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Senate District N

SPONSOR STATEMENT

Senate Bill 322

“An Act relating to the rate of the salmon enhancement tax.”

[Senate Bill 322](#) modifies [AS 43.76](#) by adding additional tax rates of **30, 20, 15, 10, 9, 8, 7, 6, 5, and 4 percent** to the salmon enhancement tax.

Under current law, commercial salmon interim-use and entry permit holders organized under Regional Aquaculture Associations ([AS 16.10.380](#)) may vote to tax themselves at the rate of one, two or three percent of the value of their harvest. These monies are collected by the Department of Revenue and deposited in the general fund. The legislature may make appropriations based on this deposit to the Department of Community and Economic Development for the purpose of providing financing for qualified regional aquaculture associations.

The decline in the value of salmon due to changing market dynamics has led to increased costs for regional aquaculture associations. In order to meet their continuing costs, many have increased the amount of fish harvested for “cost-recovery.” Fishermen would like the opportunity to raise their tax rate to avoid increased cost-recovery harvests.

Qualified regional aquaculture associations are permitted in statute ([AS 43.76.015](#)) to conduct an election to approve or terminate a salmon enhancement tax. The statute requires approval by a majority vote of the eligible interim-use permit and entry permit holders voting in an election.

Senate Bill 322 provides some flexibility for regional aquaculture associations to organize their operations and respond to the changing conditions in the salmon industry.