

SCOMM

131:36

(7)

FURTHER REFERRALS: Finance

The HOUSE SPECIAL COMMITTEE ON FISHERIES considered:

CSSB 273(FIN)

ASMI BOARD/ SEAFOOD TAXES & ASSESSMENTS

Recommends it be replaced with ☒ HCS or ☐ CS for CS SB 273 (FSH)
For Senate Bills with new title: ☐ Technical Title ☐ New Title: HCR ☒ Same Title ☐ New Title

- ☐ attach amendments
☐ add new referral to _____ Committee
☐ Letter of Intent _____ Committee

NEW FISCAL NOTES

*Assigned by Chief Clerk's Office

[illegible]

PREVIOUS FISCAL NOTES

[illegible]

Signing with recommendations

Signing with recommendations		Printed Last Name	DP	DNP	NR	AM
~~12/20~~ ~~Cheryl Heine~~	~~099~~ ~~HEINLE~~	☒				
~~XXXXXX~~	~~SAMUELS~~	☒				
Peggy Wilson	WILSON	☒				
Chair: Paul Seaton	SEATON	☒				
Chair:						

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSSB 273(FIN)
 (S) Publish Date: 3/22/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title ASMI Board/Seafood Taxes & Assessments RDU Revenue Programs & Services
 Component Tax Division
 Sponsor Sen. Gary Stevens/JT Salmon Task F
 Requester Senate Finance Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1f J2 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* See page 2 for analysis.

Prepared by: Chuck Harlamert Phone 465-2320
 Division Tax Division Date/Time 3/12/04 8:20 AM
 Approved by: Steve Porter, Deputy Commissioner Date 3/12/2004
 Agency Department of Revenue

FISCAL NOTE # 3

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSSB 273(FIN)

ANALYSIS CONTINUATION

Revenue Analysis

The bill authorizes two additional Seafood Marketing Assessment rates, .5% and .6%. An election is mandated in which processors will first vote to retain the existing assessment or eliminate it. If the assessment is retained, a second vote determines whether the assessment shall remain at .3% or increase to .5% effective January 1, 2006. If the second vote increases the assessment to .5%, the 1% Salmon Marketing Tax is repealed as of December 31, 2005.

The following revenue estimates are based on FY03 data and reflect the combined revenues from the Seafood Marketing Assessment and the Salmon Marketing Tax (ASMI funding) and the change in revenues compared to current law:

Scenario	FY05	Revenue FY06	FY07...
Eliminate Seafood Marketing Assessment	\$4,401,972	\$4,401,972	\$1,412,041
Change in Revenue	None	None	(\$2,989,931)
Retain Existing .3% Seafood Marketing Assessment	\$4,401,972	\$4,401,972	\$4,401,972
Change in Revenue	None	None	None
Increase Seafood Marketing Assessment to .5%	\$4,401,972	\$4,261,956	\$4,983,220
Change in Revenue	None	(\$140,016)	\$581,248

The temporary dip in revenues under the .5% Seafood Marketing Assessment scenario is due to the difference in timing of revenues between the Seafood Marketing Assessment and the Salmon Marketing Tax. The .2% increase in the Seafood Marketing Assessment and the repeal of the Salmon Marketing Tax are both effective in calendar year 2006. However, the Seafood Marketing Tax is an annual tax paid on March 31 of the following calendar year. The rate increase effective for 2006 is therefore realized in FY07 (March of 2007). The Salmon Marketing Tax is paid monthly with 90% of the revenue for a calendar year being paid during the July-December period. FY06 revenues are reduced from current levels by the amount of Salmon Marketing Tax otherwise due during the first six months of 2006. Detail of revenue changes by tax type under the .5% Seafood Marketing Assessment scenario are as follows:

Tax Type	FY05	Change in Revenue FY06	FY07...
Seafood Marketing Assessment Change	No Change	No Change	\$1,993,289
Salmon Marketing Tax Change	No Change	(\$140,016)	(\$1,412,041)
Total Change in Revenue	No Change	(\$140,016)	\$581,248

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSSB 273(FIN)
(S) Publish Date: 3/24/04

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
Title An Act relating to the Alaska Seafood RDU Elections
Marketing Institute.... Component Elections
Sponsor Senator Gary Stevens
Requester Senate Rules Committee Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	0.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The fiscal impact on the Division of Elections is estimated at zero based on CS SB273(FIN) as written.

Prepared by: Leonard G. Jones Phone 465-3051
Division: Division of Elections Date/Time 3/24/04 9:31 AM
Approved by: Laura A. Glaiser, Director Date 3/24/2004
Agency: Office of the Lt. Governor, Division of Elections

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Senator Gary Stevens
Alaska State Legislature

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SPONSOR STATEMENT – CS SB 273 (FIN)

CS SB 273 (FIN), "An act amending the size, membership, and powers of the board of directors of the Alaska Seafood Marketing Institute (ASMI) and making a corresponding change in the quorum requirement; authorizing the establishment of the seafood marketing assessment at a rate of 0.5 percent or 0.6 percent of the value of seafood products produced; providing for an election to retain, terminate, or increase the seafood marketing assessment; providing for the repeal of the salmon marketing tax and provisions related to the salmon marketing tax".

As Chair of the Marketing/Quality Subcommittee of the Salmon Industry Task Force, my main focus was to look at possible restructuring of the organization. The reoccurring theme that I heard over and over again was the need to reduce the size of the board to a more manageable level and provide a stable funding source for the agency. This bill addresses both of those concerns.

This legislation reduces the size of the ASMI Board from 25 to either seven or nine members, depending on the outcome of an election. The current tax structure levies a one percent tax on salmon harvesters and a voluntary .3 percent on processors for marketing. CS SB 273 (FIN) requires an election in March for processors to vote on whether to A) eliminate the ASMI assessment, B) retain the current .3 percent, or C) increase the assessment to .5 percent. If processors approve the .5 percent assessment, the one percent salmon marketing tax would be eliminated. If processors retain the .3 percent or eliminate the assessment, the one percent salmon harvester tax would be retained and two more fishermen would be added to the ASMI board.

Alaska needs a strong and adequately funded marketing organization in order to compete in the world marketplace and assist in revitalizing the industry. This bill is a step in that direction and I encourage you to support this important piece of legislation.



Alaska State Legislature

Senate Majority Web: <http://www.akrepublicans.org>

Sponsor: Senator Gary Stevens by Request Salmon Industry Task Force
Current Version: CSSB 273 (FIN)
Contact: Katrina Matheny 465-4713
Date: March 24, 2004

Fact Sheet for: Senate Bill 273

Short Title: ASMI Board/Seafood Taxes & Assessments

Summary:

- Changes the tax structure of the Alaska Seafood Marketing Institute.
- Reduces the ASMI board from 25 to either seven or nine members, depending on the outcome of an election.
- Requires an election in March for processors to vote on whether to
 - Eliminate the ASMI assessment
 - Retain the current .3 percent assessment
 - Increase the assessment to .5 percent
- If processors retain the .3 percent or eliminate the assessment, the 1 percent salmon harvester tax would be retained, and two more fisherman would be added to the ASMI board.
- If processors vote to increase to the .5 percent assessment, the 1 percent salmon marketing tax is repealed effective Dec. 31, 2005.

Benefits:

- Provides a stable funding source and more manageable board for ASMI.

Background:

The current tax structure levies a marketing tax of 1 percent on salmon harvesters and a voluntary .3 percent on processors. The Marketing/Quality Subcommittee of the Salmon Industry Task Force recommended a smaller board and changes to the tax structure.

LEGAL SERVICES

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

(907) 465-3867 or 465-2450
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MEMORANDUM

March 11, 2004

SUBJECT: Sectional summary of draft CSSB 273(), version E; An Act amending the size, membership, and powers of the board of directors of the Alaska Seafood Marketing Institute and making a corresponding change in the quorum requirement; authorizing the establishment of the seafood marketing assessment at a rate of 0.5 percent or 0.6 percent of the value of seafood products produced; providing for an election to retain, terminate, or increase the seafood marketing assessment; providing for the repeal of the salmon marketing tax and provisions related to the salmon marketing tax (Work Order No. 23-LS1366E)

TO: Senator Gary Stevens
Attn: Katrina Matheny

FROM: George Utermohle 
Legislative Counsel

You have requested a sectional summary of draft CSSB 273(), version E; An Act amending the size, membership, and powers of the board of directors of the Alaska Seafood Marketing Institute and making a corresponding change in the quorum requirement; authorizing the establishment of the seafood marketing assessment at a rate of 0.5 percent or 0.6 percent of the value of seafood products produced; providing for an election to retain, terminate, or increase the seafood marketing assessment; providing for the repeal of the salmon marketing tax and provisions related to the salmon marketing tax.

As a preliminary matter, note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

The bill makes a number of changes to laws relating to the Alaska Seafood Marketing Institute and the salmon marketing tax. Some sections of the bill take effect immediately upon enactment of the bill. Other sections of the bill take effect based on the results of the election, regarding the seafood marketing assessment, that is held under sec. 20 of the bill. Some sections of the bill take effect if the seafood processors vote to terminate the seafood marketing assessment, some take effect if the seafood processors vote to retain the assessment but not to increase the assessment, and still others take effect if the seafood processors vote to retain and increase the assessment. Each of these sections of the bill are discussed in separate parts of this memorandum.

PART I. Sections 2, 4, 6, 8 - 14, 17, 18, and 20 of this bill take effect immediately under AS 01.10.070(c).

Section 2 of the bill amends AS 16.51.020(a) to reduce the size of the board of directors of the Alaska Seafood Marketing Institute from 25 members to seven members.

Section 4 of the bill amends AS 16.51.020(b) to provide that the seven members of the board of directors of the Alaska Seafood Marketing Institute shall consist of four members who are large seafood processors (annual payroll greater than \$2,500,000), one member who is a small processor (annual payroll of \$50,000 - \$2,500,000), and two members who are commercial fishermen. The lay member of the board has been eliminated.

Section 6 of the bill amends AS 16.51.050 to provide that the quorum for the seven member board of directors of the Alaska Seafood Marketing Institute is four members.

Sections 8 - 10 of the bill make technical changes to AS 16.51.120(a), (f), and (g), respectively, to conform to the addition of two new subsections to AS 16.51.120 by sec. 11 of the bill.

Section 11 of the bill amends AS 16.51.120 by adding two new paragraphs, (h) and (i), to provide the option for seafood processors to approve the levy of a seafood marketing assessment at the rate of .5 percent and .6 percent of the value of seafood products produced in Alaska by each processor.

Section 12 of the bill amends AS 16.51.130(a) to repeal the option for the board of directors of the Alaska Seafood Marketing Institute to terminate the seafood marketing assessment without holding an election among eligible processors and to conform to the addition of two new subsections to AS 16.51.120 by sec. 11 of the bill.

Section 13 of the bill makes a technical amendment to AS 16.51.130(b) to conform to the repeal of the authority of the board of directors of the Alaska Seafood Marketing Institute to terminate the seafood marketing assessment without holding an election among eligible processors by sec. 12 of the bill.

Section 14 of the bill makes a technical amendment to AS 16.51.140(b) to conform to the addition of two new subsections to AS 16.51.120 by sec. 11 of the bill.

Section 17 of the bill repeals provisions that were to take effect upon the repeal or sunset of the salmon marketing tax. These provisions have become obsolete as a consequence of other amendments to the affected statutes and the changes made by this bill.

Section 18 of the bill is a transitional provision providing for the immediate expiration of the terms of the current members of the board of directors of the Alaska Seafood

Marketing Institute and for the appointment of new members to the board.

Section 20 of the bill provides for an election to be held among seafood processors in the state in March - April 2005, as to whether the current seafood marketing assessment of .3 percent is to be retained, terminated, or increased to .5 percent. Many sections of the bill take effect or do not take effect based on the results of this election.

*

PART II. Sections 3, 5, 7, 19, and 21 of the bill take effect under secs. 22, 27, and 28 of the bill, if at the election held under sec. 20 of the bill the seafood processors vote to terminate the current seafood marketing assessment. Each of these sections take effect on the day after the director of elections certifies the results of the election held under sec. 20 of the bill.

Section 3 of the bill amends AS 16.51.020(a), as amended by sec. 2 of this bill, to increase the size of the board of directors of the Alaska Seafood Marketing Institute from seven members to nine members.

Section 5 of the bill amends AS 16.51.020(b), as amended by sec. 4 of the bill, to provide that two new commercial fishing members are added to the board of directors of the Alaska Seafood Marketing Institute to bring the total number of members to nine.

Section 7 of the bill amends AS 16.51.050, as amended by sec. 6 of the bill, to provide that the quorum for the nine member board of directors of the Alaska Seafood Marketing Institute is five members.

Section 19 of the bill provides for the appointment of the two new commercial fishing members who are added to the board under secs. 3 and 5 of the bill.

Section 21 of the bill provides for the termination of the current seafood marketing assessment on December 31, 2005, to coincide with the end of the tax and calendar years.

*

PART III. Sections 3, 5, 7, and 19 of the bill, described above, can also take effect under secs. 24 and 27 of the bill, if at the election held under sec. 20 of the bill the seafood processors vote to retain the current seafood marketing assessment but do not vote to increase the assessment from .3 percent to .5 percent. Each of these sections take effect on the day after the director of elections certifies the results of the election held under sec. 20 of the bill.

*

PART IV. Sections 1, 15, and 16 of the bill take effect under secs. 23, 25, and 26, only

if at the election held under sec. 20 of the bill the seafood processors vote to retain the current seafood marketing assessment and to increase the assessment from .3 percent to .5 percent.

Sections 1 and 15 of the bill make technical changes to AS 16.43.160(e)(2)(A)(ix) and AS 37.05.146(c)(25), respectively, to conform to the repeal of the salmon marketing tax under sec. 16 of the bill. These sections take effect on December 31, 2005, which is the date on which the salmon marketing tax is repealed.

Section 16 of the bill repeals the salmon marketing tax under AS 43.76.110 - 43.76.130 on December 31, 2005. This section takes effect on the day after the director of elections certifies the results of the election held under sec. 20 of the bill.

*

PART V. Sections 22 - 29 of the bill are the contingent effect and effective date sections for the bill.

Sections 22, 27, and 28 of the bill are the contingent effect and effective date sections for secs. 3, 5, 7, 19, and 21 of the bill to provide that those sections take effect if the seafood processors vote to terminate the current seafood marketing assessment at the election held under sec. 20 of the bill.

Sections 23, 25, and 26 of the bill are the contingent effect and effective date sections for secs. 1, 15, and 16 of the bill to provide that these sections take effect only if the seafood processors vote to retain the current seafood marketing assessment and also vote to increase the assessment from .3 percent to .5 percent at the election held under sec. 20 of the bill.

Sections 24 and 27 of the bill are the contingent effect and effective dates for secs. 3, 5, 7, and 19 of the bill to provide that those sections take effect if the seafood processors vote to retain the current seafood marketing assessment but do not vote to increase the assessment from .3 percent to .5 percent.

Section 28 of the bill provides that secs. 2, 4, 6, 8 - 14, 17, 18, and 20 of the bill take effect immediately under AS 01.10.070(c).

If I may be of further assistance, please advise.

GU:med
04-285.med

	Current Tax Structure (FY04 Budget)	CS SB 273 (If the .5% is approved)	CS SB 273 (If the .5% is not approved)	CS SB 273 (If the processors vote to eliminate their assessment)
Salmon Marketing Tax	\$1,575,000	\$0	\$1,575,000	\$1,575,000
Processors Assessment	\$2,999,284	\$5,000,000	\$3,000,000	\$0
Fed Funds from Fisheries Marketing Board	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Size of the ASMI Board	25	7	9	9
Total	\$6,574,284	\$7,000,000	\$6,575,000	\$3,575,000

23-LS1366J
Utermohle
4/2/04

HOUSE CS FOR CS FOR SENATE BILL NO. 273()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR GARY STEVENS BY REQUEST OF THE JOINT LEGISLATIVE SALMON
INDUSTRY TASK FORCE

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the size, membership, and powers of the board of directors of the
2 Alaska Seafood Marketing Institute and making a corresponding change in the quorum
3 requirement; authorizing the establishment of the seafood marketing assessment at a
4 rate of 0.5 percent or 0.6 percent of the value of seafood products produced; providing
5 for an election to retain, terminate, or increase the seafood marketing assessment;
6 providing for the repeal of the salmon marketing tax and provisions related to the
7 salmon marketing tax; and providing for an effective date."

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

9 * Section 1. AS 16.43.160(e)(2)(A)(ix) is amended to read:

10 (ix) Department of Revenue - fisheries business tax
11 program, fishery resource landing tax program, salmon enhancement
12 tax program, [SALMON MARKETING TAX PROGRAM,] and dive
13 fishery management assessment program;

1 * **Sec. 2.** AS 16.51.020(a) is amended to read:

2 (a) The governing body of the institute is a board of directors. The board
3 consists of seven [25] voting members appointed by the governor. In making
4 appointments to the board, the governor shall consider, but need not appoint, nominees
5 presented by persons engaged in fish processing, the financing of fish processing, or
6 commercial fishing.

7 * **Sec. 3.** AS 16.51.020(a) is amended to read:

8 (a) The governing body of the institute is a board of directors. The board
9 consists of nine [SEVEN] voting members appointed by the governor. In making
10 appointments to the board, the governor shall consider, but need not appoint, nominees
11 presented by persons engaged in fish processing, the financing of fish processing, or
12 commercial fishing.

13 * **Sec. 4.** AS 16.51.020(b) is amended to read:

14 (b) Five [TWELVE] members of the board shall be seafood processors: four
15 [EIGHT] of the seafood processors must have an annual payroll in the state of more
16 than \$2,500,000; one [FOUR] of the seafood processors must have an annual payroll
17 in the state of \$50,000 - \$2,500,000. Two [TWELVE] members of the board must be
18 engaged in commercial fishing. [THE GOVERNOR, TO THE EXTENT
19 PRACTICABLE, SHALL APPOINT AS COMMERCIAL FISHING MEMBERS OF
20 THE BOARD PERSONS ENGAGED IN COMMERCIAL FISHING IN A FISHERY
21 MANAGEMENT REGION OF THE STATE IN THE SAME PROPORTION THAT
22 THE REGION CONTRIBUTES, OR IS EXPECTED TO CONTRIBUTE DURING
23 THE NEXT YEAR, TO THE TOTAL SALMON MARKETING TAX COLLECTED
24 UNDER AS 43.76.110 - 43.76.130. ONE MEMBER OF THE BOARD SHALL BE A
25 LAY PERSON SELECTED BY THE GOVERNOR.]

26 * **Sec. 5.** AS 16.51.020(b) is amended to read:

27 (b) Five members of the board shall be seafood processors: four of the seafood
28 processors must have an annual payroll in the state of more than \$2,500,000; one of
29 the seafood processors must have an annual payroll in the state of \$50,000 -
30 \$2,500,000. Four [TWO] members of the board must be engaged in commercial
31 fishing.

1 * Sec. 6. AS 16.51.050 is amended to read:

2 **Sec. 16.51.050. Quorum.** Four [FOURTEEN] members of the board
3 appointed under AS 16.51.020 constitute a quorum for the transaction of business and
4 the exercise of the powers and duties of the board.

5 * Sec. 7. AS 16.51.050 is amended to read:

6 **Sec. 16.51.050. Quorum.** Five [FOUR] members of the board appointed
7 under AS 16.51.020 constitute a quorum for the transaction of business and the
8 exercise of the powers and duties of the board.

9 * Sec. 8. AS 16.51.120(a) is amended to read:

10 (a) A seafood marketing assessment shall be levied on the value of seafood
11 products produced in Alaska as provided in (b), (c), (d), [OR] (e), (h), or (i) of this
12 section if an election is held under AS 16.51.140 at which the assessment is approved
13 by eligible processors who together produce at least 51 percent of the value of seafood
14 products produced in Alaska in the calendar year.

15 * Sec. 9. AS 16.51.120(f) is amended to read:

16 (f) An election under (a) of this section shall be held if the proposed election
17 for the levying of an assessment under (b), (c), (d), [OR] (e), (h), or (i) of this section
18 is approved by a majority of the whole membership of the board at a regularly
19 scheduled meeting.

20 * Sec. 10. AS 16.51.120(g) is amended to read:

21 (g) Notwithstanding (a) - (e), (h), and (i) of this section and AS 16.51.150(c),
22 a processor is not subject to, or liable for payment of, an assessment under this section
23 on the value of the seafood products produced in Alaska if the value of seafood
24 products produced in Alaska by the processor is less than \$50,000 in a calendar year.
25 This subsection does not exempt a processor from liability for payment of taxes
26 imposed under AS 43.75 or AS 43.77.

27 * Sec. 11. AS 16.51.120 is amended by adding new subsections to read:

28 (h) Each processor shall pay a seafood marketing assessment of .5 percent of
29 the value of seafood products produced in Alaska by the processor.

30 (i) Each processor shall pay a seafood marketing assessment of .6 percent of
31 the value of seafood products produced in Alaska by the processor.

1 * **Sec. 12.** AS 16.51.130(a) is amended to read:

2 (a) A seafood marketing assessment levied under AS 16.51.120(b), (c), (d),
3 [OR] (e), (h), or (i) shall be terminated by the commissioner of revenue if

4 [(1)] an election is held under AS 16.51.140 in which the termination
5 is approved by eligible processors who together produce at least 51 percent of the total
6 value of seafood products produced in Alaska during the calendar year [; OR

7 (2) THE BOARD, AT A REGULARLY SCHEDULED MEETING,
8 ADOPTS A RESOLUTION APPROVED BY TWO-THIRDS OF THE VOTING
9 MEMBERSHIP OF THE BOARD REQUESTING THE COMMISSIONER OF
10 REVENUE TO TERMINATE THE ASSESSMENT].

11 * **Sec. 13.** AS 16.51.130(b) is amended to read:

12 (b) An election under (a) [(a)(1)] of this section shall be held if

13 (1) the proposed election for the termination of the assessment is
14 approved by a majority of the whole membership of the board at a regularly scheduled
15 meeting; or

16 (2) a petition is presented to the director of elections requesting
17 termination of the assessment by eligible processors who together produce at least 25
18 percent of the total value of seafood products produced in Alaska during the calendar
19 year.

20 * **Sec. 14.** AS 16.51.140(b) is amended to read:

21 (b) In conducting the election under this section, the institute and the director
22 of elections shall adopt the following procedures:

23 (1) the proposed levy or termination of the assessment shall be adopted
24 at a regularly scheduled meeting of the board of directors of the institute held not
25 less than 60 days before the date on which the ballots must be postmarked to be
26 counted unless the election is for termination of the assessment and has been initiated
27 by a petition under AS 16.51.130(b)(2);

28 (2) the institute shall hold at least one meeting, not less than 30 days
29 before the date on which ballots must be postmarked to be counted, to explain the
30 reason for the proposed seafood marketing assessment or termination of the
31 assessment and to explain the voting procedure to be used in the election; the institute

1 shall provide notice of the meeting by

2 (A) mailing the notice to each eligible processor; and

3 (B) publishing the notice in at least one newspaper of general
4 circulation in each region of the state at least two weeks before the meeting;

5 (3) the director of elections [INSTITUTE] shall mail ballots to each
6 eligible processor not more than 45 days before the date specified as the date ballots
7 must be postmarked;

8 (4) the ballot must

9 (A) indicate whether the assessment is to be levied under
10 AS 16.51.120(b), (c), (d), [OR] (e), (h), or (i) and must state the percentage of
11 the assessment;

12 (B) indicate the effective date of the levy of the assessment or
13 termination of the assessment;

14 (C) ask whether the assessment shall be levied or, if the
15 election is to terminate the assessment, whether the assessment shall be
16 terminated;

17 (5) the ballots shall be returned by mail to the director of elections
18 and shall be counted by the director of elections or a representative.

19 * Sec. 15. AS 37.05.146(c)(25) is amended to read:

20 (25) receipts from the seafood marketing assessment under
21 AS 16.51.120 - 16.51.170 [, THE SALMON MARKETING TAX UNDER
22 AS 43.76.110 - 43.76.130,] and [OTHER] receipts of the Alaska Seafood Marketing
23 Institute;

24 * Sec. 16. REPEAL OF SALMON MARKETING TAX. (a) Section 9, ch. 55, SLA 1993,
25 as amended by sec. 1, ch. 111, SLA 1998, and sec. 3, ch. 136, SLA 2002, is amended to read:

26 Sec. 9. AS 43.76.110, 43.76.120, and 43.76.130 are repealed December 31,
27 2005 [JUNE 30, 2008].

28 * Sec. 17. REPEAL OF MISCELLANEOUS PROVISIONS RELATED TO THE
29 SALMON MARKETING TAX. Sections 3, 8(c), and 12, ch. 55, SLA 1993, are repealed.

30 * Sec. 18. The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 TRANSITION FOR MEMBERS OF THE BOARD OF DIRECTORS OF THE
2 ALASKA SEAFOOD MARKETING INSTITUTE. (a) Notwithstanding AS 16.51.030, the
3 terms of office of all persons who are serving as members of the board of directors of the
4 Alaska Seafood Marketing Institute on the day before the effective date of sec. 2 of this Act
5 expire on the effective date of sec. 2 of this Act.

6 (b) The governor shall appoint qualified persons to serve on the board of directors of
7 the Alaska Seafood Marketing Institute, as restructured under AS 16.51.020, as amended by
8 sec. 2 of this Act, as soon as practicable on or after the effective date of sec. 2 of this Act.
9 The governor shall appoint persons to initial terms in accordance with AS 39.05.055(5). To
10 the extent possible, the governor shall maintain staggered terms for members of each class of
11 board members.

12 * **Sec. 19.** The uncoded law of the State of Alaska is amended by adding a new section to
13 read:

14 APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS OF THE
15 ALASKA SEAFOOD MARKETING INSTITUTE FOLLOWING THE ELECTION HELD
16 UNDER SECTION 20 OF THIS ACT. The governor shall appoint qualified persons to fill
17 the two commercial fishermen memberships created on the board of directors of the Alaska
18 Seafood Marketing Institute under AS 16.51.020, as amended by sec. 3 of this Act, as soon as
19 practicable on or after the effective date of sec. 3 of this Act. The governor shall appoint the
20 two commercial fisherman members to initial terms of one, two, or three years, as the
21 governor determines appropriate to provide for staggered terms for the commercial fishermen
22 members of the board.

23 * **Sec. 20.** The uncoded law of the State of Alaska is amended by adding a new section to
24 read:

25 SEAFOOD MARKETING ASSESSMENT; ELECTION. (a) Notwithstanding
26 AS 16.51.120 - 16.51.170, the seafood marketing assessment that is in effect on the day
27 before the effective date of this section shall remain in effect until December 31, 2005. After
28 December 31, 2005, a levy of the seafood marketing assessment under AS 16.51.120 shall be
29 retained, amended, or terminated in accordance with the results of the election held under this
30 section by the Alaska Seafood Marketing Institute.

31 (b) Notwithstanding AS 16.51.120 - 16.51.140, the Alaska Seafood Marketing

1 Institute shall conduct an election under this section for the retention, termination, and
2 amendment of the levy of the seafood marketing assessment under AS 16.51.120.

3 (c) In conducting the election under this section, the Alaska Seafood Marketing
4 Institute and the director of elections shall adopt the following procedures:

5 (1) by January 1, 2005, the director of elections shall approve

6 (A) the notice of the election to be published by the institute;

7 (B) the ballot to be used in the election; and

8 (C) the registration and voting procedures for the election;

9 (2) the institute shall hold at least one meeting before February 28, 2005, to
10 explain the reason for the election and to explain the voting procedure to be used in the
11 election; the institute shall provide notice of the meeting by

12 (A) mailing the notice of the meeting to each eligible processor; and

13 (B) publishing the notice in at least one newspaper of general
14 circulation in each region of the state at least two weeks before the meeting;

15 (3) the director of elections shall mail ballots to each eligible processor not
16 earlier than February 15, 2005;

17 (4) the ballot must ask two questions as follows:

18 (A) the first ballot question must ask whether the seafood marketing
19 assessment shall be retained; the ballot question must be written so that a yes vote is
20 for retention of the levy of the seafood marketing assessment and a no vote is for
21 termination of the levy of the seafood marketing assessment;

22 (B) the second ballot question must ask whether the seafood marketing
23 assessment shall be levied under AS 16.51.120(h) at a rate of .5 percent of the value of
24 seafood products produced in Alaska by a processor; the ballot question must be
25 written so that a yes vote is for approval of the levy of the assessment under
26 AS 16.51.120(h) and a no vote is for retention of the levy under AS 16.51.120 that is
27 in effect on the day before the effective date of this section; the ballot must indicate
28 that the effective date of the levy of the assessment under AS 16.51.120(h) is
29 January 1, 2006, if the levy is approved;

30 (5) the ballots must be postmarked on or before March 31, 2005, and received
31 by the director of elections on or before April 15, 2005, to be counted in the election;

1 (6) the ballots shall be returned by mail;

2 (7) the ballots shall be counted by the director of elections or the director's
3 representative; the director or the director's representative, with the assistance of the
4 commissioner of revenue, shall first determine whether the retention of the levy of the seafood
5 marketing assessment is approved by eligible processors who together produce at least 51
6 percent of the value of seafood products produced in Alaska in the previous calendar year;
7 only if the retention of the levy of the assessment is approved, the director or the director's
8 representative, with the assistance of the commissioner of revenue, shall determine the results
9 of the voting on the second ballot question;

10 (8) if the retention of the levy of the seafood marketing assessment under
11 AS 16.51.120 is not approved by eligible processors who together produce at least 51 percent
12 of the value of seafood products produced in Alaska in the previous calendar year, the levy of
13 the assessment is terminated December 31, 2005;

14 (9) if the retention of the levy of the seafood marketing assessment under
15 AS 16.51.120 is approved by eligible processors who together produce at least 51 percent of
16 the value of seafood products produced in Alaska in the previous calendar year and if the levy
17 of the seafood marketing assessment under AS 16.51.120(h) is approved by eligible
18 processors who together produce at least 51 percent of the value of seafood products produced
19 in Alaska in the previous calendar year, the levy of the seafood marketing assessment under
20 AS 16.51.120(h) takes effect January 1, 2006; and

21 (10) if the retention of the levy of the seafood marketing assessment under
22 AS 16.51.120 is approved by eligible processors who together produce at least 51 percent of
23 the value of seafood products produced in Alaska in the previous calendar year and if the levy
24 of the seafood marketing assessment under AS 16.51.120(h) is not approved by eligible
25 processors who together produce at least 51 percent of the value of seafood products produced
26 in Alaska in the previous calendar year, the levy under AS 16.51.120 that is in effect on the
27 day before the effective date of this section remains in effect until amended or terminated
28 under AS 16.51.120 - 16.51.140.

29 (d) The director of elections shall certify the results of an election under this section if
30 the director determines that the requirements of (c) of this section have been satisfied. The
31 director shall provide the certified results of the election to the commissioner of revenue, the

1 Alaska Seafood Marketing Institute, the lieutenant governor, and the revisor of statutes.

2 (e) Following the election conducted under this section, a seafood marketing
3 assessment may be approved, amended, or terminated in accordance with the procedures set
4 out under AS 16.51.120 - 16.51.140, as amended by secs. 8 - 14 of this Act and under
5 AS 16.51.150.

6 (f) For purposes of AS 16.51.120(a), the election held under this section shall be
7 considered to be an election held under AS 16.51.140.

8 * **Sec. 21.** The uncoded law of the State of Alaska is amended by adding a new section to
9 read:

10 **TERMINATION OF THE SEAFOOD MARKETING ASSESSMENT.**
11 Notwithstanding AS 16.51.120 - 16.51.140, the seafood marketing assessment levied under
12 AS 16.51.120 that is in effect on the day before the effective date of sec. 20 of this Act is
13 terminated December 31, 2005.

14 * **Sec. 22.** The uncoded law of the State of Alaska is amended by adding a new section to
15 read:

16 **CONTINGENT EFFECT -- TERMINATION OF SEAFOOD MARKETING**
17 **ASSESSMENT.** (a) Section 21 of this Act takes effect only if the director of elections
18 certifies that the retention of the levy of the seafood marketing assessment under
19 AS 16.51.120 is not approved by eligible processors who together produce at least 51 percent
20 of the value of seafood products produced in Alaska in the previous calendar year at the
21 election held under sec. 20 of this Act.

22 (b) Sections 3, 5, 7, and 19 of this Act take effect if the director of elections certifies
23 that the retention of the levy of the seafood marketing assessment under AS 16.51.120 was
24 not approved by eligible processors who together produce at least 51 percent of the value of
25 seafood products produced in Alaska in the previous calendar year at the election held under
26 sec. 20 of this Act.

27 * **Sec. 23.** The uncoded law of the State of Alaska is amended by adding a new section to
28 read:

29 **CONTINGENT EFFECT -- APPROVAL OF LEVY UNDER AS 16.51.120(h).** (a)
30 Section 16 of this Act takes effect only if the director of elections certifies that the levy of the
31 seafood marketing assessment under AS 16.51.120(h) is approved by eligible processors who

1 together produce at least 51 percent of the value of seafood products produced in Alaska in
2 the previous calendar year at the election held under sec. 20 of this Act.

3 (b) Sections 1 and 15 of this Act take effect only if the director of elections certifies
4 that the levy of the seafood marketing assessment under AS 16.51.120(h) is approved by
5 eligible processors who together produce at least 51 percent of the value of seafood products
6 produced in Alaska in the previous calendar year at the election held under sec. 20 of this Act.

7 * Sec. 24. The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 CONTINGENT EFFECT -- DISAPPROVAL OF LEVY UNDER AS 16.51.120(h).
10 Sections 3, 5, 7, and 19 of this Act take effect if the director of elections certifies that the levy
11 of a seafood marketing assessment under AS 16.51.120(h) was not approved by eligible
12 processors who together produce at least 51 percent of the value of seafood products produced
13 in Alaska in the previous calendar year at the election held under sec. 20 of this Act.

14 * Sec. 25. If sec. 16 of this Act takes effect under sec. 23 of this Act, it takes effect on the
15 day after the director of elections certifies the result of the election held under sec. 20 of this
16 Act.

17 * Sec. 26. If secs. 1 and 15 of this Act take effect under sec. 23 of this Act, they take effect
18 December 31, 2005.

19 * Sec. 27. If secs. 3, 5, 7, and 19 of this Act take effect under sec. 22 or 24 of this Act, they
20 take effect on the day after the director of elections certifies the result of the election held
21 under sec. 20 of this Act.

22 * Sec. 28. If sec. 21 of this Act takes effect under sec. 22 of this Act, it takes effect on the
23 day after the director of elections certifies the result of the election held under sec. 20 of this
24 Act.

25 * Sec. 29. Except as provided in secs. 25 - 28 of this Act, this Act takes effect immediately
26 under AS 01.10.070(c).

File ASMT Bell

Subject: [Fwd: [Fwd: Re: Question]]

Date: Tue, 10 Feb 2004 13:39:41 -0900

From: Cameron Yourkowski <Cameron_Yourkowski@legis.state.ak.us>

To: Representative Paul Seaton <Representative_Paul_Seaton@legis.state.ak.us>

Subject: [Fwd: Re: Question]

Date: Tue, 10 Feb 2004 09:44:55 -0900

From: "Naresh Shrestha (Administrative Officer)" <Naresh_Shrestha@dced.state.ak.us>

Reply-To: nshrestha@alaskaseafood.org

Organization: Alaska Seafood Marketing Institute

To: Chris Knight <chris_knight@legis.state.ak.us>,

Cameron B Yourkowski <cameron_yourkowski@legis.state.ak.us>

Hello Chris/Cameron,

I am forwarding my reply to Rep. Seaton's query. I sent the Representative an email but it bounced back. Please forward this email to him.

Tnx,

Naresh

----- Original Message -----

Subject: Re: Question

Date: Tue, 10 Feb 2004 09:39:07 -0900

From: "Naresh Shrestha (Administrative Officer)" <Naresh_Shrestha@dced.state.ak.us>

Reply-To: nshrestha@AlaskaSeafood.org

Organization: Alaska Seafood Marketing Institute

To: Paul Seaton <Representative_Paul_Seaton@Legis.state.ak.us>

CC: NShrestha@AlaskaSeafood.org, Senator Gary Stevens

<Senator_Gary_Stevens@Legis.state.ak.us>, Ernest R Riutta

<ray_riutta@dced.state.ak.us>, Laura Fleming <LFleming@AlaskaSeafood.org>, Jay

Stinson <Pelagic@ptialaska.net>

References: <4028390C.531F87FF@Legis.state.ak.us>

Hello Rep. Seaton,

Using the calculations as depicted by Department of Revenue this is how it is laid out-

A. (Existing) Salmon Marketing Tax 1% \$ 1,672,490

B. (Existing) Processor's Assessment .3% \$ 3,112,138

C. (Proposed) Seafood Mkt Tax .3% \$ 2,610,391

Total Projected

\$ 7,395,019

If A. -Salmon Marketing Tax 1% and C. (proposed) Seafood Marketing Tax .3% are eliminated and B. Processor's Assessment is raised to .5%, based on 2002 DOR combined values of Fisheries Business and the Landing Tax of

\$ 870,130, 420 it would *generate* a total of \$ 4,350,652 only for ASMI.

Fiscal impact-

Incidentally this new amount would be LESS than the internal ASMI projected revenues from fish revenues for FY05 (\$ 4.5 million) under the existing statutes.

The ASMI Board has ascertained that in order for ASMI to function effectively the funding level number needed is \$ 8,000,000. per fiscal year. The new number reflected -\$ 4,350,652- would be 46% less than the \$ 8 million needed.

Thank you,

Naresh



Jay Stinson
Chair, Board of Directors

Alaska Seafood Marketing Institute
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email: pelagic@ptialaska.net

ASME Fish

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March 9, 2004

Salmon Industry Task Force
Representative Paul Seaton
Capital Bldg., Room 428
Juneau AK 99801-1182

RE: Senate Bill 273

Dear Representative Seaton:

Kootznoowoo, Inc. has a concern about SB 273 that would reduce Alaska Seafood Marketing Institute Board from 25 to 9 members. If the bill is passed, there will be little representation from the village fishermen.

As you all know, fishing has been one of the main industries that most villages in Southeast Alaska have been counting on to make a livelihood.

Our economy has not been very good over the past 20 years, the timber harvest and salmon industry has been going down. Please reconsider the plight of the small native communities.

Sincerely,


Robert Hamilton
President/General Manager

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I understand that.
Let's fix it in the house.

- 1) change the board immediately on governor's signing
- 2) change the make up of the board as I suggested

Thanks

B



----- Original Message -----

From: "Senator Gary Stevens" <Senator_Gary_Stevens@legis.state.ak.us>To: <schactler@alaska.com>

Sent: Thursday, March 11, 2004 2:54 PM

Subject: Re: (no subject)

> >

> Hi Bruce:

> Thanks for your comments. This is just the wrong time to make another
> amendment in Senate Finance or the whole thing will likely be killed
> can easily make such a small change as you suggest when it gets to the
> House. I'll share your comments with Rep. Seaton who as Chair of the
> Special Committee on Fisheries will probably be the first committee
> assignment in the House.

> This is not a perfect process, but if I were to make such an amendment
> now after all the negotiations and compromises we have gone through,
> knowing that Ben would not willingly approve it, the Senate Finance
> just wring their hands and tell all to go away.

> Regards,

> Gary

>

> Gary,

> >

> > The bill as ammended gives harvesters no power on the board. 4 lar
> > processors are a majority and also a quorum, which gives them the
> > ability to ignore every one else. Taxes are paid from the
> > Bottom.....Up. We are paying the tax!!!!!!

> >

> > 4 processors (3 large and 1 small) and 3 fishermen (or as it was
> > 4-2-1) is OK.

> >

> > Bruce

>

>

>

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