

## SPONSOR STATEMENT – SB 273

[SB 273](#), "An act relating to the Alaska Seafood Marketing Institute (ASMI), the seafood marketing assessment, the seafood marketing tax, and the seafood product tax", reduces the size of the ASMI board and makes changes to its existing tax structure.

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 would reduce the size of the ASMI board from 25 members to nine members, consisting of three large processors, one small processor, four commercial fishermen and one public member.

Secondly, this bill changes the tax structure so that additional revenues are available for marketing Alaska seafood. Following is the difference between the current tax structure vs. the proposed tax structure:

### ***Current Tax Structure:***

*Salmon Marketing Tax on harvesters – 1%*

*Voluntary Seafood Marketing Assessment on the processors - .3%*

### ***Proposed Tax Structure:***

*Seafood Marketing Tax on harvesters, including hatcheries – 1% on salmon and .3% on all other seafood, including mariculture*

*Mandatory Seafood Product Tax on processors - .3%*

*Voluntary Seafood Marketing Assessment on processors - up to .4% (in current statute)*

Under this proposal, ASMI would receive approximately \$2.8 million in additional funds.

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.