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To direct the Secretary of Commerce to provide emergency disaster assistance to mitigate the economic losses caused by salmon fishery restrictions along the California and Oregon coast, and for other purposes.

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**IN THE SENATE OF THE UNITED STATES**

Mr. SMITH of Oregon (for himself and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To direct the Secretary of Commerce to provide emergency disaster assistance to mitigate the economic losses caused by salmon fishery restrictions along the California and Oregon coast, and for other purposes.

*Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. EMERGENCY DISASTER ASSISTANCE.--**

(a) **AUTHORIZATION OF PAYMENT.**—The Secretary of Commerce shall make a direct payment to the Pacific States Marine Fisheries Commission for distribution to mitigate the economic losses caused by federal fisheries restrictions put in place to meet the needs of Klamath River Fall Chinook Salmon. The money provided to the Pacific States

Marine Fisheries Commission shall be distributed to—

(1) persons or entities, including federally recognized Indian tribes, which have experienced significant economic hardship as a result of federal fisheries closures or fishing restrictions;

(2) small businesses including fishermen, fish processors, and related businesses serving the fishing industry including, but not limited to, cold storage facilities, ice houses, docks, and other related shoreside fishery support facilities and infrastructure; and

(3) state and local governments adversely affected by reductions in fish landing fees and other fishing-related revenue.

(b) **LIMITATION ON DISTRIBUTIONS.**—Distributions authorized under this section may be made in areas declared by the Governor of a state to be in a state of emergency due to Klamath River basin conditions and limitations on ocean commercial and sport salmon fishing.

(c) **PURPOSE OF DISTRIBUTIONS.**—Distributions may be made for the purposes described in section 312(a)(2) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)(2)).

(d) **LIMITATION ON ADMINISTRATIVE COSTS.**— Not more than 4 percent of such funds provided to the Pacific States Marine Fisheries Commission for disaster relief distributions may be used for administrative expenses, and no funds may be used for lobbying activities or representational expenses. Any funds not distributed by the end of fiscal year 2008 shall be returned to the Treasury.

(e) **RELIEF DISTRIBUTION RECIPIENT REPORTS.**—The Secretary of Commerce

shall require that the Pacific States Marine Fisheries Commission shall, within 6 months after receiving a payment under this section, and every 6 months thereafter, submit to the Secretary of Commerce and the Committee on Appropriations of the House of Representatives and the Senate a report listing the persons and entities to whom the payment was distributed and the rationale for such distributions.

(f) EXCLUSION OF PAYMENTS FROM GROSS INCOME.—For the purposes of the Internal Revenue Code of 1986—

(1) EXCLUSION.—Gross income shall not include any amount received as a payment or distribution under subsection (a).

(2) DENIAL OF DOUBLE BENEFIT.—Rules similar to the rules of subsections (g)(3) and (h) of section 139 of such Code shall apply with respect to any amount excluded under subparagraph (1).

(g) APPROPRIATION.—There is appropriated to the Secretary of Commerce \$81,000,000 to make the payment under this section for fisheries disaster assistance.