

Section 7 AS 16.05.251 is amended by adding a new subsection to read:

Except for taking action on acquisition permits regarding species subject to limited entry and regulating the importation of an aquatic plant or animal for the purpose of supplying stock to an aquatic farm or hatchery, the Board of Fisheries may not adopt regulations regarding an aquatic farm permit or an aquatic farm acquisition permit.

The regulations adopted by the Board of Fisheries under AS 16.05.251 do not apply to a harvest under an acquisition permit.

Section 8 AS 16.05.330(a) is amended to read:

The reference to farming of fish is removed from existing statutes.

Section 9 AS 10.05.930 is amended by adding a new subsection to read:

The statutes regarding licensing of sport fishing and hunting and the licensing of commercial fishing crewmembers and vessels do not apply to an activity authorized by an aquatic farm permit or an aquatic farm stock acquisition permit.

Section 10 - AS 16.05.940(14) is amended to read:

The reference to fish farming is deleted from the definition section of this chapter.

Section 11 - AS 16.10 is amended by adding a new section to read:

16.10.269 - The statutes regarding purchase of fish from permit holders and possession of permit and identification by seller do not apply to the purchase or sale of aquatic farm products from a holder of an aquatic farm permit or an aquatic farm stock acquisition permit.

Section 12 - AS 16.10.400 is amended by adding a new subsection to read:

The statutes regarding existing salmon hatcheries do not apply to the construction or operation of a private hatchery that has an aquatic farm permit.

Section 13 - AS 16.43.140 is amended by adding a new subsection to read:

The statutes regarding entry permit systems does not apply to activities authorized under an aquatic farm permit or an aquatic farm stock acquisition permit.

Section 14 - AS 16.51.180(5) is amended to read:

The definition of "seafood" in the Alaska Seafood Marketing Institute chapter is amended as not to include aquatic farm products.

Section 15 - AS 38.05 is amended by adding a new section to read:

38.05.083 - The Commissioner of Natural Resources may offer for lease a site that has been developed for aquatic farming or hatchery operations. Before offering the site to the public, the Commissioner shall offer the site to the permittee.

The site shall be leased for not less than the appraised fair market value of the lease. The value of the lease shall be reappraised every five years.

The lease may be assigned, but if the assignee changes the use of the site the lease reverts to the state.

The lessee shall post a performance bond or provide other security to cover the costs to the Department of Natural Resources of restoring the leased site in the event the lessee abandons the site.

Section 16 - AS 38.05 is amended by adding a new section to read:

38.05.856 - The Commissioner of Natural Resources may issue a tideland or land use permit for the establishment and operation of an aquatic farm or hatchery for not less than the appraised fair market value of the site. The value shall be reappraised every five years.

A tideland or land use permit issued for an aquatic farm or hatchery is valid for five years and the permit may not be transferred.

The Commissioner of Natural Resources shall provide a copy of the application to the media for a public service announcement or shall provide paid notice of the application to the newspaper or radio once each week for three successive weeks. The Commissioner of Natural Resources shall hold hearings to take testimony before issuing or renewing a tideland or land use permit.

Based on the testimony or other good cause, the Commissioner of Natural Resources may deny the application for issuance or renewal.

The permittee shall post a performance bond or provide other security to cover the costs to the Department of Natural Resources of restoring the permitted site in the event the permittee abandons the site.

The Commissioner of Natural Resources shall adopt regulations establishing criteria for the approval or denial of permits and for limiting the number of sites to protect the environment and natural resources of the area.

Section 17 - AS 16.05.340(a)(14) is repealed.

The current fish farming biennial license of \$200 is repealed.

Section 18 - Except for the grandfather clause in Section 20, the Commissioner of Fish and Game may not issue an aquatic farm permit or an aquatic farm stock

acquisition permit under regulations have been adopted.

Section 19 - Except for the grandfather clause in Section 20, the Commissioner of Natural Resources may not issue a lease, a tideland, or land use permit for an aquatic farm or hatchery until regulations necessary for the implementation of the program has been adopted.

Section 20 - A person who is lawfully operating an aquatic farm or hatchery may obtain an initial lease or permit under AS 38.05.083 or 38.05.856, but as a condition of obtaining the lease or permit the person must agree that during the term of the lease or permit the person will not expand operations beyond the scope allowed under the existing permit.

Section 21 - This Act takes effect immediately.

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 482 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the farming of aquatic plants and  
7 aquatic animals; prohibiting the aquatic farming of  
8 finfish in saltwater; and providing for an effective  
9 date."

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

11 \* Section. 1. AS 16.40 is amended by adding new sections to read:

12 ARTICLE 2. AQUATIC FARMING.

13 Sec. 16.40.100. AQUATIC FARM AND HATCHERY PERMITS. (a) A  
14 person may not, without a permit from the commissioner, construct or  
15 operate

16 (1) an aquatic farm; or

17 (2) a hatchery for the purpose of supplying aquatic plants  
18 or aquatic animals to an aquatic farm.

19 (b) A permit issued under this section authorizes the permittee,  
20 subject to the conditions of AS 03.05.011 and AS 16.40.100 - 16.40.-  
21 199, to acquire, purchase, offer to purchase, transfer, possess, sell,  
22 and offer to sell stock and aquatic farm products that are used or  
23 reared at the hatchery or aquatic farm.

24 (c) The commissioner, with the concurrence of the commissioner  
25 of environmental conservation, may attach conditions to a permit  
26 issued under this section that are necessary to protect the public  
27 health or natural stock.

28 (d) Notwithstanding other provisions of law, the commissioner  
29 , may not issue a permit under this section for the farming of, or

1 hatchery operations involving, finfish in saltwater.

2 Sec. 16.40.105. CRITERIA FOR ISSUANCE OF PERMITS. The commis-  
3 sioner shall issue permits under AS 16.40.100 on the basis of the  
4 following criteria:

5 (1) the biological and environmental suitability of the  
6 site for the proposed aquatic farm or hatchery;

7 (2) the ability of the permit applicant to establish and  
8 operate the aquatic farm or hatchery without

9 (A) adversely affecting the department's management of  
10 wild stocks;

11 (B) requiring alterations in traditional fisheries and  
12 other existing uses of fish and wildlife resources; or

13 (C) adversely affecting wild stocks of fish or wild-  
14 life, or their habitats.

15 Sec. 16.40.110. PERMIT APPLICATION, RENEWAL, AND TRANSFER. (a)  
16 An applicant for an aquatic farming or hatchery permit required under  
17 AS 16.40.100 shall apply on a form prescribed by the commissioner. An  
18 application for a permit must include a plan for the development and  
19 operation of the aquatic farm or hatchery, which must be approved by  
20 the commissioner before the permit is issued.

21 (b) An application for renewal or transfer of a permit must be  
22 accompanied by fees required by the commissioner, a report of the  
23 disease history of the farm or hatchery covered by the permit, and  
24 evidence that satisfies the commissioner that the applicant has com-  
25 plied with the development plan required under (a) of this section.  
26 The commissioner may require a health inspection of the farm or  
27 hatchery as a condition of renewal. The department may conduct the  
28 inspection or contract with a disease diagnostician to conduct the  
29 inspection.

1 (c) A person to whom a permit is transferred may use the permit  
2 only for the purposes for which the permit was authorized to be used  
3 by the transferor, and subject to the same conditions and limitations.

4 Sec. 16.40.120. AQUATIC FARM STOCK ACQUISITION PERMITS. (a) A  
5 person may not acquire aquatic plants or aquatic animals from wild  
6 stock in the state for the purpose of supplying stock to an aquatic  
7 farm or hatchery required to have a permit under AS 16.40.100 unless  
8 the person holds an acquisition permit from the commissioner.

9 (b) An acquisition permit authorizes the permit holder to ac-  
10 quire the species and quantities of wild stock in the state specified  
11 in the permit for the purpose of supplying stock to an aquatic farm or  
12 hatchery required to have a permit under AS 16.40.100.

13 (c) The commissioner shall specify the expiration date of an  
14 acquisition permit and may attach conditions to an acquisition permit,  
15 including conditions relating to the time, place, and manner of har-  
16 vest. Size, gear, place, time, licensing, and other limitations  
17 applicable to sport, commercial, or subsistence harvest of aquatic  
18 plants and aquatic animals do not apply to a harvest with a permit  
19 issued under this section. The commissioner of fish and game shall  
20 issue or deny a permit within 30 days after receiving an application.

21 (d) The commissioner shall deny or restrict a permit under this  
22 section upon finding that the proposed harvest will impair sustained  
23 yield of the species. The commissioner may deny or restrict a permit  
24 under this section upon finding that the proposed harvest will disrupt  
25 established uses of the resources by commercial, sport, personal use,  
26 or subsistence users. The commissioner shall forward to the Board of  
27 Fisheries for action permit applications for species that support  
28 commercial fisheries subject to limited entry under AS 16.43. A  
29 denial of the permit by the commissioner must contain the factual

1 basis for the findings.

2 (e) The Board of Fisheries may adopt regulations for the conser-  
3 vation, maintenance, and management of species for which an aquisition  
4 permit is required.

5 (f) Except as provided in (d) of this section, the ccmmisioner  
6 shall issue a permit if

7 (1) wild stock is necessary to meet the initial needs of  
8 farm or hatchery stock;

9 (2) there are technological limitations on the propagation  
10 of cultured stock for the species sought;

11 (3) wild stock sought is not fully utilized by commercial,  
12 sport, personal use, or subsistence fisheries; or

13 (4) wild stock is needed to maintain the gene pool of a  
14 hatchery or aquatic farm.

15 (g) Aquatic plants and aquatic animals acquired under a permit  
16 issued under this section become the property of the permit holder and  
17 are no longer a public or common resource.

18 Sec. 16.40.130. IMPORTATION OF AQUATIC PLANTS OR AQUATIC ANIMALS  
19 FOR STOCK. A person may not import into the state an aquatic plant or  
20 aquatic animal for the purpose of supplying stock to an aquatic farm  
21 or hatchery unless authorized by a regulation of the Board of Fisher-  
22 ies.

23 Sec. 16.40.140. LIMITATION ON SALE, TRANSFER OF STOCK, AND  
24 PRODUCTS. (a) A private hatchery required to have a permit under  
25 AS 16.40.100 may sell or transfer stock from the hatchery only to an  
26 aquatic farm or other hatchery that has a permit issued under AS 16.-  
27 40.100.

28 (b) Stock may not be transferred to or from an aquatic farm or  
29 hatchery required to have a permit under AS 16.40.100 without prior

1 notice of the transfer to the commissioner. A notice of transfer  
2 shall be submitted at least 30 days before the proposed date of trans-  
3 fer.

4 (c) A notice of transfer must be accompanied by a report of a  
5 health inspection of the stock. The department shall conduct the  
6 inspection or contract with a disease diagnostician to conduct the  
7 inspection. The cost of inspection shall be borne by the department.

8 (d) The department may restrict or disapprove a transfer of  
9 stock if it finds that the transfer would present a risk of spreading  
10 disease.

11 (e) A person may not sell, transfer, or offer to sell or trans-  
12 fer, or knowingly purchase or receive, an aquatic farm product grown  
13 or propagated in the state unless the product was grown or propagated  
14 on a farm with a permit issued under AS 16.40.100. The permit must be  
15 in effect at the time of the sale, transfer, purchase, receipt, or  
16 offer.

17 Sec. 16.40.150. DISEASE CONTROL AND INSPECTION. (a) The de-  
18 partment shall order the quarantine or the destruction and disposal of  
19 diseased hatchery stock or of aquatic farm products when necessary to  
20 protect wild stock. A holder of a permit issued under AS 16.40.100  
21 shall report to the department an outbreak or incidence of disease  
22 among stock or aquatic farm products of the permit holder.

23 (b) A holder of a permit issued under AS 16.40.100 shall allow  
24 the department to inspect the permit holder's farm or hatchery during  
25 operating hours and upon reasonable notice. The cost of inspection  
26 shall be borne by the department.

27 (c) The department shall develop a disease management and con-  
28 trol program for aquatic farms and hatcheries.

29 (d) The department may enter into an agreement with a state or

1 federal agency or a private, state-certified provider to provide ser-  
2 vices under (b) and (c) of this section, or inspections under AS 16.-  
3 40.110(b).

4 Sec. 16.40.160. REGULATIONS. The commissioner may adopt regu-  
5 lations necessary to implement AS 16.40.100 - 16.40.199.

6 Sec. 16.40.170. PENALTY. A person who violates a provision of  
7 AS 16.40.100 - 16.40.199, a regulation adopted under AS 16.40.100 -  
8 16.40.199, or a term or condition of a permit issued under AS 16.40.-  
9 100 - 16.40.199, is guilty of a class B misdemeanor.

10 Sec. 16.40.199. DEFINITIONS. In AS 16.40.100 - 16.40.199

11 (1) "aquatic animal" means shellfish or freshwater finfish;

12 (2) "aquatic farm" means a facility that grows, farms, or  
13 cultivates aquatic farm products in captivity or under positive con-  
14 trol;

15 (3) "aquatic farm product" means an aquatic plant or  
16 aquatic animal, or part of an aquatic plant or aquatic animal, that is  
17 propagated, farmed, or cultivated in an aquatic farm and sold or  
18 offered for sale for the purpose of consumption, or kelp that is  
19 cultivated for use in dyes;

20 (4) "aquatic plant" means a plant indigenous to state water  
21 or that is authorized to be imported into the state under a permit  
22 issued by the commissioner;

23 (5) "commissioner" means the commissioner of fish and game;

24 (6) "hatchery" means a facility for the artificial propa-  
25 gation of stock, including rearing of juvenile aquatic plants or  
26 aquatic animals;

27 (7) "positive control" means, for mobile species, enclosed  
28 within a natural or artificial escape-proof barrier; for species with  
29 limited or no mobility, such as a bivalve or an aquatic plant,

1 "positive control" also includes managed cultivation in unenclosed  
2 water;

3 (8) "shellfish" means a species of crustacean, mollusk, or  
4 other invertebrate, in any stage of its life cycle, that is indigenous  
5 to state water or that is authorized to be imported into the state  
6 under a permit issued by the commissioner;

7 (9) "stock" means live aquatic plants or aquatic animals  
8 acquired, collected, possessed, or intended for use by a hatchery or  
9 aquatic farm for the purpose of further growth or propagation.

10 \* Sec. 2. AS 03.05.011(a) is amended to read:

11 (a) To carry out the requirements of this title, the commis-  
12 sioner of environmental conservation may issue orders, regulations,  
13 permits, quarantines, and embargoes relating to

14 (1) examination and inspection of premises containing  
15 products, articles, and commodities carrying pests;

16 (2) establishment of quarantines for eradication of pests;

17 (3) establishment of standards and labeling requirements  
18 pertaining to the sale of meat, fish, and poultry;

19 (4) tests and analyses which may be made and hearings which  
20 may be held to determine whether the commissioner will issue a stop  
21 order or quarantine;

22 (5) cooperation with federal and other state agencies;

23 (6) regulation of fur farming; for purposes of this para-  
24 graph, "fur farming" means the raising of and caring for animals for  
25 the purpose of marketing their fur, or animals themselves for breeding  
26 stock;

27 (7) examination and inspection of meat, fish, and poultry  
28 advertised for sale or sold to the public;

29 (8) enforcement of quality assurance plans developed in

1 cooperation with appropriate industry representatives;

2 (9) establishment of standards and conditions of operation  
3 for aquatic farms and related hatcheries, including

4 (A) restrictions on the use of chemicals; and

5 (B) requirements to protect the public from contami-  
6 nants that pose a risk to health.

7 \* Sec. 3. AS 03.05.020(a) is amended to read:

8 (a) The commissioner shall

9 (1) require routine inspection of food animals, fish,  
10 poultry and derivative food products, to protect the public against  
11 fraud, disease and spoilage, and in this connection adopt uniform  
12 regulations establishing standards of identity and composition of  
13 these food products and minimum standards of sanitation and handling  
14 methods as to all phases of slaughtering, processing, storing, trans-  
15 porting, displaying and selling of these food products;

16 (2) issue orders or cause the orders to be issued by an  
17 authorized veterinarian prohibiting transportation and sale of food  
18 products intended for human consumption which do not meet the minimum  
19 requirements established under (1) of this subsection, and limiting  
20 their use and disposal in conformity with protection of the public;

21 (3) adopt a schedule of fees or charges, and credit pro-  
22 visions, for services rendered by state veterinarians to farmers and  
23 others at their request in caring for livestock and poultry, and all  
24 the fees shall be transmitted to the commissioner for deposit in the  
25 state treasury;

26 (4) designate points of entry for admission of livestock or  
27 poultry into the state, and arrange inspection at those points with or  
28 without collaboration and assistance of the federal government, and  
29 bar entry of stock or poultry not shipped under a valid permit or not

1 free from contagious or infectious disease;

2 (5) adopt, repeal, and amend regulations consistent with  
3 existing law for

4 (A) the labeling and grading of milk and milk products  
5 and standards of cleanliness and sanitation, to at least the  
6 minimum of current recommendations of the United States Public  
7 Health Service, for the operation of dairies selling, or offering  
8 for sale, milk or milk products;

9 (B) the production and sale of ice cream and allied  
10 frozen desserts;

11 (C) the production and sale of imitation milk and  
12 imitation milk products;

13 (D) the labeling of aquatic farm products as aquatic  
14 farm products;

15 (6) monitor aquatic farms that hold permits under AS 16.-  
16 40.100 to ensure compliance with the requirements of the national  
17 shellfish sanitation program manual of operations published by the  
18 Food and Drug Administration.

19 \* Sec. 4. AS 03.05.040(a) is amended to read:

20 (a) On any business day during the usual hours of business the  
21 commissioner or an authorized inspector may, for the purpose of in-  
22 specting agricultural, [OR] fisheries, or aquatic farm products or  
23 aquatic farm sites subject to regulation, enter a storehouse, ware-  
24 house, cold storage plant, packing house, slaughterhouse, retail store  
25 or other building or place where those products are kept, stored,  
26 processed or sold.

27 \* Sec. 5. AS 03.05.100 is amended to read:

28 Sec. 03.05.100. DEFINITIONS. In this chapter,

29 (1) "agricultural products" does not include fish or

1 fisheries products;

2 (2) "aquatic farm" and "aquatic farm product" have the  
3 meanings given in AS 16.40.199;

4 (3) "fish or fisheries products" means any aquatic animal,  
5 including amphibians, or aquatic plants or parts of those plants,  
6 animals or amphibians that are usable as human food.

7 \* Sec. 6. AS 16.05.050 is amended by adding a new paragraph to read:

8 (17) to permit and regulate aquatic farming in the state in  
9 a manner that ensures the protection of the state's fish and game  
10 resources and improves the economy, health, and well-being of the  
11 citizens of the state;

12 \* Sec. 7. AS 16.05.251 is amended by adding a new subsection to read:

13 (f) Except as expressly provided in AS 16.40.120(d) and 16.40.-  
14 130, the Board of Fisheries may not adopt regulations or take action  
15 regarding the issuance, denial, or conditioning of a permit under  
16 AS 16.40.100 or 16.40.120, the construction or operation of a farm or  
17 hatchery required to have a permit under AS 16.40.100, or a harvest  
18 with a permit issued under AS 16.40.120. Regulations or orders adopt-  
19 ed by the Board of Fisheries under this section do not apply to a  
20 harvest with a permit issued under AS 16.40.120.

21 \* Sec. 8. AS 16.05.330(a) is amended to read:

22 (a) Except as otherwise permitted in this chapter, a person may  
23 not engage in sport fishing, including the taking of razor clams; in  
24 hunting, trapping, or fur dealing; in the farming of [FISH,] fur [,]  
25 or game; or in taxidermy, without having the appropriate license or  
26 tag in actual possession.

27 \* Sec. 9. AS 16.05.930 is amended by adding a new subsection to read:

28 (g) AS 16.05.330 - 16.05.720 do not apply to an activity au-  
29 thorized by a permit issued under AS 16.40.100 or 16.40.120, or to a

1 person or vessel employed in an activity authorized by a permit issued  
2 under AS 16.40.100 or 16.40.120.

3 \* Sec. 10. AS 16.05.940(14) is amended to read:

4 (14) "[FISH OR] game farming" means the business of prop-  
5 agating, breeding, raising, or producing [FISH OR] game in captivity  
6 for the purpose of marketing the [FISH OR] game or game [THEIR] prod-  
7 ucts, and "captivity" means having the [FISH OR] game under positive  
8 control, as in a pen [, POND,] or an area of land that [OR WATER  
9 WHICH] is completely enclosed by a generally escape-proof barrier;

10 \* Sec. 11. AS 16.10 is amended by adding a new section to read:

11 Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not  
12 apply to the purchase or sale of aquatic farm products from a holder  
13 of a permit issued under AS 16.40.100 or stock from a holder of a  
14 permit issued under AS 16.40.120.

15 \* Sec. 12. AS 16.10.400 is amended by adding a new subsection to read:

16 (h) AS 16.10.400 - 16.10.475 do not apply to the construction or  
17 operation of a private hatchery that has a permit issued under AS 16.-  
18 40.100.

19 \* Sec. 13. AS 16.43.140 is amended by adding a new subsection to read:

20 (d) This chapter does not apply to activities authorized by a  
21 permit issued under AS 16.40.100 or 16.40.120.

22 \* Sec. 14. AS 16.51.180(5) is amended to read:

23 (5) "seafood" means finfish, shellfish, and fish by-prod-  
24 ucts, including but not limited to salmon, halibut, herring, flounder,  
25 crab, clam, cod, shrimp, and pollock, but does not include aquatic  
26 farm products as defined in AS 16.40.199;

27 \* Sec. 15. AS 38.05 is amended by adding a new section to read:

28 Sec. 38.05.083. AQUATIC FARMING AND HATCHERY SITE LEASES. (a)  
29 The commissioner may offer to the public for lease a site that has

1 been developed for aquatic farming or related hatchery operations  
2 under a permit issued under AS 38.05.856. Before offering the site to  
3 the public, the commissioner shall offer the site to the permittee.

4 (b) A site shall be leased under this section for not less than  
5 the appraised fair market value of the lease. The value of the lease  
6 shall be reappraised every five years.

7 (c) A lease under this section may be assigned, but if the  
8 assignee changes the use of the site the lease reverts to the state.

9 (d) Before entering into a lease under this section, the commis-  
10 sioner shall require the lessee to post a performance bond or provide  
11 other security to cover the costs to the department of restoring the  
12 leased site in the event the lessee abandons the site.

13 \* Sec. 16. AS 38.05 is amended by adding a new section to read:

14 Sec. 38.05.856. TIDELAND AND LAND USE PERMITS FOR AQUATIC FARM-  
15 ING. (a) The commissioner may issue a tideland or land use permit  
16 for the establishment and operation of an aquatic farm and related  
17 hatchery operations for not less than the appraised fair market rental  
18 value of the site. The value shall be reappraised every five years.

19 (b) A permit under this section is valid for five years after  
20 the date of issuance. The permit may not be transferred

21 (c) Before issuing or renewing a permit under this section, the  
22 commissioner shall (1) provide a copy of the application to newspa-  
23 pers, radio and television stations for public service announcement or  
24 (2) provide paid notice of the application once each week for three  
25 successive weeks in a newspaper or by radio. The notice required in  
26 this subsection must be in more than one language if the commissioner  
27 decides it is necessary. The notice must state that interested per-  
28 sons may submit written and oral testimony concerning the issuance or  
29 renewal to the commissioner within 30 days after the date of the

1 notice. The commissioner shall hold a hearing to take testimony.

2 (d) Before issuing or renewing a permit under this section, the  
3 commissioner shall consider all relevant testimony submitted. Based  
4 on the testimony or other good cause, the commissioner may deny the  
5 application for issuance or renewal, but must provide the applicant  
6 with written findings that explain the reason for the denial.

7 (e) Before issuing or renewing a permit under this section, the  
8 commissioner shall require the permittee to post a performance bond or  
9 provide other security to cover the costs to the department of restoring  
10 the permitted site in the event the permittee abandons the site.

11 (f) The commissioner shall adopt regulations establishing criteria  
12 for the approval or denial of permits under this section and for  
13 limiting the number of sites for which permits may be issued in an  
14 area in order to protect the environment and natural resources of the  
15 area.

16 \* Sec. 17. AS 16.05.340(a)(14) is repealed.

17 \* Sec. 18. Except as provided in sec. 20 of this Act, the commissioner  
18 of fish and game may not issue a permit under AS 16.40.100 or 16.40.120,  
19 enacted by sec. 1 of this Act, until regulations have been adopted under  
20 AS 16.40.160, enacted by sec. 1 of this Act.

21 \* Sec. 19. Except as provided in sec. 20 of this Act, the commissioner  
22 of natural resources may not enter into a lease under AS 38.05.083 or issue  
23 a permit under AS 38.05.856, enacted by secs. 15 and 16 of this Act, until  
24 the commissioner adopts regulations necessary for the implementation of  
25 AS 38.05.083 and 38.05.856.

26 \* Sec. 20. Notwithstanding any other provisions of law, a person who is  
27 lawfully operating an aquatic farm or related hatchery in the state on the  
28 effective date of this Act is entitled to continue lawful operations at the  
29 existing site. The person may obtain an initial lease or permit for the

1 person's existing operations under AS 38.05.083 or 38.05.856, enacted by  
2 secs. 15 and 16 of this Act, but as a condition of obtaining the lease or  
3 permit the person must agree that during the term of the lease or permit  
4 the person will not expand operations beyond the scope allowed under the  
5 existing permit.

6 \* Sec. 21. This Act takes effect immediately under AS 01.10.070(c).  
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FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to aquatic farming  
Sponsor: Senate Resources  
Requestor: Senate Resources

Agency Affected: Fish and Game  
BRU: FRED  
Components: FRED DIVISION MARICULTURE

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		145.3	180.3	241.4	242.3	242.3
TRAVEL		13.3	14.3	17.3	24.3	27.3
CONTRACTUAL		2.4	2.4	3.4	5.4	9.4
SUPPLIES		2.6	4.6	6.6	10.6	22.6
EQUIPMENT				1.0	2.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		163.6	201.6	269.7	284.6	306.6

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	0	1	2	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Brian J. Allee, Director Phone: 465-4160  
Division: FRED Date: March 9, 1988

Approved by Commissioner: [Signature] Date: March 9, 1988  
Agency: Department of Fish and Game

Distribution (by preparer):  
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Requestor  
Office of Management and Budget  
Impacted Agency(ies)

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LEGISLATIVE FINANCE page 1 of 5

DF+G  
fiscal Note  
original bill  
same as for  
CS(Res).

SB 482

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 482  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: \_\_\_\_\_  
Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_

Agency Affected: Fish and Game  
BRU: FRED  
Components: FRED Pathology

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	-	28.0	62.0	106.0	106.0	106.0
TRAVEL		1.0	2.0	5.0	12.0	15.0
CONTRACTUAL		1.0	1.0	2.0	4.0	8.0
SUPPLIES			2.0	4.0	8.0	20.0
EQUIPMENT				1.0	2.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		30.0	67.0	118.0	132.0	154.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	0	1	2	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Adds Clerk IV in FY 89  
Adds Microbiologist II in FY 90  
Adds Fish Pathologist II in FY 91

Prepared by: \_\_\_\_\_ Phone: 465-4160  
Division: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

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Requestor  
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MAR 11 1988 page 2 of 5

LEGISLATIVE FINANCE

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 482  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: \_\_\_\_\_  
Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_

Agency Affected: Fish and Game  
BRU: FRED  
Components: FRED Mariculture

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		61.6	51.6	61.4	69.6	69.6
TRAVEL		7.3	7.3	7.3	7.3	7.3
CONTRACTUAL		1.4	1.4	1.4	1.4	1.4
SUPPLIES		0.6	0.6	0.6	0.6	0.6
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		70.9	60.9	70.7	78.9	78.9
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: \_\_\_\_\_ Phone: 465-4160  
Division: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by preparer):  
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MAR 11 1988 page 3 of 5  
LEGISLATIVE FINANCE

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 482  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: \_\_\_\_\_  
Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_

Agency Affected: Fish and Game  
BRU: FRED  
Components: PNP/FRED Permitting

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		55.7	66.7	74.0	66.7	66.7
TRAVEL		5.0	5.0	5.0	5.0	5.0
CONTRACTUAL						
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		62.7	73.7	81.0	73.7	73.7

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\_\_\_\_\_

Prepared by: \_\_\_\_\_ Phone: 465-4160  
Division: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

DISCLAIMER  
MAR 11 1988  
LEGISLATIVE FINANCE  
page 4 of 5

	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>
Previous		168	202	269	385	--
New Pathology		30	67	118	132	154
Permitting		62.7	73.7	81	73.7	73.7
Technical		<u>70.9</u>	<u>60.9</u>	<u>70.7</u>	<u>78.9</u>	<u>78.9</u>
TOTAL		163.6	201.6	269.7	284.6	306.6

During the legislative interim, the Alaska Department of Fish and Game (ADF&G) Commissioner's Office has chaired a multi-agency work group, including the Departments of Natural Resources, Environmental Conservation, Commerce and Economic Development, and the Division of Governmental Coordination of the Governor's Office. Through work group interaction, ADF&G has more clearly defined technical and permitting responsibilities mandated by proposed mariculture legislation and in relation to those of other agencies. The ADF&G fiscal note reflects the most realistic and accurate analysis of the costs of these responsibilities that is possible at this time.

Establishing the shellfish mariculture permitting system has allowed for assessment of needs for permitting personnel. A range I6 research analyst position would perform the professional review function for permits. A Clerk V would provide system support, including computerized tracking, routine review closeout, letters of acknowledgement, accepting fees, and processing permits.

In the fiscal note for the previous mariculture legislation (87-88), the role of technical services was not clear. Lacking a clear sense of what tasks would be involved, no funding was identified. After a year of experience in dealing with farms and farmers and in studying the situation in other states and provinces, it is clear that the following are necessary:

1. A biologist/administrator in Juneau to serve as program leader. This position will deal with the public, other agencies, answer requests, and develop the program.
2. A biologist, under the program leader's direction, to assure biological and environmental suitability of proposed projects, and confirm that the potential farmer will be capable of operating the farm in a way that will realize benefit to the state while protecting natural stocks.
3. Technician time so that our local area biologists can be freed up to deal with projects out of the local offices. Area biologists will be the prime contact with real and potential farmers.

The pathology laboratory will need to add staff to handle the paperwork associated with stock transfers, disease screening of stocks involved with shellfish, plant, and freshwater fish farming, and site inspections and delivery of fish health services to the farmers. The additional staff would include a Clerk IV, a Microbiologist, and a Pathologist. These positions must be added quickly because passage of this law will precipitate additional work immediately.