Chapter 16.51. ALASKA SEAFOOD MARKETING INSTITUTE 2004

Sec. 16.51.010. Alaska Seafood Marketing Institute established.

There is established the Alaska Seafood Marketing Institute. The institute is a public corporation of the state. It is an instrumentality of the state in the Department of Commerce, Community, and Economic Development, but has a legal existence independent of and separate from the state. Exercise by the institute of the powers conferred by this chapter is an essential governmental function of the state.

Sec. 16.51.020. Board of directors.

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

(b) Five members of the board shall be seafood processors: four of the seafood processors must have an annual payroll in the state of more than $2,500,000; one of the seafood processors must have an annual payroll in the state of $50,000 - $2,500,000. Two members of the board must be engaged in commercial fishing.

(c) The board shall annually elect a chairman and other necessary officers from among its members.

Sec. 16.51.030. Term of office.

The members of the board appointed by the governor under AS 16.51.020 serve three-year terms and may be reappointed. Terms shall be staggered. An appointee to fill a vacancy shall hold office for the balance of the term for which the appointee's predecessor on the board was appointed.

Sec. 16.51.040. Removal and vacancies.

The members of the board appointed by the governor under AS 16.51.020 serve at the governor's pleasure. A vacancy on the board occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only.

Sec. 16.51.050. Quorum.

Four members of the board appointed under AS 16.51.020 constitute a quorum for the transaction of business and the exercise of the powers and duties of the board.

Sec. 16.51.060. Compensation of board members.

Board members receive no salary, but are entitled to per diem and travel expenses authorized by law for other state boards and commissions under AS 39.20.180 .

Sec. 16.51.070. Meetings.

The board shall meet at least once a year. A meeting of the board shall occur at the call of the chairman, or upon the written request of two members of the board.

Sec. 16.51.080. Employment of personnel.

The board may employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25.

Sec. 16.51.090. Powers of board.

In carrying out the powers of the institute, the board may

(1) adopt, alter, and use a corporate seal;

(2) prescribe, adopt, amend, and repeal bylaws;

(3) sue and be sued in the name of the institute;

(4) enter into any agreements necessary to the exercise of its powers and functions;

(5) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the institute, including entering into contracts for joint programs of consumer education, sales promotion, quality control, advertising, and research in the production, processing, or distribution of seafood;

(6) conduct, or contract for, scientific research to develop and discover health, dietetic, or other uses of seafood harvested and processed in the state;

(7) receive contributions of money from persons;

(8) establish offices in the state and otherwise incur expenses incidental to the performance of its duties;

(9) appear on behalf of the institute before boards, commissions, departments, or other agencies of municipal, state, or federal government;

(10) acquire, hold, lease, sell, or otherwise dispose of property, but such property is limited to that which is necessary to the administrative functioning of the office of the institute;

(11) establish and maintain one or more bank accounts for the transaction of the institute's business;

(12) prepare market research and product development plans for the promotion of any species of seafood and their by-products that may be harvested in the state and processed for sale;

(13) establish committees related to the marketing of salmon and salmon products; the board shall, to the extent practicable, appoint equal numbers of seafood processors and persons engaged in commercial fishing to the committees.

Sec. 16.51.095. Executive Budget Act.

The operating budget of the institute shall be prepared and submitted in accordance with AS 37.07 (Executive Budget Act).

Sec. 16.51.100. Duties of board.

The board shall

(1) conduct programs of education, research, advertising, or sales promotion designed to accomplish the purposes of this chapter;

(2) promote all species of seafood and their by-products that are harvested in the state and processed for sale;

(3) develop market-oriented quality specifications for Alaska seafood to be used in developing a high quality image for Alaska seafood in domestic and world markets, and adopt and distribute recommendations regarding the handling of seafood from the moment of capture to final distribution;

(4) prepare market research and product development plans for the promotion of all species of seafood and their by-products that are harvested in the state and processed for sale;

(5) submit an annual report to the governor describing the activities of the institute and notify the legislature that the report is available;

(6) develop marketing programs based on the "inspection" and "premium quality" seals designed under AS 17.20.066 and use the seals in advertising and promotion efforts of the institute;

(7) *[Repealed, Sec. 10 ch 55 SLA 1993].*

(8) *[Repealed, Sec. 10 ch 55 SLA 1993].*

(9) *[Repealed, Sec. 10 ch 55 SLA 1993].*

Sec. 16.51.110. Prohibited promotions.

The board may not promote or make a contract that promotes seafood by

(1) geographic origin other than from the state generally;

(2) geographic region of the state; or

(3) specific brand name.

Sec. 16.51.120. Seafood marketing assessment.

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

(b) Each processor shall pay a seafood marketing assessment of .1 percent of the value of seafood products produced in Alaska by the processor.

(c) Each processor shall pay a seafood marketing assessment of .2 percent of the value of seafood products produced in Alaska by the processor.

(d) Each processor shall pay a seafood marketing assessment of .3 percent of the value of seafood products produced in Alaska by the processor.

(e) Each processor shall pay a seafood marketing assessment of .4 percent of the value of seafood products produced in Alaska by the processor.

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

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

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

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

Sec. 16.51.130. Termination of the seafood marketing assessment.

(a) A seafood marketing assessment levied under AS 16.51.120 (b), (c), (d), (e), (h), or (i) shall be terminated by the commissioner of revenue if an election is held under AS 16.51.140 in which the termination is approved by eligible processors who together produce at least 51 percent of the total value of seafood products produced in Alaska during the calendar year.

(b) An election under (a) of this section shall be held if

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

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

(c) The institute shall provide notice of an election in accordance with AS 16.51.140 within 60 days after receiving notice from the director of elections that a valid petition under (b)(2) of this section has been received.

(d) The seafood marketing assessment is terminated on the effective date stated on the ballot.

Sec. 16.51.140. Procedures for an election to approve or terminate a seafood marketing assessment.

(a) The institute may conduct an election under this section after the director of elections approves

(1) the notice to be published by the institute;

(2) the ballot to be used in the election; and

(3) the registration and voting procedures for the approval or termination of the seafood marketing assessment.

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

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

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

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

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

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

(4) the ballot must

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

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

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

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

(c) The director of elections shall certify the results of an election under this section if the director determines that the requirements of (a) and (b) of this section have been satisfied.

(d) For the purposes of this section a ballot submitted by a corporation is presumed valid if the ballot is signed by an individual who is indicated to be an officer of the corporation and the ballot is imprinted with the corporate seal.

Sec. 16.51.150. Determination of value.

(a) Upon request from the director of elections, the commissioner of revenue shall determine

(1) the total value of seafood products produced in Alaska during any calendar year;

(2) whether the eligible processors approving the levy or termination of a seafood marketing assessment together produced at least 51 percent of the total value of seafood products produced in Alaska during the calendar year; or

(3) whether the eligible processors petitioning for an election under AS 16.51.130 (b)(2) together produced at least 25 percent of the total value of seafood products produced in Alaska during the calendar year.

(b) The total value of seafood products produced in Alaska in a calendar year is the sum of the

(1) total value of the fisheries resource on which the tax imposed under AS 43.75.015 and 43.75.100 is levied in that calendar year; and

(2) total value of the fisheries resource on which the tax imposed under AS 43.77 is levied in that calendar year.

(c) The value of seafood products produced in Alaska by a processor during a calendar year is the sum of the

(1) total value of the fisheries resource on which the processor must pay the tax imposed under AS 43.75.015 and 43.75.100 in that calendar year; and

(2) total value of the fisheries resource on which the processor must pay the tax imposed under AS 43.77.010 in that calendar year.

Sec. 16.51.160. Collection of assessments and disposition of proceeds.

(a) Each processor shall remit to the Department of Revenue before April 1 of each year the total amount of the seafood marketing assessment owed on the value of seafood products produced in Alaska by the processor in the previous calendar year.

(b) *[Repealed, Sec. 28 ch 90 SLA 1991]*.

Sec. 16.51.170. Enforcement of assessments.

The provisions of AS 43.05 and AS 43.10 apply for the enforcement and collection of the seafood marketing assessment.

Sec. 16.51.180. Definitions.

In this chapter,

(1) "board" means the board of directors of the Alaska Seafood Marketing Institute;

(2) "eligible processor" means a processor who would be liable for payment of a seafood marketing assessment levied under AS 16.51.120 ;

(3) "institute" means the Alaska Seafood Marketing Institute;

(4) "processor" means a person who is liable for

(A) the tax imposed under AS 43.75.015 ;

(B) the tax imposed under AS 43.75.100 ; or

(C) the landing tax imposed under AS 43.77;

(5) "produce" means perform an activity upon which a tax is imposed under AS 43.75 or AS 43.77, including the purchase, production, landing, or export of a fisheries resource.

(6) "promote or make a contract that promotes seafood" means to advertise or publicize, or make a contract for advertising or publicizing, the use, value, attractiveness, or quality of seafood;

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

(8) *[Repealed, Sec. 13 ch 81 SLA 1996]*.

BYLAWS

ALASKA SEAFOOD MARKETING INSTITUTE

A Public Corporation of the State of Alaska

ARTICLE I
OFFICES

Section 1. PRINCIPAL OFFICE

The principal office of the corporation is located in the City and Borough of Juneau, Alaska.

Section 2. OTHER OFFICES

The Institute may also have offices at such other places, within or without its state of incorporation, as its business and activities may require, and as the Board of Directors may, from time to time, designate.

ARTICLE II
REVENUE

Section 1. ASSESSMENTS

Pursuant to, and in compliance with the procedures set forth in AS 16.51.140, the Alaska Seafood Marketing Institute (the "Institute") may conduct an election among eligible seafood processors, as defined in AS 16.51.180, who together produce at least fifty-one percent (51%) of the value of seafood products produced in Alaska in the given calendar year. Such seafood processors shall approve or reject a mandatory seafood marketing assessment to be levied at one of six levels on seafood products produced in Alaska, the assessment to be paid by all seafood processors who produce seafood products with an ex-vessel value of fifty thousand dollars ($50,000) or more in a given year, in accordance with AS 16.51.120.

Such seafood marketing assessment shall be collected and deposited in the general fund of the State of Alaska (the "state") for the share deemed appropriate by the seafood processing industry (the "industry") of the cooperative seafood marketing effort between the state and the industry. Such seafood marketing assessment may be terminated under the procedures set forth in AS 16.51.130.

Section 2. CONTRIBUTIONS

Pursuant to AS 16.51.090(7), "the Institute may solicit and receive contributions of money." The Institute may also attempt to derive revenue from other sources, including, but not limited to, government grants and contracts, private gifts, the sale of promotional materials, and other services.

Section 3. EXPENDITURES

(a) The operating budget of the Institute shall be prepared and submitted in accordance with the Executive Budget Act (AS 37.07.010-37.07.130).

(b) Administrative expenditures will be kept to a minimum in accordance with a budget approved by the Board of Directors.

(c) After administrative costs, the balance of the Institute's revenue will be used to promote the sale of Alaska seafood in domestic and international markets, (and to) develop quality assurance programs. Funds may also be made available for special promotions or other purposes at the discretion of the Board of Directors.

(d) Budget planning and expenditures will take place according to the guidelines established in Article VI of these Bylaws.

ARTICLE III
BOARD OF DIRECTORS

Section 1. NUMBER AND COMPOSITION

The management of the Institute shall be vested in a Board of Directors, consisting of seven (7) voting members, who shall be appointed by the governor of the state. The composition of the Board of Directors shall be as follows:

(a) Four (4) members of the Board of Directors shall be seafood processors, Four of which must have an annual payroll in the state in the amount of more than $2,500,000 or more, one of the seafood processors must have an annual payroll in the state of $50,000-$2,500,000;

(b) Two members of the Board of Directors must be engaged in commercial fishing.

Section 2. TERM OF OFFICE

The members of the Board of Directors of the Institute shall serve staggered terms of three (3) years, and an appointee to fill a vacancy shall hold office only for the balance of the term for which his predecessor was appointed. Initial appointments to the Board of

Directors occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only.

Section 3. REMOVAL AND VACANCIES

The members of the Board of Directors shall serve at the pleasure of the governor and may be removed by the governor at any time with or without cause. A vacancy on the Board of Directors occurring other than by expiration of term may be filled in the same manner as the original appointment, but for the unexpired term only.

Section 4. QUORUM

Four members of the Board of Directors shall constitute a quorum for the transaction of business and the exercise of the powers and duties of the Board of Directors.

Section 5. COMPENSATION

Members of the Board of Directors and Committees shall receive no salary but are entitled to per diem and travel expenses authorized by law under Alaska Statute AS 16.51.090(13).

Section 6. MEETINGS

Regular meetings of the Board of Directors shall be held. The board shall determine the number of times a year they meet. Meetings shall occur at the call of the Chairman, as defined in Article IV, Section (3) of these Bylaws, or upon the written request of two (2) members of the Board of Directors. Meetings shall be held at such time and place as stated in the call. The Secretary of the Institute shall provide written notice of a meeting at least ten (10) days prior thereto.

Section 7. EMPLOYMENT OF EXECUTIVE DIRECTOR AND PERSONNEL

The Board of Directors shall employ and determine the salary of the Executive Director. The Executive Director shall be an employee of the Institute approved by the Board of Directors. The Executive Director shall receive such salary and be employed for such term and under such provisions as shall be agreed to by the Board of Directors. The Executive Director shall direct the Institute's affairs, subject to the supervision of the Chairman and the Board of Directors. The Executive Director shall be an ex officio member of all committees, but without the right to vote. The Executive Director may, with the approval of the Board of Directors, select and appoint additional employees to assist in the day to day operations of the Institute as necessary. They shall be salaried and employed for such duration as the Executive Director deems warranted. Such employees shall report to the Executive Director and carry such titles as deemed appropriate to the exercise of their duties. The Executive Director and all employees are in the exempt service of state government employees.

Section 8. POWERS

Pursuant to AS 16.51.090, in carrying out the powers of the Institute, the Board of Directors may:

(a) adopt, alter, and use a corporate seal;

(b) prescribe, adopt, amend and repeal bylaws;

(c) sue and be sued in the name of the Institute;

(d) enter into any agreements necessary to the exercise of its powers and functions;

(e) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the Institute, including entering into contracts for joint programs of consumer education, sales promotion, quality control, advertising and research in the production, processing, or distribution of seafood;

(f) conduct, or contract for, scientific research to develop and discover health, dietetic, or other uses of seafood harvested and processed in the state;

(g) receive contributions of money from persons;

(h) establish offices in the state and otherwise incur expenses incidental to the performance of its duties;

(i) appear on behalf of the Institute before boards, commissions, departments, or other agencies of municipal, state or federal government;

(j) acquire, hold, lease, sell, or otherwise dispose of property, but such property is limited to that which is necessary to the administrative functioning of the office of the Institute;

(k) establish and maintain one or more bank accounts for the transaction of the Institute's business;

(l) prepare market research and product development plans for the promotion of any species of seafood and their by-products that may be harvested in the state and processed for sale.

Section 9. DUTIES

Pursuant to AS 16.51.100, the Board of Directors shall:

(a) conduct programs of education, research, advertising, or sales promotion designed to accomplish the purposes of the Institute;

(b) promote the species of seafood and their by-products that are harvested in the state and processed for sale;

(c) develop market-oriented quality specifications for Alaska seafoods to be used in fostering a high quality image for Alaska seafood in domestic and world markets, and adopt and distribute recommendations regarding the handling of seafood from the moment of capture to final distribution;

(d) prepare market research and product development plans for the promotion of the species of seafood and their by-products that are harvested in the state and processed for sale;

(e) submit an annual report to the governor and the legislature describing the activities of the Institute;

(f) develop marketing programs based on the "inspection" and "premium quality" seals designed under AS 03.05.026 and use the seals in advertising and promotion efforts of the Institute;

Section 10. PROHIBITED PROMOTION

Pursuant to AS 16.51.110, the Board of Directors may not promote or make any contract that promotes seafood by:

(a) geographic origin other than from the state generally;

(b) geographic region of the state; or

(c) specific brand name.

ARTICLE IV

OFFICERS

Section 1. NUMBER

The officers of the Institute shall be a Chairman, a Vice-Chairman, and a Secretary.

Section 2. METHOD OF ELECTION

(a) The Chairman and Vice-Chairman shall be elected by and from the Board of Directors and shall serve a term of two years or until his or her successor is elected and qualified. Elections will be held at every other spring meeting. Nominations will be taken from the floor. An officer's term of service is not limited to a single term. A majority of a quorum present shall be necessary to elect any and all officers.

(b) The Secretary shall not be elected; the Executive Director of the Institute shall be designated as its Secretary.

Section 3. CHAIRMAN

The Chairman shall preside at the meetings of the Board of Directors and shall be an ex officio member, with the right to vote, of all committees. The Chairman shall, at the meetings of the Institute and such other times as he or she deems proper, communicate to the Institute or to the Board of Directors such matters and make such suggestions as may in the Chairman's opinion tend to promote the prosperity and welfare and increase the usefulness of the Institute, and shall perform such other duties as are necessarily incident to the office of Chairman, or as may specifically be delegated to him or her by the Board of Directors.

Section 4. VICE-CHAIRMAN

During the absence or disability of the Chairman, the Vice-Chairman shall perform all of the duties of the Chairman. The Vice-Chairman shall have such other powers and discharge such duties as may be prescribed by the Board of Directors.

Section 5. SECRETARY

The Secretary shall issue required notices for all meetings; shall attend and keep minutes of all meetings of the Board of Directors; shall have charge of the corporate seal and corporate books; shall attempt to assure that all actions required of the Institute are being performed, whether such actions are to be taken by employees or other entities appointed for any given purpose of the Institute; shall make such reports and perform such other duties as are incident to the Office of Secretary, or are properly required of him or her by the Board of Directors; and shall devote his or her best efforts to forwarding the business and advancing the interests of the Institute. During the absence or disability of the Secretary, the Board of Directors may appoint a Secretary pro tem. The Executive Director will function as the Secretary.

Section 6. DELEGATION

In the case of the absence or the inability to act of any officer of the Institute and of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer, director or other person whom it may select.

Section 7. OTHER OFFICERS

The Board of Directors may appoint such other officers and agents as it shall deem necessary or expedient, who shall hold their offices from such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The Board may offer ex-officio board positions to representatives from the Alaska Governor's office, the Department in which ASMI resides and the

Alaska State Legislature. These ex-officio members will be non-voting positions on the ASMI Board.

Section 8. VACANCIES

Vacancies in any office may be filled by the Board of Directors at any meeting of the Board.

Section 9. REMOVAL

Any officer or other agent of the Institute elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the entire Board of Directors. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 10. LOANS

No loans shall be made by the Institute to any officer.

Section 11. BONDS

The Board of Directors may, by resolution, require any or all of the officers and agents of the Institute to give bonds to the Institute, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 12. REMUNERATION

The officers, except the Secretary, shall serve without compensation.

ARTICLE V
COMMITTEES

Section 3. SEAFOOD TECHNICAL COMMITTEE

There is hereby established a Seafood Technical Committee which shall consist of not more than fifteen (15) members, who shall be appointed by the Chairman and ratified by the Board of Directors. The Chairman, in his selection of appointees, shall provide for balanced representation of all sections of the industry. The Seafood Technical Committee shall study and make recommendations to the Board of Directors regarding the development of market-oriented quality specifications for Alaska seafoods to be used in developing a high quality image for Alaska seafood in domestic and world markets, and to adopt and distribute recommendations regarding the handling of seafood from the

moment of capture to final distribution, in accordance with Article III, Section 9 (c) of these Bylaws.

(a) There shall be established on an as-needed basis advisory sub-committees made up of Seafood Technical Committee members appointed by the Chairman of the Seafood Technical Committee, which shall report to the full Committee. Each sub-committee shall make recommendations regarding the handling and quality specifications for different species and product forms harvested in Alaska.

Section 4. OTHER COMMITTEES AND SUB-COMMITTEES

The Board of Directors, by resolution adopted by a two-thirds majority of the directors in office, may designate and appoint such other advisory committees and sub-committees as the Board of Directors shall deem appropriate. Committee vacancies shall be filled at the discretion of the Chairman of the Board with preference given to qualified and interested board members. The committees shall have and exercise such authority as is provided for in the resolutions of the Board of Directors which establish said committees.

Section 5. GENERAL

The establishment, designation or appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law. Each committee so established, designated or appointed shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office of the Institute.

Section 6. QUORUM OF COMMITTEES

A majority of any committee shall constitute a quorum for the transaction of business, unless any committee shall, by a majority vote of its entire membership, decide otherwise.

Section 7. APPOINTMENT OF COMMITTEE CHAIRMEN AND VACANCIES ON COMMITTEES

Committee members shall elect committee chairs. Chairs shall serve a 2 year term. The chairs can serve more than one term provided the terms are not contiguous. The Board Chairman shall designate replacements to fill any vacancy on any committee; any such replacements shall be ratified by the Board of Directors at the next meeting of the Board of Directors.

ARTICLE VI
BUDGETING AND EXPENDITURE CONTROL

Section 1. ANNUAL BUDGETING

The Executive Director shall present to the Board of Directors the proposed budget for a given fiscal year in advance of submission of the Institute's total budget to the Legislature for authorization of expenditure of state funds. The Board shall take action to approve the submission to the Legislature.

Section 2. EXPENDITURE CONTROL

It shall be the responsibility of the Executive Director to approve all expenditures of Institute funds in accordance with the budgets approved by the Board of Directors

Section 3. EXPENDITURE REPORTING

The Executive Director shall establish a system to provide a monthly report of all expenditures, to show all budget categories as approved by the Board of Directors, with authorization level, funds expended, and balance remaining. Quarterly, the expenditure report shall also list funds obligated and show projections of full annual expenses for all budget categories. Financial reports shall be provided to the Board of Directors at each meeting and quarterly reports to all directors.

ARTICLE VII
SEAL

The Seal of the Institute shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors.

ARTICLE VIII
LIMITATION OF LIABILITY AND INDEMNIFICATION

No member of the Board of Directors shall, solely by reason of being or having been a director, be subject to any liability to any party in connection with the property or affairs of the Institute. The Institute shall indemnify present and former directors of the Institute, their representatives and present and former officers of the Institute against all claims, liabilities, and reasonable legal and other expenses of defense, whether such claims proceed to judgment or are settled or otherwise brought to a conclusion, to which the same may become subject solely by reason of being or having been a director, such representative or officer. The rights accruing under this Article VIII shall not exclude any other rights to which such director or officer may be lawfully entitled, nor shall anything

herein contained restrict the right of the Institute to indemnify or reimburse such director or officer in any appropriate situation even though not specifically provided herein.

ARTICLE IX
DISSOLUTION

In the event of the dissolution of the Institute, any assets thereof remaining after paying or adequately providing for the debts and obligations of the Institute and expenses of dissolution shall be returned to the General Fund of the State of Alaska.

ARTICLE X
AMENDMENTS

These Bylaws may be altered, amended or repealed and any new bylaw may be adopted by a two-thirds vote of all the directors of the Institute, but only if notice of the proposed amendment has been included in the notice calling the meeting.

ARTICLE XI
FISCAL YEAR

The fiscal year of the Institute shall be same as that of the State of Alaska: July 1 to June 30.

ARTICLE XII
GENERAL PROVISIONS

The division of these Bylaws into articles, sections and paragraphs is for convenience only, and such divisions and subdivisions and captions shall not affect the meaning or interpretation of these Bylaws. Personal pronouns, whether expressed in the masculine or feminine, shall be read as applying to all genders wherever applicable.

I hereby certify that these Bylaws are adopted by a majority of all of the directors of the Board of Directors at a meeting duly called and held on the 2nd day of June, 2004..

Alexa Tonkovich

Alexa Tonkovich
Secretary

Alaska Open Meetings Act (AS 44.62.310 and AS 44.62.312)

Sec. 44.62.310. Government meetings public.

(a) All meetings of a governmental body of a public entity of the state are open to the public except as otherwise provided by this section or another provision of law. Attendance and participation at meetings by members of the public or by members of a governmental body may be by teleconferencing. Agency materials that are to be considered at the meeting shall be made available at teleconference locations if practicable. Except when voice votes are authorized, the vote shall be conducted in such a manner that the public may know the vote of each person entitled to vote. The vote at a meeting held by teleconference shall be taken by roll call. This section does not apply to any votes required to be taken to organize a governmental body described in this subsection.

(b) If permitted subjects are to be discussed at a meeting in executive session, the meeting must first be convened as a public meeting and the question of holding an executive session to discuss matters that are listed in (c) of this section shall be determined by a majority vote of the governmental body. The motion to convene in executive session must clearly and with specificity describe the subject of the proposed executive session without defeating the purpose of addressing the subject in private. Subjects may not be considered at the executive session except those mentioned in the motion calling for the executive session unless auxiliary to the main question. Action may not be taken at an executive session, except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations.

(c) The following subjects may be considered in an executive session:

(1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;

(2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;

(3) matters which by law, municipal charter, or ordinance are required to be confidential;

(4) matters involving consideration of government records that by law are not subject to public disclosure.

(d) This section does not apply to

(1) a governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding;

(2) juries;

(3) parole or pardon boards;

(4) meetings of a hospital medical staff;

(5) meetings of the governmental body or any committee of a hospital when holding a meeting solely to act upon matters of professional qualifications, privileges or discipline;

(6) staff meetings or other gatherings of the employees of a public entity, including meetings of an employee group established by policy of the Board of Regents of the University of Alaska or held while acting in an advisory capacity to the Board of Regents; or

(7) meetings held for the purpose of participating in or attending a gathering of a national, state, or regional organization of which the public entity, governmental body, or member of the governmental body is a member, but only if no action is taken and no business of the governmental body is conducted at the meetings.

(e) Reasonable public notice shall be given for all meetings required to be open under this section. The notice must include the date, time, and place of the meeting and if, the meeting is by teleconference, the location of any teleconferencing facilities that will be used. Subject to posting notice of a meeting on the Alaska Online Public Notice System as required by AS 44.62.175 (a), the notice may be given using print or broadcast media. The notice shall be posted at the principal office of the public entity or, if the public entity has no principal office, at a place designated by the governmental body. The governmental body shall provide notice in a consistent fashion for all its meetings.

(f) Action taken contrary to this section is voidable. A lawsuit to void an action taken in violation of this section must be filed in superior court within 180 days after the date of the action. A member of a governmental body may not be named in an action to enforce this section in the member's personal capacity. A governmental body that violates or is alleged to have violated this section may cure the violation or alleged violation by holding another meeting in compliance with notice and other requirements of this section and conducting a substantial and public reconsideration of the matters considered at the original meeting. If the court finds that an action is void, the governmental body may discuss and act on the matter at another meeting held in compliance with this section. A court may hold that an action taken at a meeting held in violation of this section is void only if the court finds that, considering all of the circumstances, the public interest in compliance with this section outweighs the harm that would be caused to the public interest and to the public entity by voiding the action. In making this determination, the court shall consider at least the following:

(1) the expense that may be incurred by the public entity, other governmental bodies, and individuals if the action is voided;

(2) the disruption that may be caused to the affairs of the public entity, other governmental bodies, and individuals if the action is voided;

(3) the degree to which the public entity, other governmental bodies, and individuals may be exposed to additional litigation if the action is voided;

(4) the extent to which the governing body, in meetings held in compliance with this section, has previously considered the subject;

(5) the amount of time that has passed since the action was taken;

(6) the degree to which the public entity, other governmental bodies, or individuals have come to rely on the action;

(7) whether and to what extent the governmental body has, before or after the lawsuit was filed to void the action, engaged in or attempted to engage in the public reconsideration of matters originally considered in violation of this section;

(8) the degree to which violations of this section were wilful, flagrant, or obvious;

(9) the degree to which the governing body failed to adhere to the policy under AS 44.62.312 (a).

(g) Subsection (f) of this section does not apply to a governmental body that has only authority to advise or make recommendations to a public entity and has no authority to establish policies or make decisions for the public entity.

(h) In this section,

(1) "governmental body" means an assembly, council, board, commission, committee, or other similar body of a public entity with the authority to establish policies or make decisions for the public entity or with the authority to advise or make recommendations to the public entity; "governmental body" includes the members of a subcommittee or other subordinate unit of a governmental body if the subordinate unit consists of two or more members;

(2) "meeting" means a gathering of members of a governmental body when

(A) more than three members or a majority of the members, whichever is less, are present, a matter upon which the governmental body is empowered to act is considered by the members collectively, and the governmental body has the authority to establish policies or make decisions for a public entity; or

(B) the gathering is prearranged for the purpose of considering a matter upon which the governmental body is empowered to act and the governmental body has only authority to advise or make recommendations for a public entity but has no authority to establish policies or make decisions for the public entity;

(3) "public entity" means an entity of the state or of a political subdivision of the state including an agency, a board or commission, the University of Alaska, a public authority or corporation, a municipality, a school district, and other governmental units of the state or a political subdivision of the state; it does not include the court system or the legislative branch of state government.

Sec. 44.62.312. State policy regarding meetings.

(a) It is the policy of the state that

(1) the governmental units mentioned in AS 44.62.310 (a) exist to aid in the conduct of the people's business;

(2) it is the intent of the law that actions of those units be taken openly and that their deliberations be conducted openly;

(3) the people of this state do not yield their sovereignty to the agencies that serve them;

(4) the people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know;

(5) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(6) the use of teleconferencing under this chapter is for the convenience of the parties, the public, and the governmental units conducting the meetings.

(b) AS 44.62.310 (c) and (d) shall be construed narrowly in order to effectuate the policy stated in (a) of this section and to avoid exemptions from open meeting requirements and unnecessary executive sessions.