

# aquaculture notes

AKU-T-77-005

C. 2



ALASKA STATUTES  
COMMERCIAL FISHING LOAN ACT  
SALMON HATCHERIES  
FISHERIES ENHANCEMENT LOAN PROGRAM  
SALMON AUTHORITIES  
(as amended through 1977)

Compiled by:

E. Thomas Robinson  
Assistant Professor of Accounting  
School of Management  
University of Alaska  
Fairbanks, Alaska 99701

UNIVERSITY OF ALASKA  
SEA GRANT PROGRAM

Sea Grant Report 77-6  
July 1977

*Aquaculture Notes* is a publication of the Alaska Sea Grant Program. Material in *Aquaculture Notes* is the result of research carried out by the University of Alaska's Sea Grant Program. Copies may be obtained free of charge by writing the Alaska Sea Grant Program, University of Alaska, Fairbanks, Alaska 99701.

This publication is a result of research sponsored by the State of Alaska and NOAA, Office of Sea Grant, Department of Commerce under Grant No. 04-7-158-44006.

## TABLE OF CONTENTS

	Page
PREFACE	i
Article 7      Commerical Fishing Loan Act	1
Article 8      Salmon Hatcheries	5
Article 9      Fisheries Enhancement Loan Program	11
Article 10     Salmon Authorities	16

## PREFACE

This report provides a reference to those Alaska Statutes which treat loans to and ownership of salmon hatcheries operated by qualified nonprofit corporations. This compilation includes all legislation through the conclusion of the 1977 session of the Tenth Legislature. The document has been compiled by the Alaska Sea Grant Program in order to answer numerous requests and inquiries with regard to these laws.

The reader should note that the 1977 Legislature did make significant amendments to the statutes which made detailed changes to the loan program, including provision for six year interest-free loans; grants; and the legal framework to establish salmon authorities. These new laws have significant and far-reaching implications on salmon hatchery development -- see Articles 9 and 10 in particular.

COMMERCIAL FISHING LOAN ACT, SALMON HATCHERIES, FISHERIES  
ENHANCEMENT LOAN PROGRAM, AND SALMON AUTHORITIES  
As amended through 1977  
(A.S. 16.10.300 - 16.10.620)

Article 7. Commercial Fishing Loan Act.

Section	Section
300. Declaration of policy	350. Administration of fund
310. Powers of the department	360. Definitions
320. Limitations on loans	370. Short title
330. Sale or transfer of mortgages, bonds and notes	375. Regional Plan for Salmon Enhancement
340. Creation of fund	380. Regional Associations

Sec. 16.10.300. Declaration of policy.

It is the policy of the state, under §§ 300-370 of this chapter, to promote the rehabilitation of the state's fisheries, the development of a predominantly resident fishery, and the continued maintenance of commercial fishing gear and vessels throughout the state by means of long-term low interest loans. (§ 1 ch 134 SLA 1972; am § 1 ch 54 SLA 1973; am § 1 ch 128 SLA 1975)

Sec. 16.10.310. Powers of the department.

(a) The department may

1. make loans to individual commercial fishermen who have been state residents for a continuous period of five years and have had a commercial fishing license for three years for the repair, restoration or up-grading of existing vessels and gear and for the purchase of vessels; and
2. designate agents and delegate its powers to them as necessary;
3. adopt rules and regulations necessary to carry out its functions;
4. establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons;
5. enter into agreements with private lending institutions, other state agencies or agencies of the federal government, to carry out the purposes of §§ 300-370 of this chapter.

- (b) The department shall consult with the Department of Fish and Game on regulations and procedures established under this chapter. (§ 1 ch 134 SLA 1972; am § 2 ch 54 SLA 1973; am § 2 ch 128 SLA 1975; am § 2 ch 190 SLA 1976)

Sec. 16.10.320.            Limitations on loans.

A commercial fishing loan may not exceed \$150,000. A loan may not run longer than 15 years or bear interest exceeding seven per cent, and shall be secured by a first lien and appropriate security agreements except that a lien in favor of the state is not required for loans guaranteed fully by the federal government under the Federal Ship Financing Act of 1972 (46 U.S.C. §§ 1271-1279b; 86 Stat. 909), as amended. In the case of a security agreement given to secure a loan made under §§ 300-370 of this chapter and covering a vessel documented under the laws of the United States and so long as the Ship Mortgage Act of 1920 (46 U.S.C. §§ 911-984; 41 Stat. 1000), as amended, and the Shipping Act of 1916 (46 U.S.C. §§ 801-842; 39 Stat. 728), as amended, remain ambiguous with respect to whether or not a state or state agency qualifies as a citizen of the United States for purposes of those Acts, the first lien requirement of this section may be satisfied by the recordation and endorsement of a first preferred ship mortgage under the Ship Mortgage Act of 1920, and by perfection of a security interest under the Uniform Commercial Code - Secured Transactions (AS 45.05.690-45.05.794), if the approval of the Secretary of Commerce is obtained under 46 U.S.C. § 839 for the transfer to the department of the interest in a vessel documented under the laws of the United States. In the case of a security agreement given to secure a loan made under §§ 300-370 of this chapter and covering a vessel documented under the laws of the United States, the first lien requirement of this section may also be satisfied by use of a trust deed and bond issue under it, if the trustee is a citizen of the United States and obtains a first preferred ship mortgage on the vessel under the Ship Mortgage Act of 1920, and the approval of the Secretary of Commerce is obtained under 46 U.S.C. §§ 839 and 961 for the transfer of the bond or bonds to the department if the trustee is not a trustee approved by the Secretary of Commerce under 46 U.S.C. §§ 808, 835 and 961. Loans may not exceed 75 per cent of the appraised value of the collateral used to secure the loan. (§ 1 ch 134 SLA 1972; am § 3 ch 54 SLA 1973; am § 3 ch 128 SLA 1975; am § 1 ch 154 SLA 1977)

Sec. 16.10.330.            Sale or transfer of mortgages, bonds and notes.

- (a) The commissioner of commerce may sell or transfer at par value or at a premium or discount to any bank or other

private purchaser for cash or other consideration the mortgages, bonds and notes held by the Department of Commerce as security for loans made under this chapter.

(b) The commissioner of commerce may sell or transfer at par value to the Department of Revenue the mortgages, bonds and notes held by the Department of Commerce as security for loans made under this chapter. However, the commissioner of commerce may not transfer an interest in a vessel documented under the laws of the United States to the Department of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46 U.S.C. secs. 911-984; 41 Stat. 1000), as amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801-842; 39 Stat. 728), as amended, so long as those two Acts remain ambiguous with respect to whether or not a state or state agency qualifies as a citizen of the United States for purposes of those two Acts. The Department of Revenue, for the fiscal year ending June 30, 1976, shall purchase all the mortgages, bonds and notes offered until the current principal amount of all the mortgages, bonds and notes purchased and held by the Department of Revenue equals \$9,000,000. After June 30, 1977, the Department of Revenue shall purchase all the mortgages, bonds and notes offered. (\$ 1 ch 134 SLA 1972; am § 4 ch 54 SLA 1973; am § 1 ch 177 SLA 1976)

Sec. 16.10.340. Creation of Fund.

There is a commercial fishing revolving loan fund to carry out the purpose of secs. 300-370 of this chapter. (\$ 1 ch 134 SLA 1972; am § 2 ch 177 SLA 1976)

Sec. 16.10.350. Administration of fund.

The commissioner shall administer the loan fund. (\$ 1 ch 134 SLA 1972)

Sec. 16.10.360. Definitions.

In §§ 300-370 of this chapter

1. "commissioner" means the commissioner of commerce;
2. "department" means the Department of Commerce. (\$ 1 ch 134 SLA 1972)

Sec. 16.10.370. Short title.

Sections 300-370 of this chapter may be cited as the Commercial Fishing Loan Act. (\$ 1 ch 134 SLA 1972)

Sec. 16.10.375. Regional Plan for Salmon Enhancement.

The commissioner shall designate regions of the state for the purpose of salmon production and have developed and amend as necessary a comprehensive salmon plan for each region, including provisions for both public and private nonprofit hatchery systems. Subject to plan approval by the commissioner, comprehensive salmon plans shall be developed by regional planning teams consisting of department personnel and representatives of the appropriate qualified regional associations formed under sec. 380 of this chapter. (§ 2 ch 161 SLA 1976; am § 2 ch 154 SLA 1977).

Sec. 16.10.380. Regional Associations.

- (a) The commissioner shall assist in and encourage the formation of qualified regional associations for the purpose of enhancing salmon production. A regional association is qualified if the commissioner determines that
1. it is comprised of associations representative of commercial fishermen in the region;
  2. it includes representatives of other user groups interested in fisheries within the region who wish to belong; and
  3. it possesses a board of directors which includes no less than one representative of each user group that belongs to the association.
- (b) In this section "user group" includes, but is not limited to, sport fishermen, processors, commercial fishermen, subsistence fishermen, and representatives of local communities. (§ 2 ch 161 SLA 1976)

NOTE: Section 1, ch 161, SLA 1976, provides: "It is the intent of this Act to produce salmon for the common property fisheries of the state."



ARTICLE 8. SALMON HATCHERIES

Section

- 400. *Permits for salmon hatcheries*
- 410. *Hearings before permit issuance*
- 420. *Conditions of a permit*
- 430. *Alteration, suspension or revocation of permit*
- 440. *Regulation*
- 443. *Department assistance and cooperation*

Section

- 445. *Egg sources*
- 450. *Sale of salmon and salmon eggs by hatchery*
- 460. *Inspection of Hatchery*
- 470. *Annual report*
- 475. *Definitions*

---

Note:

Section 1, ch. 111, SLA 1974, provides: "It is the intent of this Act to authorize the private ownership of salmon hatcheries by qualified nonprofit corporations for the purpose of contributing, by artificial means, to the rehabilitation of the state's depleted and depressed salmon fishery. The program shall be operated without adversely affecting natural stocks of fish in the state and under a policy of management which allows reasonable segregation of returning hatchery-reared salmon from naturally occurring stocks."

---

Sec. 16.10.400. Permits for salmon hatcheries.

- (a) The commissioner or his designee may issue a permit, subject to the restrictions imposed by statute or regulation under §§ 400-470 of this chapter, to a nonprofit corporation organized under AS 10.20, after the permit application has been reviewed by the regional planning team, for the construction and operation of a salmon hatchery.
- (b) The application for a permit under this section shall be on a form prescribed by the department and be accompanied by an application fee of \$100.
- (c) A hatchery permit is nontransferable. If a permit holder sells or leases a hatchery for which a permit is issued under this section, the new operator shall apply for a new permit under this section.
- (d) Repealed by § 19 ch 154 SLA 1977.
- (e) A qualified regional association formed under sec. 380 of this chapter, if it has become a nonprofit corporation under AS 10.20, has a preference right

to a permit if its proposed hatchery is provided for in the comprehensive plan for that region developed under sec. 375 of this chapter and the fresh water source exceeds one cubic foot per second minimum flow. Any other local nonprofit hatchery corporation approved by a qualified regional association has an identical preference right.

- (f) Except for permits issued before the effective date of this Act, no permit may be issued for construction or operation of a hatchery on an anadromous fish stream unless the stream has been classified as suitable for enhancement purposes by the commissioner. The commissioner shall undertake to make such classifications in conjunction with the development of the comprehensive plan under sec. 375 of this chapter.
- (g) During the development of a comprehensive plan for a region no permit may be issued for a hatchery unless the commissioner determines that such an action would result in substantial public benefits and would not jeopardize natural stocks. (§ 2 ch 111 SLA 1974; am § 3 ch 161 SLA 1976; am § 3 & 19 ch 154 SLA 1977)

Sec. 16.10.410. Hearings before permit issuance.

- (a) At least 30 days before the issuance of a permit under § 400 of this chapter, a public hearing shall be held in a central location in the vicinity of the proposed hatchery facility.
- (b) Notice of the hearing shall be published in a newspaper of general circulation once a week for three consecutive weeks, with completion of the notice at least 10 days before the hearing.
- (c) The hearing shall be conducted by the department, with a presentation by the permit applicant of a plan for the proposed hatchery, describing its capacity and any other relevant facts which may be of interest to the department or the public. Interested members of the public shall be afforded an opportunity to be heard.
- (d) The department shall record and consider objections and recommendations offered by the public at the hearing conducted under this section. It shall respond in writing, within 10 days after the hearing is held, to any specific objections offered by a member of the public at the hearing. (§ 2 ch 111 SLA 1974)

Sec. 16.10.420. Conditions of a permit.

The department shall require, in a permit issued to a hatchery operation, that

- (1) salmon eggs procured by the hatchery must be from the department or a source approved by the department;
- (2) no salmon eggs or resulting fry be placed in waters of the state other than those specifically designated in the permit;
- (3) no salmon eggs or resulting fry, sold to a permit holder by the state or by another party approved by the department, may be resold or otherwise transferred to another person;
- (4) no salmon be released by the hatchery before department approval, and, for purposes of pathological examination and approval, the department shall be notified of the proposed release of salmon at least 15 days before the date of their proposed release by the hatchery;
- (5) diseased salmon be destroyed in a specific manner and place designated by the department;
- (6) adult salmon be harvested by hatchery operators only at specific locations as designated by the department;
- (7) surplus eggs from salmon returning to the hatchery be made available for sale first to the department and then, after inspection and approval by the department, to operators of other hatcheries authorized by permit to operate under §§ 400-470 of this chapter;
- (8) if surplus salmon eggs are sold by a permit holder to another permit holder, a copy of the sales transaction be provided to the department;
- (9) the cost of inspections or examinations conducted by the department under this section before the release of salmon, or when eggs are procured from sources other than the department, or to determine the existence of disease, be borne by the hatchery owner for which the inspection or examination is conducted;
- (10) a hatchery be located in an area where a reasonable segregation from natural stocks occur, but, when feasible, in an area where returning hatchery fish will pass through traditional salmon fisheries. (§ 2 ch 111 SLA 1974)

Sec. 16.10.430. Alteration, suspension or revocation of permit.

- (a) If a permit holder fails to comply with the conditions and terms of the permit issued under §§ 400-470 of this chapter within a reasonable period after notification of his noncompliance by the department, his permit may be suspended or revoked, in the discretion of the commissioner after the regional planning team for the area in which the hatchery is located is notified and granted an opportunity to comment upon the proposed suspension or revocation.
- (b) If the commissioner finds that the operation of the hatchery is not in the best interests of the public, he may alter the conditions of the permit to mitigate the adverse effects of the operation, or, if the adverse effects are irreversible and cannot be mitigated sufficiently, initiate a termination of the operation under the permit over a reasonable period of time under the circumstances, not to exceed four years. During the period of time that the operation is being terminated, the permit holder may harvest salmon under the terms of the permit but may not release additional fish. (§ 2 ch 111 SLA 1974; am § 4 ch 154 SLA 1977)

Sec. 16.10.440. Regulation.

- (a) Fish released into the natural waters of the state by a hatchery operated under §§ 400-470 of this chapter are available to the people for common use and are subject to regulation under applicable law in the same way as fish occurring in their natural state until they return to the specific location designated by the department for harvest by the hatchery operator.
- (b) The Board of Fisheries may promulgate regulations necessary to implement §§ 400-470 of this chapter. (§ 2 ch 111 SLA 1974; am § 24 ch 206 SLA 1975)

Sec. 16.10.443. Department assistance and cooperation.

- (a) Before and after permit issuance under §§ 400-470 of this chapter, the department shall make every effort, within the limits of time and resources, to advise and assist applicants or permit holders, as appropriate, in the planning construction, or operation of salmon hatcheries.

- (b) Nothing in this section exempts an applicant or permit holder from compliance with §§ 400-470 of this chapter or from compliance with the regulations or restrictions adopted under §§ 400-470 of this chapter. (§ 1 ch 97 SLA 1975)

Sec. 16.10.445. Egg sources.

- (a) The department shall approve the source and number of salmon eggs taken under §§ 400-470 of this chapter.
- (b) Where feasible, salmon eggs utilized by a hatchery operator shall first be taken from stocks native to the area in which the hatchery is located, and then, upon department approval, from other areas, as necessary. (§ 2 ch 111 SLA 1974)

Sec. 16.10.450. Sale of salmon and salmon eggs by hatchery.

A hatchery operator who sells salmon returning from the natural waters of the state, or sells salmon eggs to another hatchery operating under secs. 400-470 of this chapter, after utilizing the funds for reasonable operating costs, including debt retirement, expanding its facilities, salmon rehabilitation projects, fisheries research, or for costs of operating the qualified regional association for the area in which the hatchery is located, shall expend the remaining funds on other fisheries activities of the qualified regional association. Fish returning to hatcheries and sold for human consumption shall be of comparable quality to fish harvested by commercial fisheries in the area, and shall be sold at prices commensurate with the current market. (§ 2 ch 111 SLA 1974; am § 5 ch 154 SLA 1977)

Sec. 16.10.460. Inspection of hatchery.

As a condition of and in consideration for a permit to operate a hatchery under §§ 400-470 of this chapter, an inspection of the hatchery facility by department inspectors shall be permitted by the permit holder at any time the hatchery is operating. The inspection shall be conducted in a reasonable manner. (§ 2 ch 111 SLA 1974)

Sec. 16.10.470. Annual report.

- (a) A person who holds a permit for the operation of a salmon hatchery under secs. 400-470 of this chapter shall submit an annual report no later than December 15 to the department and to the qualified regional association for the area in which the hatchery is located, to include but not be limited

to information pertaining to species; brood stock source; number, age, weight, and length of spawners; number of eggs taken and fry fingerling produced; and the number, age, weight, and length of adult returns attributable to hatchery releases, on a form to be provided by the Department of Fish and Game.

- (b) A person who holds a permit for the operation of a salmon hatchery under secs. 400-470 of this chapter shall submit an annual financial report to the Department of Commerce and Economic Development on a form to be provided by the Department of Commerce and Economic Development. (§ 2 ch 111 SLA 1974; am § 6 ch 154 SLA 1977)

Sec. 16.10.475. Definitions.

In secs. 375-470 of this chapter

1. "commissioner" means the commissioner of fish and game;
2. "department" means the Department of Fish and Game. (§ 2 ch 161 SLA 1976)

Article 9. Fisheries Enhancement Loan Program

Section

500. Declaration of Policy  
510. Powers and Duties of the  
Commissioner  
520. Limitation on Loans  
530. Assessment on Sale of Salmon

Section

540. Voluntary Assessment on  
Sale of Salmon  
550. Sale or Transfer of Mort-  
gages and Notes  
560. Definitions

Sec. 16.10.500. Declaration of Policy.

It is the policy of the state, under secs. 500-550 of this chapter, to promote the enhancement of the state's fisheries by means of grants for organizational and planning purposes to regional associations which have qualified under sec. 380 of this chapter, and by means of long-term, low interest loans for hatchery planning, construction, and operation. (§ 1 ch 190 SLA 1976; am § 7 ch 154 SLA 1977)

Sec. 16.10.505. Fisheries Enhancement Revolving Loan Fund.

There is created within the Department of Commerce and Economic Development a revolving fund to be known as the fisheries enhancement revolving loan fund. The fund shall be used to carry out the purposes of secs. 500-550 of this chapter and for no other purpose. (§ 8 ch 154 SLA 1977)

Sec. 16.10.510. Powers and Duties of the Commissioner.

The commissioner may

- (1) make loans to permit holders, under secs. 400-470 of this chapter, including those holders issued permits before the effective date of this Act, for the planning, construction, and operation of hatchery facilities;
- (2) make loans to qualified regional associations which have formed a nonprofit corporation or a local nonprofit corporation approved by a qualified regional association, for preconstruction activities necessary to obtain a permit;
- (3) designate agents and delegate powers to them as necessary;
- (4) adopt regulations necessary to carry out his functions;
- (5) establish amortization plans for repayment of loans, not to exceed 25 years;

- (6) establish the rate of interest for loans not to exceed eight per cent a year;
- (7) establish regional and local offices and advisory groups to carry out, or assist in carrying out, his duties and authority;
- (8) no repayment of principal is required for an initial period of six years, and no interest on the principal shall accrue during that period. This provision also applies to loans made under this chapter before the effective date of this Act;
- (9) make grants for organizational and planning purposes to qualified regional associations which have formed a non-profit corporation, in amounts not exceeding \$100,000 per region and up to an additional \$100,000 on a 50/50 cash matching basis with the regional associations which have an authorized assessment under sec. 530 or 540 of this chapter. The state portion of the matching share shall be available when a final vote for assessments is made under sec. 530 or 540 of this chapter. This provision also applies to qualified regional associations which have formed a nonprofit corporation before the effective date of this Act. (§ 1 ch 190 SLA 1976; am § 9-11 ch 154 SLA 1977)

Sec. 16.10.520.            Limitation on Loans.

- (a) A single fisheries enhancement loan may not exceed \$3,000,000 for a hatchery constructed under a permit granted to a qualified regional association which has formed a nonprofit corporation, or to a local nonprofit corporation approved by a qualified regional association. A loan for any other nonprofit hatchery corporation project may not exceed \$300,000.
- (b) Loans for the total project costs may be made if the commissioner determines that the applicant has sufficient financial resources to insure the establishment of an equity position in the project equal to 10 per cent of the loan within six years or less, either through an assessment levied under secs. 530 or 540 of this chapter or other means approved by the commissioner. For purposes of this subsection, "total project costs" includes planning and construction costs for the facility and the cost of operations for not more than the first six years. The costs for operations shall be loaned on an annual basis.



- (c) All loans must be secured by collateral satisfactory to the commissioner, including but not limited to a first deed of trust, assignment of lease and leasehold improvements, sale of surplus fish from the hatchery, or assessments from fishermen levied under sec. 530-540 of this chapter.
- (d) The commissioner may require what he considers adequate evidence of performance in utilizing loan funds approved for an initial or preliminary project before approving a subsequent loan application.
- (e) The total amount of loans made or purchased in any fiscal year shall not exceed the amount specifically authorized by statute. The amount to be purchased shall not exceed \$3,000,000 for fiscal year 1977 and \$10,000,000 for fiscal year 1978. (\$ 1 ch 190 SLA 1976; am \$12 and 13 ch 154 SLA 1977)

Sec. 16.10.530. Assessment on Sale of Salmon.

- (a) The commissioner, on request of the qualified regional association for the area in which the assessment is to be levied, and after consultation with the commissioner of fish and game, shall establish areas in which an assessment shall be levied on the sale of one or more species of salmon caught by persons licensed under AS 16.05.540 - 16.05.600, in the area in which the assessment is to be levied. A request by the qualified regional association shall include a description of compliance with (e) of this section. The commissioner shall determine whether the procedural requirements under (e) of this section were followed and whether the proposed assessment is reasonable. An assessment levied under this section shall be for the purpose of providing revenue for the qualified regional association for the area in which the assessment is made. The rate and conditions of assessments, including species to be involved, shall be stated by the appropriate qualified regional association in conjunction with the request to the commissioner under this subsection.
- (b) Repealed by § 19 ch 154 SLA 1977.
- (c) The commissioner and the appropriate qualified regional association must agree on a means of collection of the assessment and the commissioner may, by regulation, require its collection by buyers of the salmon upon the sale of which an assessment is levied.

- (d) The assessment shall terminate upon request of the qualified regional corporation when all financial obligations relating to the assessments have been met.
- (e) Before an assessment is made under this section, the qualified regional association for the area in which the assessment is to be levied shall hold an initial public meeting to explain and discuss the necessity for the assessment and to explain the registration procedure established under (f) of this section. Reasonable public notice of the meeting shall be sent to all limited entry permit holders actively participating in a fishery in the area, posted in at least three centrally located public places in the area, and published in at least one newspaper of general circulation at least one time a week for three consecutive weeks in the area, if one exists. The notice shall briefly state the amount of the assessment and a short general description of the purposes for which the assessment money will be used. A ballot shall be mailed to all limited entry permit holders actively participating in a fishery in the area at least 20 days before the initial public meeting and contain a copy of the notice and ask the question whether an assessment shall be imposed. At the public meeting the returned ballots shall be counted by a special committee appointed by the regional association for that purpose, and a vote by written ballot shall be taken on the question from among the limited entry permit holders present at the initial public meeting. After the vote is taken at the initial meeting a second public meeting shall be held, upon the limited notice of publication in a newspaper of general circulation, each day for five consecutive days and the mailing of personal notice to all limited entry permit holders who actively participate in a fishery in the area at least 14 days before the second public meeting, to give those who did not vote by written ballot at the initial public meeting an opportunity to vote. These votes shall be counted with the votes counted at the initial meeting. A majority vote for the assessment is required from the combined total of the returned ballots and the votes by ballot cast at both public meetings, before an assessment may be imposed. No person may vote twice.
- (f) The qualified regional association shall establish standard registration procedures for voting on assessments under this section. (§ 1 ch 190 SLA 1976; am § 14-16 & 19 ch 154 SLA 1977)

Sec. 16.10.540. Voluntary Assessment on Sale of Salmon.

- (a) In place of or in addition to an assessment levied under sec. 530 of this chapter, an association of persons licensed under AS 16.05.540-16.05.600, which consists of at least 51 per cent of the persons so licensed and actively participating in a fishery to be benefited by a hatchery program, may levy and collect an assessment from among its members for the purpose of securing and repaying a loan made under sec. 510 of this chapter.
- (b) Upon satisfactory demonstration to the commissioner that an assessment levied under this section may reasonably be relied upon to secure and repay a loan to be made under sec. 510 of this chapter, the commissioner may make the loan without requiring an assessment under sec. 530 of this chapter.
- (c) If an assessment made under this section fails to satisfy the payments required on the principal and interest due on the loan the commissioner may negotiate with the regional association to levy an assessment under sec. 530 of this chapter. (\$ 1 ch 190 SLA 1976)

Sec. 16.10.550. Sale or Transfer of Mortgages and Notes.

- (a) The commissioner may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the department as security for loans made under this chapter. The Department of Revenue shall purchase all the mortgages and notes offered until the current principal amount of all mortgages and notes purchased and held by that department equals \$200,000,000. (\$ 1 ch 190 SLA 1976)

Sec. 16.10.560. Definitions.

In secs. 500-560 of this chapter

1. "commissioner" means the commissioner of commerce and economic development;
2. "hatchery" means a facility for the artificial incubation of salmon eggs which may include means for the rearing of juvenile salmon. (\$ 1 ch 190 SLA 1976)

Article 10. Salmon Authorities

Section

Section

600. Creation of Authorities

620. Powers of the Authorities

610. Tax Exemption

Sec. 16.10.600 Creation of Authorities.

- (a) An association qualified under sec. 380 of this chapter as a regional association is given the authority to form a regional salmon enhancement authority. There is created with respect to each of the associations qualified under sec. 380 of this chapter a public body corporate and politic as a political subdivision of the state to function in the operating areas of the individual associations. Each authority may exercise all powers conferred by secs. 600-620 of this chapter.
- (b) A regional salmon enhancement authority may not transact business or exercise powers granted to it until the governing body of the association has, by resolution, declared there is a need for the authority to function, given it the authority to function and appointed persons to serve as the board of commissioners of the authority. The number of members of the board of commissioners, their terms of office and the filling of vacancies in office shall be determined by resolution of the governing body of the association.
- (c) The regional salmon enhancement authority has jurisdiction to operate in all or part of the operating area of the individual association as determined by resolution of the governing body of the association. (§ 17 ch 154 SLA 1977)

Sec. 16.10.610. Tax Exemption.

- (a) A salmon enhancement authority is exempt from payment of taxes or assessments for a period of 20 years from the effective date of this Act on property owned by the authority which is used for salmon enhancement purposes.
- (b) All obligations or liabilities of a regional salmon enhancement authority remain its own and are not obligations or liabilities of the state. (§ 17 ch 154 SLA 1977)

Sec. 16.10.620. Powers of the Authority.

A salmon enhancement authority has the general power to

- (1) adopt, alter and use a corporate seal;
- (2) prescribe, adopt, amend and repeal bylaws;
- (3) sue and be sued in its own name;
- (4) appoint officers, agents and employees and vest them with powers and duties and to fix, change and pay compensation for their services as the authority may determine;
- (5) borrow money, make and issue notes and other evidences of indebtedness of the authority for any of its corporate purposes and to secure payment of its obligations by pledge of or lien on all or any of its assets, contracts, revenue and income;
- (6) make and execute agreements, contracts and other instruments necessary or convenient in the exercise of its powers and functions, including contracts with any person, firm, corporation, government agency or other entity;
- (7) receive, administer and comply with the conditions and requirements of an appropriation, gift, grant or donation of property or money;
- (8) invest or reinvest money or funds held by the authority in obligations or other securities or investments in which banks or trust companies in the state may legally invest funds held in reserves or sinking funds or funds not required for immediate disbursement, and in certificates of deposits or time deposits;
- (9) acquire, hold, use, lease, sell or otherwise dispose of property of any kind, real, personal or mixed or any interest in it;
- (10) do all acts and things necessary, convenient or desirable to carry out the powers granted or implied in secs. 600-690 of this chapter;
- (11) adopt, amend and repeal rules and regulations necessary (§ 17 ch 154 SLA 1977)

