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Bullard
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CS FOR HOUSE BILL NO. 366()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE KREISS-TOMKINS

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to commercial fishing entry permits; establishing regional community**
2 **permit banks and community permit bank regions; relating to commercial fishing entry**
3 **permits held and leased by a regional community permit bank; relating to the duties of**
4 **the Commercial Fisheries Entry Commission and the Department of Commerce,**
5 **Community, and Economic Development; and providing for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 *** Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
8 to read:

9 **LEGISLATIVE FINDINGS.** The legislature finds that

10 (1) the state has an ownership and stewardship interest in the fish that
11 originate in Alaska waters and return to spawn;

12 (2) art. VIII, sec. 15, Constitution of the State of Alaska, authorizes the state to
13 limit entry into a fishery for the purpose of preventing economic distress among fishermen

and those dependent on them for a livelihood;

(3) because many of Alaska's coastal communities are isolated, have limited infrastructure, and have a high cost of living and business, they are economically dependent on their regional fisheries;

(4) access to commercial fishing contributes to the traditional cultural values of Alaska communities because those communities with access to commercial fisheries are better able to participate in subsistence and sport fisheries;

(5) the number of Alaska limited entry commercial fishing permits held by residents local to a given fishery has declined substantially since the implementation of limited entry in 1975;

(6) the decline in the number of commercial fishing permits in Alaska's coastal communities has led to economic distress among fishermen, their families, and their communities; and

(7) the state has a compelling interest in promoting the economic self-sustainability of its communities and ensuring their continued economic health and vitality.

* **Sec. 2.** AS 06.05.350(d) is amended to read:

(d) Except as authorized under this section, a person may not

(1) engage in the business of receiving deposits, discounting evidences of indebtedness, or receiving money for transmission;

(2) represent that the person is a bank; or

(3) use any form of the word "bank" in the person's name unless the person is a state bank formed under this title or a bank formed under the authority of another state or an agency of the federal government, or unless it is clear that the use does not represent that the person is a bank; the prohibition in this paragraph does not apply to a food bank, blood bank, **regional community permit bank established under AS 16.44.010,** or **other** [SIMILAR] organization that cannot readily be confused with a bank.

* **Sec. 3.** AS 16.05.253(a) is amended to read:

(a) The Board of Fisheries may require **an individual** [A PERSON] who holds a limited entry permit or an interim-use permit under AS 16.43 **or who leases a limited entry permit under AS 16.44** to be physically present at a beach or riparian

fishing site during the operation of net gear or other stationary fishing gear at the site, except when the permit holder or lessee is at or traveling to or from the location of

(1) a sale of fish caught in the gear; or

(2) other stationary gear of the permit holder or lessee.

* **Sec. 4.** AS 16.05.480(a) is amended to read:

(a) A person engaged in commercial fishing shall obtain a commercial fishing license and shall retain the license in possession and readily available for inspection during fishing operations. An entry permit or interim-use permit entitles the holder, or the lessee of the permit under AS 16.44, to participate as a gear operator in the fishery for which the permit is issued and to participate as a crewmember in any fishery. A crewmember fishing license is not transferable and entitles the holder to participate as a crewmember in any fishery.

* **Sec. 5.** AS 16.05.480(g) is amended to read:

(g) A resident engaged in commercial fishing who is 11 years of age or older and who does not hold or lease an entry permit or an interim-use permit shall, except as provided in (i) of this section, pay a fee of \$60 for an annual crewmember fishing license. A resident engaged in commercial fishing who is less than 11 years of age and who does not hold or lease an entry permit or an interim-use permit shall pay an annual fee of \$5.

* **Sec. 6.** AS 16.05.480(i) is amended to read:

(i) Notwithstanding (g) and (h) of this section, a resident or nonresident engaged in commercial fishing who does not hold or lease an entry permit or an interim-use permit may obtain one seven-day crewmember fishing license under this subsection annually. A person who obtains a seven-day license is not eligible for another seven-day license in the same license year; however, if a person who obtains a seven-day license pays the full fee for an annual crewmember fishing license under (g) or (h) of this section during the same license year, the person is entitled to receive a refund of the fee for the seven-day license. The department shall adopt regulations establishing a refund procedure. During the period for which the seven-day license is valid, a person who holds a seven-day license may not engage in fishing with a rod and reel while present on a commercial fishing vessel. The fee for a seven-day license

1 is \$30.

2 * **Sec. 7.** AS 16.05.480(j) is amended to read:

3 (j) In this section, "commercial fishing license" includes an entry permit and
4 an interim-use permit issued under AS 16.43, an entry permit leased from a
5 regional community permit bank under AS 16.44, and a crewmember fishing
6 license.

7 * **Sec. 8.** AS 16.05.675(a) is amended to read:

8 (a) A person who does not hold or lease a limited entry permit or interim-use
9 permit issued under AS 16.43 or a fish transporter permit issued under AS 16.05.671
10 may not deliver or land fish in the state unless the person

11 (1) holds a valid federal permit to operate commercial fishing gear in
12 the fishery conservation zone; and

13 (2) has been issued a landing permit by the Alaska Commercial
14 Fisheries Entry Commission.

15 * **Sec. 9.** AS 16.05.680(a) is amended to read:

16 (a) It is unlawful for a person, or an agent or representative of the person,

17 (1) to employ, in the harvesting, transporting, or purchasing of fish, a
18 fisherman who neither is licensed under AS 16.05.480 nor is the holder or lessee of a
19 permit issued under AS 16.43;

20 (2) to purchase fish from a person who is not

21 (A) the holder or lessee of a limited entry, interim-use, or
22 landing permit issued under AS 16.43;

23 (B) a fish transporter who is selling the fish as the agent of the
24 holder or lessee of a limited entry, interim-use, or landing permit issued under
25 AS 16.43; or

26 (C) exempt under AS 16.05.660; or

27 (3) to purchase fish from an association other than one to which a
28 permit has been issued under AS 16.05.662.

29 * **Sec. 10.** AS 16.05.710 is amended by adding a new subsection to read:

30 (e) If proceedings to suspend commercial fishing privileges or licenses under
31 this section are pending against a person, a regional community permit bank

established under AS 16.44.010 may not lease the person a permit.

* **Sec. 11.** AS 16.10.265(a) is amended to read:

(a) An individual may not, while acting as a fish processor or primary fish buyer, or as an agent, director, officer, member, or employee of a fish processor, of a primary fish buyer, or of a cooperative corporation organized under AS 10.15, intentionally or knowingly make an original purchase of fish from a seller who does not hold

(1) a landing permit [, AN ENTRY PERMIT,] or an interim-use permit; [OR]

(2) or lease an entry permit under AS 16.44; or

(3) a fish transporter permit under AS 16.05.671.

* **Sec. 12.** AS 16.10.455(b) is amended to read:

(b) A hatchery permit holder may, by a majority vote of the membership of the hatchery permit holder's board, elect to harvest surplus salmon produced at a facility in a terminal harvest area established for that facility through the common property fishery. At the request of the hatchery permit holder and if the commissioner of fish and game determines that there are no allocative issues involved, and after reasonable consultation with affected commercial fishermen and the organizations of affected commercial fishermen, the commissioner may adopt regulations governing the harvest of surplus salmon in a terminal harvest area when the hatchery permit holder elects to harvest surplus salmon produced at a facility through a common property fishery. The regulations must specify the terms, conditions, and rules under which the common property fishery in the terminal harvest area shall be conducted, including requirements for hold inspections and reporting of harvests and sales of salmon taken in the terminal harvest area. Following adoption of regulations by the department, each year before March 10, the hatchery permit holder's board, by a majority vote of the board's membership, may determine whether the hatchery will operate under the regulations adopted under this subsection during the current calendar year, and shall notify the department if the hatchery intends to operate under the regulations adopted under this subsection. The Board of Fisheries may adopt regulations under AS 16.05.251 regarding a fisheries management plan governing

operations under this subsection in a terminal harvest area, including allocation plans. Participation in the fishery must be open to all interim-use permit holders, [AND] entry permit holders, and lessees of entry permits under AS 16.44, who hold or lease permits to operate a type of gear that may be used in the fishing district in which the terminal harvest area is located if that type of gear is authorized by regulation to be used in the terminal harvest area. An interim-use permit holder or an entry permit holder or lessee who takes salmon in a common property fishery in a terminal harvest area may sell the salmon to any fish buyer or processor who is licensed to do business in the state.

* **Sec. 13.** AS 16.10.540(a) is amended to read:

(a) An association of individuals [PERSONS] who hold entry permits under AS 16.43 or lease entry permits under AS 16.44, that consists of at least 51 percent of the persons who hold or lease [HOLDING] entry permits and who actively participate in the [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 AS 16.10.510.

* **Sec. 14.** AS 16.43.140 is amended to read:

Sec. 16.43.140. Permit required. (a) A person may not operate gear in the commercial taking of fishery resources without holding a valid interim-use permit or holding or leasing, under AS 16.44, a valid entry permit [OR A VALID INTERIM-USE PERMIT] issued by the commission.

(b) A permit is not required of a crewmember or other person assisting in the operation of a unit of gear engaged in the commercial taking of fishery resources as long as the holder or lessee of the entry permit or the holder of the interim-use permit for that particular unit of gear is at all times present and actively engaged in the operation of the gear.

(c) An individual [A PERSON] may hold more than one interim-use or entry permit issued or transferred under this chapter only for the following purposes:

- (1) fishing more than one type of gear;
- (2) fishing in more than one administrative area;
- (3) harvesting particular species for which separate interim-use or

entry permits are issued;

(4) if authorized by regulations of the commission, fishing an entire unit of gear in a fishery in which the commission has issued entry permits for less than a unit of gear under AS 16.43.270(d); under this paragraph, **an individual** [A PERSON] may not hold more than two entry permits for a fishery; however, the **individual** [PERSON] may not

(A) fish more than one unit of gear in the fishery; or

(B) acquire a second entry permit for the fishery after the **individual** [PERSON] has acquired an entry permit that authorizes the use of an entire unit of gear in the fishery;

(5) consolidation of the fishing fleet for a salmon fishery; however, **an individual** [A PERSON] may hold not more than two entry permits for a salmon fishery under this paragraph, but the **individual** [PERSON] who holds two entry permits for a salmon fishery may not engage in fishing under the second entry permit.

* **Sec. 15.** AS 16.43.150(a) is amended to read:

(a) Except as may be otherwise provided under AS 16.43.270(d), an entry permit authorizes the permittee, **or an individual leasing the permit under AS 16.44,** to operate a unit of gear within a specified fishery.

* **Sec. 16.** AS 16.43.150(g) is amended to read:

(g) Except as provided in AS 16.10.333 - 16.10.338, AS 44.81.215, 44.81.225, and 44.81.231 - 44.81.250, an entry permit may not be

(1) leased, except for the lease of a permit held by a regional community permit bank established under AS 16.44.010;

(2) [(1)] pledged, mortgaged, [LEASED,] or encumbered in any way;

(3) [(2)] transferred with any retained right of repossession or foreclosure, or on any condition requiring a subsequent transfer; or

(4) [(3)] attached, distrained, or sold on execution of judgment or under any other process or order of any court, except as provided in AS 16.43.170(g) and (h).

* **Sec. 17.** AS 16.43.150(h) is amended to read:

(h) Unless an entry permit holder has expressed a contrary intent in a will that

1 is probated, the commission shall, upon the death of the permit holder, transfer the
2 permanent permit by right of survivorship directly to the surviving spouse or, if no
3 spouse survives, to a natural person **or a regional community permit bank**
4 **established under AS 16.44.010** designated by the permit holder on a form provided
5 by the commission. If no spouse survives and if the person **or regional community**
6 **permit bank** designated on the form, if any, does not survive **or continue to exist**, the
7 permit passes as part of the permit holder's estate. A designation under this subsection
8 must be acknowledged before a person authorized to administer an oath under
9 AS 09.63.010 or must be witnessed by two persons who are qualified under
10 AS 13.12.505 to witness the will of the permit holder. Except as provided in
11 AS 16.10.333 - 16.10.337, AS 44.81.215, and 44.81.231 - 44.81.250, the permit is
12 exempt from the claims of creditors of the estate.

13 * **Sec. 18.** AS 16.43.150 is amended by adding new subsections to read:

14 (j) Subsections (h) and (i) of this section do not apply to a lessee of an entry
15 permit under AS 16.44.

16 (k) A lessee of an entry permit under AS 16.44 has the same use privilege or
17 right in a fishery that is available to an individual holding an entry permit or valid
18 interim-use permit under this chapter.

19 * **Sec. 19.** AS 16.43.160(d) is amended to read:

20 (d) The holder of a permit whose household income, assets, and financial
21 resources fall within the eligibility standards for the food stamp program under 7
22 U.S.C. 2011 - 2025, as amended, is subject to an annual base fee for the issuance or
23 renewal of an entry permit or an interim-use permit that is equal to 50 percent of the
24 annual base fee that the permit holder would otherwise pay under (c) of this section. In
25 addition to the reduced annual base fee under this subsection, a nonresident who
26 qualifies for a reduced fee under this subsection shall pay the annual nonresident
27 surcharge established under (c) of this section. **This subsection does not apply to a**
28 **lessee of an entry permit under AS 16.44.**

29 * **Sec. 20.** AS 16.43.170(a) is amended to read:

30 (a) Except as provided in AS 16.10.333 - 16.10.338 and [IN] AS 44.81.231 -
31 44.81.250, entry permits and interim-use permits are transferable only through the

commission as provided in this section and AS 16.43.180 and under regulations adopted by the commission. **For purposes of this section, the lease of a permit held by a regional community permit bank under AS 16.44 is not a transfer of the permit.** An involuntary transfer of an entry permit in a manner inconsistent with the statutes of this state and the regulations of the commission is void.

* **Sec. 21.** AS 16.43.170(b) is amended to read:

(b) Except as provided in (e) of this section, the holder of an entry permit may transfer the permit to another person, **to a regional community permit bank under AS 16.44,** or to the commission upon 60 **days'** [DAYS] notice of intent to transfer under regulations adopted by the commission. No sooner than 60 days nor later than 12 months from the date of notice to the commission, the holder of an entry permit may transfer the permit. If the proposed transferee, other than the commission **or a regional community permit bank,** can demonstrate the present ability to participate actively in the fishery, and the transfer does not violate any provision of this chapter or regulations adopted under this chapter, and if a certificate for the permit under AS 16.10.333(b)(1) - (2), 16.10.338, or AS 44.81.231(a) is not in effect, the commission shall approve the transfer and reissue the entry permit to the transferee **if** [PROVIDED THAT] neither party is prohibited by law from participating in the transfer.

* **Sec. 22.** AS 16.43.330(a) is amended to read:

(a) When the number of outstanding entry permits for a fishery is less than the optimum number established under AS 16.43.290, the commission shall issue new entry permits to applicants who are presently able to engage actively in the fishery **or, subject to AS 16.44.060(a), to regional community permit banks established under AS 16.44.010** until the optimum number is reached.

* **Sec. 23.** AS 16.43.850 is amended to read:

Sec. 16.43.850. Point system. (a) For the purpose of identifying frequent violators of commercial fishing laws in salmon fisheries, the commission shall adopt regulations establishing a uniform system for the suspension of commercial salmon fishing privileges by assigning demerit points for convictions for violations of commercial fishing laws in salmon fisheries that are reported to the commission under

AS 16.43.880. The commission shall assess demerit points against **an individual who holds an entry permit or interim-use permit or who leases an entry permit under AS 16.44** [A PERMIT HOLDER] for each violation of commercial fishing laws in a salmon fishery in accordance with (b) and (c) of this section. The commission shall assess points against **an individual holding or leasing** a permit [HOLDER] for the salmon fishery in which the violation of commercial fishing laws occurred.

(b) The commission shall assess demerit points against **an individual who holds or leases** a permit [HOLDER] for a conviction of a violation of commercial fishing laws in a salmon fishery under AS 16.05.722, 16.05.723, 16.05.831; AS 16.10.055, 16.10.070 - 16.10.090, 16.10.100, 16.10.110, 16.10.120, 16.10.200 - 16.10.220, and 16.10.760 - 16.10.790 for the following violations in accordance with this schedule:

- (1) fishing in closed waters 6 points;
- (2) fishing during closed season or period 6 points;
- (3) fishing with more than the legal amount of gear 4 points;
- (4) fishing with gear not allowed in fishery 6 points;
- (5) fishing before expiration of transfer period 6 points;
- (6) interfering with commercial fishing gear 4 points;
- (7) fishing with more than the legal amount of
gear on vessel 4 points;
- (8) improper operation of fishing gear 4 points;
- (9) permit holder **or permit lessee** not present when required 4 points;
- (10) fishing with underlength or overlength vessel 6 points;
- (11) wanton waste of fishery resources 4 points.

(c) Notwithstanding (b) of this section, if **the** [A PERMIT HOLDER'S] first conviction of a violation of commercial fishing laws in a salmon fishery in a 36-month period **for an individual who holds or leases a permit** is a conviction under AS 16.05.722, the number of demerit points assessed against the permit holder **or the permit lessee** for the violation must be one-half of the points assessed for the violation under (b) of this section.

(d) The commission shall suspend **the** [A PERMIT HOLDER'S] commercial

salmon fishing privileges of a permit holder or lessee for a salmon fishery for a period of

(1) one year if the permit holder or lessee accumulates 12 or more points during any consecutive 36-month period as a result of convictions for violations of commercial fishing laws in the salmon fishery;

(2) two years if the permit holder or lessee accumulates 16 or more points during any consecutive 36-month period as a result of convictions for violations of commercial fishing laws in the salmon fishery;

(3) three years if the permit holder or lessee accumulates 18 or more points during any consecutive 36-month period as a result of convictions for violations of commercial fishing laws in the salmon fishery.

* **Sec. 24.** AS 16.43.855(a) is amended to read:

(a) Notice of each assessment of points shall be given to the permit holder or lessee. Notice shall also be given to the permit holder or lessee before the expiration of a suspension of commercial salmon fishing privileges under AS 16.43.850(d) that subsequent violations of commercial fishing laws in the salmon fishery may result in further suspensions of the permit. The notice may be given by first class mail.

* **Sec. 25.** AS 16.43.855(c) is amended to read:

(c) The assessment of points against a permit holder or lessee by the commission under AS 16.43.850 - 16.43.895 is in addition to, and not in substitution for, other provisions of this title and is not a substitute for any penalty imposed by a court.

* **Sec. 26.** AS 16.43.855(d) is amended to read:

(d) If points are assessed against an individual [A] permit holder or lessee who holds a commercial fishing permit for a salmon fishery under an emergency transfer approved by the commission under AS 16.43.180, the same number of points shall also be assessed against the permit holder or lessee who transferred [TRANSFEROR OF] the permit. Points assessed against the transferor of the permit under this subsection shall be included in calculations made under AS 16.43.850(d).

* **Sec. 27.** AS 16.43.855 is amended by adding a new subsection to read:

(e) If the commission assesses points under (a) of this section against a lessee

of a permit, the commission shall give the regional community permit bank that leased the permit notice of the assessment of points.

* **Sec. 28.** AS 16.43.860 is amended to read:

Sec. 16.43.860. Suspension. (a) A permit holder or lessee whose commercial salmon fishing privileges for a salmon fishery are suspended under AS 16.43.850 - 16.43.895 may not obtain an entry permit or interim-use permit for that salmon fishery during the period of the suspension of the privileges. During the period for which the **permit holder's or lessee's** [PERMIT HOLDER'S] privilege to obtain an entry permit or interim-use permit for a salmon fishery is suspended under this section, the commission may not issue a permit card to the permit holder or lessee for that fishery.

(b) A permit holder or lessee whose privilege of obtaining a commercial fishing permit for a salmon fishery is suspended under AS 16.43.850 - 16.43.895 may not

(1) engage in the salmon fishery under a crewmember license; [OR]

(2) **lease an entry permit for the salmon fishery under AS 16.44; or**

(3) lease or rent the **individual's** [PERMIT HOLDER'S] interest in a boat to another person if the boat would be used in the salmon fishery for which the permit holder's or lessee's fishing privileges are suspended.

(c) If, during the period for which **the commission has suspended the** [A PERMIT HOLDER'S] commercial fishing privileges **of a permit holder or lessee** for a salmon fishery [ARE SUSPENDED], the commission establishes a limited entry system for the salmon fishery, the permit holder or lessee shall be eligible to obtain an entry permit for that fishery to the extent that the permit holder or lessee qualifies for the entry permit under regulations adopted by the commission. If the permit holder or lessee qualifies for an entry permit for the fishery, the commission shall withhold issuance of the entry permit until the period of the suspension imposed under AS 16.43.850 - 16.43.895 has expired.

(d) The commission may not transfer a commercial fishing permit for a salmon fishery under an emergency transfer under AS 16.43.180 if, at the time of the application for the emergency transfer, the permit holder's commercial salmon fishing privileges **of the permit holder or lessee** for the salmon fishery have been suspended.

1 * **Sec. 29.** AS 16.43.960(a) is amended to read:

2 (a) The commission may revoke, suspend, or transfer all entry or interim-use
3 permits, vessel entry permits, or vessel interim-use permits held or leased by a person
4 or entity who knowingly provides or assists in providing false information, or fails to
5 correct false information provided to the commission for the purpose of obtaining a
6 benefit for self or another, including the issuance, renewal, duplication, [OR] transfer,
7 or lease under AS 16.44 of an entry or interim-use permit, vessel license, vessel entry
8 permit, or vessel interim-use permit. The commission may suspend, as appropriate,
9 that person's or entity's eligibility to hold or lease an entry or interim-use permit,
10 vessel entry permit, or vessel interim-use permit for a period not to exceed three years,
11 and may impose an administrative fine of not more than \$5,000 on the person or entity
12 whose officers, employees, representatives, or agents knowingly provide or assist in
13 providing false information, or fail to correct false information provided, to the
14 commission for the purpose of obtaining a benefit.

15 * **Sec. 30.** AS 16.43.990(3) is amended to read:

16 (3) "entity" means a corporation, company, partnership, firm,
17 association, organization, joint venture, trust, society, regional community permit
18 bank under AS 16.44, or other legal entity other than a natural person;

19 * **Sec. 31.** AS 16 is amended by adding a new chapter to read:

20 **Chapter 44. Regional Community Permit Banks.**

21 **Sec. 16.44.010. Establishment of regional community permit bank.** (a) The
22 department shall establish a regional community permit bank for a region established
23 under (b) of this section if

24 (1) at least two-thirds of the municipalities within the permit bank
25 region, acting jointly, petition the department to establish a permit bank for the region;
26 and

27 (2) the department finds that establishing a permit bank in that region
28 would serve the purposes of

29 (A) preventing economic distress among fishermen and those
30 dependent on fishermen for a livelihood;

31 (B) improving access to the state's fisheries for residents by

1 creating opportunities for those residents whose lack of alternative income
2 sources makes it difficult to acquire the assets and credit history necessary to
3 enter a state fishery; and

4 (C) empowering communities to achieve economic self-
5 sufficiency and alleviate the economic and social ills, including high levels of
6 unemployment, loss of local businesses, loss of cultural vitality, and
7 diminution of the communities' tax base, that result from the loss of access to
8 commercial, subsistence, and recreational fisheries.

9 (b) The department, in consultation with the Department of Fish and Game,
10 shall establish permit bank regions. The department may modify or change the
11 boundaries of the regions for good reason.

12 (c) Each permit bank is a public corporation and instrumentality of the state
13 within the Department of Commerce, Community, and Economic Development. The
14 exercise by a permit bank of the powers conferred under this chapter is considered to
15 be for a public purpose. For administrative purposes, the permit banks are in the
16 department, but each permit bank has a separate and independent legal existence from
17 the state and shall be governed by a board established under AS 16.44.020.

18 (d) The department may conduct an annual audit of a permit bank established
19 under this section. The department may also conduct supplementary audits as it
20 considers necessary. The results of an audit under this subsection is a public record
21 under AS 40.25.110.

22 (e) The department may dissolve a permit bank if the permit bank becomes
23 insolvent. However, nothing in this subsection precludes the department from
24 establishing another permit bank in that region under (a) of this section.

25 **Sec. 16.44.020. Regional community permit bank board; membership;**
26 **meetings; location.** (a) Each permit bank shall be governed by a board of directors,
27 composed of members appointed under (b) of this section.

28 (b) Each municipality wholly or partially located within the permit bank
29 region established by the department under AS 16.44.010(b) may appoint one
30 individual to serve as a member of the permit bank board.

31 (c) If a petition submitted under AS 16.44.010(a) requests that the board of

1 directors for that region's community permit bank include directors from each
2 unincorporated community within the community permit bank region, a single entity
3 or village council in each unincorporated community wholly or partially within the
4 permit bank region may appoint one individual to serve as a member of the initial
5 board of directors of the regional community permit bank. A permit bank's board of
6 directors may also vote under AS 16.44.050(a)(2) to allow or prohibit a single entity
7 or village council in each unincorporated community wholly or partially within the
8 permit bank's region to appoint one individual to serve as a member of the permit bank
9 board.

10 (d) An individual appointed under (b) or (c) of this section shall be a resident
11 of the municipality or unincorporated community from which the individual was
12 appointed. In each unincorporated community wholly or partially within the permit
13 bank's region, only the entity or village council eligible to receive grants under
14 AS 37.06.020 may appoint an individual to serve as a member of the permit bank
15 board.

16 (e) Except as provided under AS 16.44.050(a)(2), a member of the board of a
17 permit bank shall serve for a term of three years. A member shall hold office for the
18 term of the appointment and until a successor has been appointed and qualified. A
19 member is eligible for reappointment. A vacancy on a board occurring other than by
20 expiration of term shall be filled in the same manner as the original appointment but
21 for the unexpired term only. Terms must be staggered so that one-third, or as close to
22 one-third as practicable, of the terms expire each year.

23 (f) A majority of the members of a board constitutes a quorum for the
24 transaction of business and the exercise of the powers and duties of the board except
25 for

26 (1) certain board actions relating to the board's membership under
27 AS 16.44.050(a)(2); and

28 (2) submitting a petition to the commissioner under AS 16.44.060(d).

29 (g) A member of a board may not lease an entry permit from the permit bank.

30 (h) The members of a board shall annually elect from among themselves a
31 chair and vice-chair and other board officers as may be provided in the bylaws of the

1 permit bank. The members of the board may elect to create an executive governance
2 committee and provide that committee some of the board's powers under this chapter.

3 (i) The board of each permit bank may hire a manager who is qualified to
4 assist the board in carrying out the provisions of this chapter. If a manager is hired, the
5 manager shall receive reasonable compensation.

6 (j) A permit bank may share administrative resources, including administrative
7 staff, with other permit banks established under this chapter if the sharing arrangement
8 is approved by the board of each participating permit bank. A permit bank may also
9 share administrative resources and administrative staff with a regional association
10 qualified under AS 16.10.380(a), an Alaska Native village or village regional
11 corporation established under 43 U.S.C. 1606 (Alaska Native Claims Settlement Act),
12 a regional development organization as defined in AS 44.33.896, or another entity
13 created for a purpose related to commercial fishing or service in the permit bank
14 region.

15 (k) Unless a permit bank is sharing administrative resources with one or more
16 other permit banks under (j) of this section, a permit bank shall be administratively
17 located in the community in its region with the greatest number of entry permits on
18 January 1, 2016.

19 **Sec. 16.44.030. Administrative expenses, compensation, and fees due the**
20 **department.** (a) A member of a permit bank board may be provided reasonable
21 compensation. However, the compensation may not exceed the median rate of
22 compensation provided to the elected members of the municipal governments within
23 the permit bank region.

24 (b) The administrative expenses of a permit bank must be reasonable and
25 minimized to enhance the ability of the permit bank to acquire limited entry permits
26 and to return maximum benefit to the persons and region served by the permit bank.

27 (c) The department may adopt regulations relating to the administrative
28 expenses of, and compensation provided by, a permit bank.

29 (d) The commissioner shall assess permit bank fees for the department's actual
30 expenses necessarily incurred by the department in connection with its duties under
31 this chapter relating to the permit bank.

1 **Sec. 16.44.040. Exemption from taxation.** (a) Except for fees levied under
2 AS 16.43.160, the real and personal property of a permit bank organized under this
3 chapter and its assets, income, and receipts are declared to be devoted to an essential
4 public and governmental function and purpose, and the property, assets, income,
5 receipts, and other interests of the permit bank are exempt from taxes and special
6 assessments of the state or a political subdivision of the state, including municipalities,
7 school districts, public utility districts, and other governmental units.

8 (b) Nothing in this section relieves a person leasing an entry permit from a
9 permit bank from applicable fees, taxes, or assessments.

10 **Sec. 16.44.050. Powers and duties of regional community permit banks.** (a)
11 In addition to all powers necessary to carry out the purposes of this chapter, a permit
12 bank may

13 (1) adopt, amend, and repeal bylaws for its organization, management
14 of its internal affairs, and the conduct of its business consistent with the provisions of
15 this chapter;

16 (2) if two-thirds of the full membership of the board appointed from
17 the municipalities in the region affirmatively vote under AS 16.44.020(c) to approve
18 the action, expand or reduce the membership of the permit bank's board of directors by
19 allowing or prohibiting individuals from unincorporated communities in the region to
20 serve as directors;

21 (3) borrow funds;

22 (4) subject to the approval of the commissioner and the limitations of
23 this chapter, hold, transfer, or receive the transfer of an entry permit for a fishery
24 within the permit bank region;

25 (5) accept gifts or grants from a federal agency or an agency or
26 instrumentality of the state, a municipality, a private organization, or another source,
27 including the transfer of an entry permit for a regional fishery or a gift or grant for the
28 acquisition of a specific entry permit or entry permit within a specific fishery located
29 in the permit bank region;

30 (6) subject to AS 16.44.070, lease entry permits to individuals
31 qualified under AS 16.44.080 on conditions that the board considers appropriate that

may include terms that allow a permit bank to transfer a leased permit to a lessee and terminate a lease upon default of a lessee; and

(7) after a permit bank acquires the maximum number of entry permits allowed under AS 16.44.060(a), use revenue and other funds to support programs and projects that benefit commercial fishermen within the permit bank region.

(b) A permit bank shall

(1) lease entry permits by competitive bid to individuals qualified under AS 16.44.080;

(2) establish criteria for leasing entry permits acquired by the permit bank that maintain the solvency and financial strength of the permit bank;

(3) subject to legislative appropriation, to the greatest extent practicable, invest revenue from the lease of limited entry permits in acquiring further entry permits up to the limits provided under AS 16.44.060(a); and

(4) prepare and submit a comprehensive annual report to the department that includes

(A) a summary of the permit bank's revenue, assets, expenditures, operations, and actions under this section during the preceding year;

(B) the compensation of the manager, if any, and the directors of the permit bank; and

(C) the lease terms, including lease fees for entry permits held by the permit bank.

(c) In leasing permits by competitive bid under (b)(1) of this section, and subject to criteria adopted under (b)(2) of this section, a permit bank may award leases after considering factors that include the

(1) purposes for which the department established the permit bank under AS 16.44.010(a);

(2) degree of economic hardship posed to the applicant and those dependent on the applicant if the applicant cannot gain entry into the fishery using the leased permits;

(3) availability to the applicant of alternative occupations and sources

1 of income; and

2 (4) historical dependence of an applicant, the applicant's family, and
3 the applicant's community on a particular fishery.

4 **Sec. 16.44.055. Permit ownership; leases; transfers; proceeds.** An entry
5 permit acquired by a permit bank under this chapter is the property of the department,
6 and the permit certificate shall list the commissioner as the legal owner of the permit;
7 however, the permit bank may lease or transfer a permit, subject to the approval of the
8 commissioner. Leasing fees and other permit bank revenue, subject to legislative
9 appropriation, and less any fees due the department under AS 16.44.030(d), shall be
10 available to a permit bank's board of directors to be used to pay for a permit bank's
11 operations and to finance the acquisition of additional permits.

12 **Sec. 16.44.060. Acquisition and holding of entry permits.** (a) A permit bank
13 may not acquire an entry permit for a fishery that is not in the permit bank's region. A
14 permit bank may not hold more than four percent of the entry permits issued for a
15 fishery in the permit bank region, rounded up to the nearest whole number. If there are
16 50 or fewer permits issued for a fishery in the permit bank region, not more than two
17 entry permits for that fishery may be held by the permit bank.

18 (b) Except as provided in (d) of this section, once a permit bank holds 10 entry
19 permits, the permit bank may not acquire further permits unless the additional permits
20 make the portfolio of entry permits held by the permit bank a better representation of
21 the permits issued for all fisheries in the permit bank region. However, this subsection
22 does not prohibit a permit bank from acquiring an additional permit, if the acquisition
23 of any single permit would make the portfolio of entry permits held by the permit bank
24 less representative of the permits issued for the fisheries in the permit bank region.

25 (c) Subject to (d) of this section, the department shall ensure that a portfolio of
26 entry permits held by a permit bank complies with the requirements of this section.
27 The department may prevent a permit bank from acquiring an entry permit if the
28 department finds that the acquisition would violate the requirements of this section.

29 (d) Notwithstanding (b) of this section, a permit bank that holds 10 entry
30 permits in its portfolio may acquire further permits that do not make the portfolio of
31 entry permits held by the permit bank a better representation of all the permits issued

in the permit bank region if

(1) a two-thirds majority of the full membership of the board approve, and the board submits, a petition to the commissioner requesting that the requirements of (b) of this section be waived; and

(2) the commissioner finds that issuing a waiver will assist the permit bank in achieving the purposes provided under AS 16.44.010(a).

(e) An entry permit held and leased by a permit bank is subject to AS 16.43.150(g).

Sec. 16.44.070. Lease terms for entry permits held by a regional community permit bank. (a) Subject to the approval of the commissioner and (b) of this section, a permit bank shall establish lease terms for entry permits held by the permit bank in a manner that is consistent with the purposes provided by AS 16.44.010(a).

(b) A lease term for an entry permit held by a permit bank may not exceed six years, and an individual may not lease an entry permit or permits for the same fishery for a cumulative period of more than six years, regardless of whether the lease years are consecutive.

(c) An entry permit held by a permit bank may not be subleased by the lessee.

(d) A permit bank may not impose lease terms that limit the lessee's time, place, manner, or method of fishing or sale of fish.

(e) Subject to AS 16.43.170 and 16.43.180, the department shall adopt regulations providing for the temporary emergency transfer of a leased entry permit to another individual through the Alaska Commercial Fisheries Entry Commission under AS 16.43.180(a), if that individual is also qualified under AS 16.44.080.

(f) Subject to (a) of this section and AS 16.43.170(a), a permit bank may include terms in a lease that provide for the leased permit to be transferred to the lessee at the end of the period for which the permit was leased.

Sec. 16.44.080. Qualified lessees. (a) A permit bank may only lease an entry permit to an individual who is a resident of the state. An applicant for the lease of an entry permit from a permit bank under this chapter shall maintain a domicile in the state and may not be a resident of, or have received a benefit based on residency, in

another state or country.

(b) A permit bank may not lease a permit to

(1) an individual who already holds a limited entry or interim-use permit for the same fishery as the leased permit; or

(2) a manager of a permit bank employed under AS 16.44.020(i) or other permit bank employee.

(c) When an individual no longer maintains a domicile in the state, the individual is no longer eligible to lease an entry permit, and a permit bank may terminate a lease held by the individual.

(d) If proceedings are pending to suspend an individual's commercial fishing privileges, the individual is not eligible to lease an entry permit under this chapter.

(e) In this section, "domicile" means the true and permanent home of an individual from which the individual has no present intention of moving and to which the individual intends to return whenever the individual is away.

Sec. 16.44.099. Definitions. In this chapter,

(1) "board" means the board of a regional community permit bank;

(2) "commission" means the Alaska Commercial Fisheries Entry Commission;

(3) "commissioner" means the commissioner of commerce community, and economic development;

(4) "department" means the Department of Commerce, Community, and Economic Development unless specifically provided otherwise;

(5) "entry permit" means a commercial fishing entry permit issued under AS 16.43;

(6) "fishery" has the meaning given in AS 16.05.940;

(7) "permit bank" means a regional community permit bank established under AS 16.44.010.

* **Sec. 32.** AS 39.25.110(11) is amended to read:

(11) the officers and employees of the following boards, commissions, and authorities:

(A) [REPEALED]

(B) Alaska Permanent Fund Corporation;

(C) Alaska Industrial Development and Export Authority;

(D) Alaska Commercial Fisheries Entry Commission;

(E) Alaska Commission on Postsecondary Education;

(F) Alaska Aerospace Corporation;

(G) [REPEALED]

(H) Alaska Gasline Development Corporation and subsidiaries
of the Alaska Gasline Development Corporation;

**(I) a regional community permit bank established under
AS 16.44.010;**

* **Sec. 33.** AS 39.50.200(b) is amended by adding a new paragraph to read:

(65) the board of directors of a regional community permit bank
(AS 16.44.010).

* **Sec. 34.** AS 43.76.001(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 **or leasing an
entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of 30
percent of the value of salmon, as defined in AS 43.75.290, that the person removes
from the state or transfers to a buyer in the state. The buyer shall collect the salmon
enhancement tax at the time the salmon is acquired by the buyer.

* **Sec. 35.** AS 43.76.002(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 **or leasing an
entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of 20
percent of the value of salmon, as defined in AS 43.75.290, that the person removes
from the state or transfers to a buyer in the state. The buyer shall collect the salmon
enhancement tax at the time the salmon is acquired by the buyer.

* **Sec. 36.** AS 43.76.003(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 **or leasing an
entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of 10
percent of the value of salmon, as defined in AS 43.75.290, that the person removes
from the state or transfers to a buyer in the state. The buyer shall collect the salmon
enhancement tax at the time the salmon is acquired by the buyer.

1 * **Sec. 37.** AS 43.76.004(a) is amended to read:

2 (a) A person holding a limited entry permit under AS 16.43 **or leasing an**
3 **entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of nine
4 percent of the value of salmon, as defined in AS 43.75.290, that the person removes
5 from the state or transfers to a buyer in the state. The buyer shall collect the salmon
6 enhancement tax at the time the salmon is acquired by the buyer.

7 * **Sec. 38.** AS 43.76.005(a) is amended to read:

8 (a) A person holding a limited entry permit under AS 16.43 **or leasing an**
9 **entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of eight
10 percent of the value of salmon, as defined in AS 43.75.290, that the person removes
11 from the state or transfers to a buyer in the state. The buyer shall collect the salmon
12 enhancement tax at the time the salmon is acquired by the buyer.

13 * **Sec. 39.** AS 43.76.006(a) is amended to read:

14 (a) A person holding a limited entry permit under AS 16.43 **or leasing an**
15 **entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of seven
16 percent of the value of salmon, as defined in AS 43.75.290, that the person removes
17 from the state or transfers to a buyer in the state. The buyer shall collect the salmon
18 enhancement tax at the time the salmon is acquired by the buyer.

19 * **Sec. 40.** AS 43.76.007(a) is amended to read:

20 (a) A person holding a limited entry permit under AS 16.43 **or leasing an**
21 **entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of six
22 percent of the value of salmon, as defined in AS 43.75.290, that the person removes
23 from the state or transfers to a buyer in the state. The buyer shall collect the salmon
24 enhancement tax at the time the salmon is acquired by the buyer.

25 * **Sec. 41.** AS 43.76.008(a) is amended to read:

26 (a) A person holding a limited entry permit under AS 16.43 **or leasing an**
27 **entry permit under AS 16.44** shall pay a salmon enhancement tax at the rate of five
28 percent of the value of salmon, as defined in AS 43.75.290, that the person removes
29 from the state or transfers to a buyer in the state. The buyer shall collect the salmon
30 enhancement tax at the time the salmon is acquired by the buyer.

31 * **Sec. 42.** AS 43.76.009(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 or leasing an entry permit under AS 16.44 shall pay a salmon enhancement tax at the rate of four percent of the value of salmon, as defined in AS 43.75.290, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

* **Sec. 43.** AS 43.76.010(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 or leasing an entry permit under AS 16.44 shall pay a salmon enhancement tax at the rate of three percent of the value of salmon, as defined in AS 43.75.290, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

* **Sec. 44.** AS 43.76.011(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 or leasing an entry permit under AS 16.44 shall pay a salmon enhancement tax at the rate of two percent of the value of salmon, as defined in AS 43.75.290, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

* **Sec. 45.** AS 43.76.012(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 or leasing an entry permit under AS 16.44 shall pay a salmon enhancement tax at the rate of one percent of the value of salmon, as defined in AS 43.75.290, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

* **Sec. 46.** AS 43.76.013(a) is amended to read:

(a) A person holding a limited entry permit under AS 16.43 or leasing an entry permit under AS 16.44 shall pay a salmon enhancement tax at the rate of 15 percent of the value of salmon, as defined in AS 43.75.290, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

* **Sec. 47.** AS 43.76.015(b) is amended to read:

(b) The salmon enhancement tax is levied under AS 43.76.001 - 43.76.013 in

1 a region on the effective date stated on the ballot if

2 (1) it is approved by a majority vote of the eligible interim-use permit
3 holders, [AND] entry permit holders, and entry permit lessees voting in an election
4 held under this section in the region; and

5 (2) the election results are certified by the commissioner of commerce,
6 community, and economic development.

7 * **Sec. 48.** AS 43.76.015(c) is amended to read:

8 (c) In conducting an election under this section, a qualified regional
9 association shall adopt the following procedures:

10 (1) the qualified regional association for the region shall hold at least
11 one public meeting not less than 30 days before the date on which ballots must be
12 postmarked to be counted in the election to explain the reason for the proposed salmon
13 enhancement tax and to explain the registration and voting procedure to be used in the
14 election; the qualified regional association shall provide notice of the meeting by

15 (A) mailing the notice to each eligible interim-use permit
16 holder, [AND] entry permit holder, and entry permit lessee;

17 (B) posting the notice in at least three public places in the
18 region; and

19 (C) publishing the notice in at least one newspaper of general
20 circulation in the region at least once a week for two consecutive weeks before
21 the meeting;

22 (2) the qualified regional association shall mail two ballots to each
23 eligible interim-use permit holder, [AND] entry permit holder, and entry permit
24 lessee; the first ballot shall be mailed not more than 45 days before the dates ballots
25 must be postmarked to be counted in the election; the second ballot shall be mailed not
26 less than 15 days before the date ballots must be postmarked to be counted in the
27 election; the qualified regional association shall adopt procedures to ensure that only
28 one ballot from each eligible interim-use permit and entry permit holder is counted in
29 the election;

30 (3) the ballot must

31 (A) indicate whether the election relates to a salmon

enhancement tax under AS 43.76.001, 43.76.002, 43.76.003, 43.76.004, 43.76.005, 43.76.006, 43.76.007, 43.76.008, 43.76.009, 43.76.010, 43.76.011, 43.76.012, or 43.76.013;

(B) ask the question whether the salmon enhancement tax shall be levied;

(C) indicate the boundaries of the region in which the salmon enhancement tax will be levied;

(D) provide an effective date for the levy of the salmon enhancement tax; and

(E) indicate the date on which returned ballots must be postmarked in order to be counted;

(4) the ballots shall be returned by mail and shall be counted by the commissioner of commerce, community, and economic development or by a person approved by the commissioner of commerce, community, and economic development.

* **Sec. 49.** AS 43.76.015(f) is amended to read:

(f) In this section, "eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an interim-use permit or as the legal owner or, under AS 16.44, the lessee of an entry permit that [WHICH] authorizes the individual to fish commercially in an administrative area established by the Alaska Commercial Fisheries Entry Commission under AS 16.43.200, which is included, in whole or in part, in the region in which the election is held.

* **Sec. 50.** AS 43.76.020(b) is amended to read:

(b) A salmon enhancement tax shall be terminated by the commissioner of revenue under (a) of this section following an election in a region if

(1) a petition is presented to the commissioner of commerce, community, and economic development requesting termination of the salmon enhancement tax which is signed by at least 25 percent of the number of persons who voted under AS 43.76.015 in the election approving the salmon enhancement tax in

the region;

(2) the commissioner of commerce, community, and economic development determines that there are no outstanding loans to the qualified regional association under AS 16.10.510 that are secured by the tax;

(3) an election is held in accordance with AS 43.76.015; the ballot must ask the question whether the salmon enhancement tax for the region shall be terminated; the ballot must be worded so that a "yes" vote is for continuation of the salmon enhancement tax and a "no" vote is for termination of the salmon enhancement tax;

(4) a majority of the eligible interim-use permit holders, [AND] entry permit holders, and entry permit lessees who vote in the election cast a ballot for the termination of the salmon enhancement tax; and

(5) the qualified regional association provides notice of the election in accordance with AS 43.76.015 within two months after receiving notice from the commissioner of commerce, community, and economic development that a valid petition under (1) of this subsection has been received.

* **Sec. 51.** AS 43.76.020 is amended by adding a new subsection to read:

(c) In this section, "eligible interim-use permit holder, entry permit holder, and entry permit lessee" has the meaning given in AS 43.76.015.

* **Sec. 52.** AS 43.76.230(b) is amended to read:

(b) The salmon fishery assessment is levied under AS 43.76.220 in a fishery on the effective date stated on the ballot if

(1) the assessment is approved by a two-thirds majority vote of the eligible interim-use permit holders, [AND] entry permit holders, and entry permit lessees in the fishery; and

(2) the election results are certified by the commissioner of fish and game.

* **Sec. 53.** AS 43.76.230(c) is amended to read:

(c) In conducting an election under this section, a qualified salmon fishery association shall adopt the following procedures:

(1) the qualified salmon fishery association for the fishery shall make

copies of the articles of incorporation and bylaws of the association available to all interim-use permit holders, [AND] entry permit holders, and entry permit lessees in the fishery;

(2) the qualified salmon fishery association for the fishery shall hold at least one public meeting not less than 30 days before the date on which ballots must be postmarked to be counted in the election to explain, as appropriate, the reason for approval or amendment of the proposed salmon fishery assessment, the reason for the proposed rate and the proposed termination date of the salmon fishery assessment, or the reason for termination of the salmon fishery assessment, and to explain the registration and voting procedure to be used in the election; the qualified salmon fishery association shall provide notice of the meeting by

(A) mailing the notice to each eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee;

(B) posting the notice in at least three public places in the administrative area in which the fishery occurs; and

(C) publishing the notice in at least one newspaper of general circulation in the administrative area in which the fishery occurs at least once a week for two consecutive weeks before the meeting;

(3) the qualified salmon fishery association shall mail two ballots to each eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee; the first ballot shall be mailed not more than 45 days before the date ballots must be postmarked to be counted in the election; the second ballot shall be mailed not less than 15 days before the date ballots must be postmarked to be counted in the election; the qualified salmon fishery association shall adopt procedures to ensure that only one ballot from each eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee is counted in the election;

(4) the ballot must

(A) state that all salmon sold in the fishery are subject to the salmon fishery assessment;

(B) state the rate of the assessment to be levied under AS 43.76.220 and the date on which the assessment would terminate under

AS 43.76.250(a);

(C) ask the question whether the salmon fishery assessment addressed on the ballot shall be approved, amended, or terminated, as appropriate;

(D) indicate the fishery for which the salmon fishery assessment will be levied or terminated;

(E) provide an effective date for the approval, amendment, or termination of the salmon fishery assessment; and

(F) indicate the date on which returned ballots must be postmarked in order to be counted;

(5) the ballots shall be returned by mail and shall be counted by an auditor selected by the qualified salmon fishery association and approved by the commissioner of fish and game; the qualified salmon fishery association shall pay the costs of counting the ballots.

* **Sec. 54.** AS 43.76.230(g) is amended to read:

(g) In this section, "eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner [HOLDER] of an interim-use permit for salmon fishing gear or an entry permit for salmon fishing gear or as the legal owner or, under AS 16.44, the lessee of an entry permit for salmon fishing gear that authorizes the individual to fish commercially in the salmon fishery for which the salmon fishery assessment is to be approved, amended, or terminated.

* **Sec. 55.** AS 43.76.240 is amended to read:

Sec. 43.76.240. Amendment of salmon fishery assessment. (a) The rate or termination date of the salmon fishery assessment levied on salmon under AS 43.76.220 may be amended by the commissioner of revenue upon a two-thirds majority vote at an election held under AS 43.76.230 among the eligible permit holders and permit lessees for the fishery in which the salmon fishery assessment is levied.

(b) The commissioner of revenue shall amend the rate or termination date of a salmon fishery assessment under (a) of this section following an election among the eligible permit holders **and permit lessees** for the fishery if

(1) a petition that is signed by at least 25 percent of the interim-use permit **holders, [AND] entry permit holders, and entry permit lessees** in the fishery that is the subject of the petition is presented to the commissioner of fish and game requesting amendment of the rate or termination date of the salmon fishery assessment; the petition must state, as appropriate, the proposed rate or termination date of the salmon fishery assessment to be levied under AS 43.76.220; only **an individual** [A PERSON] who holds an interim-use permit or **who holds or leases an** entry permit for the fishery at the time of signing the petition may validly sign the petition;

(2) an election is held in accordance with AS 43.76.230; a ballot to amend the rate of the salmon fishery assessment must ask the question whether the rate of the salmon fishery assessment on salmon sold in the fishery shall be amended and must state the salmon fishery assessment to be levied under AS 43.76.220 and the termination date of the assessment if the assessment is amended; a ballot to amend the termination date of the salmon fishery assessment must ask the question whether the termination date of the salmon fishery assessment on salmon sold in the fishery shall be amended and must state the termination date of the salmon fishery assessment if the termination date is amended; the ballot must be worded so that a "yes" vote is for amendment of the salmon fishery assessment and a "no" vote is for continuation of the current salmon fishery assessment;

(3) a two-thirds majority of the eligible interim-use permit **holders, [AND] entry permit holders, and entry permit lessees** in the fishery casts a ballot for the amendment of the salmon fishery assessment; in this paragraph, "eligible interim-use permit **holder, [AND] entry permit holder, and entry permit lessee**" has the meaning given in AS 43.76.230; and

(4) the qualified salmon fishery association provides notice of the election in accordance with AS 43.76.230 within six months after receiving notice from the commissioner of fish and game that a valid petition under (1) of this

subsection has been received.

* **Sec. 56.** AS 43.76.250(b) is amended to read:

(b) Notwithstanding (a) of this section, the commissioner of revenue shall terminate the salmon fishery assessment before the termination date determined at an election held under AS 43.76.230 to establish or amend the assessment, upon a two-thirds majority vote at an election held under AS 43.76.230 among the eligible permit holders and permit lessees for the fishery in which the salmon fishery assessment is levied.

* **Sec. 57.** AS 43.76.250(c) is amended to read:

(c) The commissioner of revenue shall terminate a salmon fishery assessment under (b) of this section following an election among the eligible permit holders and permit lessees for the fishery if

(1) a petition that is signed by at least 25 percent of the interim-use permit holders, [AND] entry permit holders, and entry permit lessees in the fishery that is the subject of the petition is presented to the commissioner of fish and game requesting termination of the salmon fishery assessment; only a person who holds an interim-use permit or who holds or leases an entry permit for the fishery at the time of signing the petition may validly sign the petition;

(2) an election is held in accordance with AS 43.76.230; the ballot must ask the question whether the salmon fishery assessment shall be terminated; the ballot must be worded so that a "yes" vote is for continuation of the salmon fishery assessment and a "no" vote is for termination of the salmon fishery assessment;

(3) a two-thirds majority of the eligible interim-use permit holders, [AND] entry permit holders, and entry permit lessees in the fishery casts a ballot for the termination of the salmon fishery assessment; in this paragraph, "eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee" has the meaning given in AS 43.76.230; and

(4) the qualified salmon fishery association provides notice of the election in accordance with AS 43.76.230 within six months after receiving notice from the commissioner of fish and game that a valid petition under (1) of this subsection has been received.

1 * **Sec. 58.** AS 43.76.280(6) is amended to read:

2 (6) "sold" means the transfer of ownership of salmon from an interim-
3 use permit holder, [OR] entry permit holder, or entry permit lessee to a buyer at the
4 first point of sale;

5 * **Sec. 59.** AS 43.76.300 is amended to read:

6 **Sec. 43.76.300. Permit buy-back assessment.** A person holding or, under
7 AS 16.44, leasing a limited entry permit or holding an interim-use permit [UNDER
8 AS 16.43] for a fishery subject to a permit buy-back assessment established by the
9 Alaska Commercial Fisheries Entry Commission under AS 16.43.310 shall pay the
10 permit buy-back assessment at the rate established by the commission on the value, as
11 defined in AS 43.75.290, of fish that the person removes from the state or transfers to
12 a buyer in the state under the authority conferred by the limited entry permit or
13 interim-use permit. The buyer shall collect the permit buy-back assessment at the time
14 the fish is acquired by the buyer.

15 * **Sec. 60.** AS 43.76.350(a) is amended to read:

16 (a) A person holding a limited entry permit or interim-use permit under
17 AS 16.43 or leasing a limited entry permit under AS 16.44 shall pay a seafood
18 development tax at the rate of two percent of the value, as defined in AS 43.75.290, of
19 fishery resources taken in a fishery that the person removes from the state or transfers
20 to a buyer in the state.

21 * **Sec. 61.** AS 43.76.355(a) is amended to read:

22 (a) A person holding a limited entry permit or interim-use permit under
23 AS 16.43 or leasing a limited entry permit under AS 16.44 shall pay a seafood
24 development tax at the rate of 1.5 percent of the value, as defined in AS 43.75.290, of
25 fishery resources taken in a fishery that the person removes from the state or transfers
26 to a buyer in the state.

27 * **Sec. 62.** AS 43.76.360(a) is amended to read:

28 (a) A person holding a limited entry permit or interim-use permit under
29 AS 16.43 or leasing a limited entry permit under AS 16.44 shall pay a seafood
30 development tax at the rate of one percent of the value, as defined in AS 43.75.290, of
31 fishery resources taken in a fishery that the person removes from the state or transfers

to a buyer in the state.

* **Sec. 63.** AS 43.76.365(a) is amended to read:

(a) A person holding a limited entry permit or interim-use permit under AS 16.43 or leasing a limited entry permit under AS 16.44 shall pay a seafood development tax at the rate of 0.5 percent of the value, as defined in AS 43.75.290, of fishery resources taken in a fishery that the person removes from the state or transfers to a buyer in the state.

* **Sec. 64.** AS 43.76.370(b) is amended to read:

(b) The seafood development tax is levied under AS 43.76.350, 43.76.355, 43.76.360, or 43.76.365 on fishery resources taken in a fishery, or is amended or terminated, on the effective date stated on the ballot if

(1) the levy, amendment, or termination of the tax is approved by a majority vote of the eligible interim-use permit holders, [AND] entry permit holders, and entry permit lessees in the fishery who vote in an election held under this section;

(2) at least 30 percent of the eligible interim-use permit holders, [AND] entry permit holders, and entry permit lessees in the fishery cast a ballot in the election to levy, amend, or terminate the tax; and

(3) the election results are certified by the commissioner of commerce, community, and economic development under (d) of this section.

* **Sec. 65.** AS 43.76.370(c) is amended to read:

(c) In conducting an election under this section, the qualified regional seafood development association shall adopt the following procedures:

(1) the association shall hold at least one public meeting, not less than 30 days before the date on which ballots must be postmarked to be counted in the election, to explain the reason for the proposed seafood development tax, the amendment of the tax, or the termination of the tax and to explain the registration and voting procedure to be used in the election; the association shall provide notice of the meeting by

(A) mailing the notice to each eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee;

(B) posting the notice in at least three public places in the seafood development region in which the fishery occurs; and

(C) publishing the notice in at least one newspaper of general circulation in the region at least once a week for two consecutive weeks before the meeting;

(2) the association shall mail two ballots to each eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee; the first ballot shall be mailed not more than 45 days before the date ballots must be postmarked to be counted in the election; the second ballot shall be mailed not less than 15 days before the date ballots must be postmarked to be counted in the election; the association shall adopt procedures to ensure that only one ballot from each eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee is counted in the election;

(3) the ballot must

(A) indicate whether the election relates to a seafood development tax under AS 43.76.350, 43.76.355, 43.76.360, or 43.76.365;

(B) indicate the fishery that is or will be subject to the seafood development tax to be levied or amended;

(C) ask the question whether the seafood development tax shall be levied or amended, as appropriate;

(D) indicate the geographic boundaries of the seafood development region in which the seafood development tax will be levied;

(E) provide an effective date for the levy or amendment of the seafood development tax in the fishery; and

(F) indicate the date on which returned ballots must be postmarked in order to be counted;

(4) the ballots shall be returned by mail and shall be counted by the commissioner of commerce, community, and economic development or by a person approved by the commissioner of commerce, community, and economic development.

* **Sec. 66.** AS 43.76.370(f) is amended to read:

(f) If a seafood development tax has not been levied on a fishery resource in a

seafood development region, the initial tax levied in any fishery in the region may be set at a rate set under AS 43.76.350, 43.76.355, 43.76.360, or 43.76.365 in accordance with procedures set out in this section. If a seafood development tax is currently levied on fishery resources in any fishery in a seafood development region, an election to approve the initial levy of a seafood development tax in another fishery in the region shall be for a levy of the tax at the current rate in the region. The election to approve the levy of a seafood development tax within a fishery shall be conducted among the eligible interim-use permit holders, [AND] entry permit holders, and entry permit lessees in the fishery.

* **Sec. 67.** AS 43.76.370(g) is amended to read:

(g) An election to amend the current rate of the seafood development tax within a seafood development region shall be conducted among the eligible interim-use permit holders, [AND] entry permit holders, and entry permit lessees in each fishery within the region that has approved the levy of the tax under this section. In an election to amend the current rate of the seafood development tax within a region, a person shall receive, and may cast and have counted, a separate ballot for each fishery in the seafood development region that is subject to the tax for which the person is an eligible interim-use permit holder, [OR] entry permit holder, or entry permit lessee.

* **Sec. 68.** AS 43.76.370(i) is amended to read:

(i) In this section, "eligible interim-use permit holder, [AND] entry permit holder, and entry permit lessee" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an interim-use permit or an entry permit or as the legal owner or, under AS 16.44, the lessee of an entry permit that authorizes the individual to operate commercial fishing gear in the fishery that is or will be subject to the seafood development tax that is the subject of the election.

* **Sec. 69.** AS 43.76.375 is amended to read:

Sec. 43.76.375. Termination of seafood development tax. (a) The seafood development tax levied under AS 43.76.350, 43.76.355, 43.76.360, or 43.76.365 may be terminated by the commissioner of revenue upon majority vote of eligible permit

holders **and permit lessees** who vote in an election held under AS 43.76.370 in which at least 30 percent of the eligible **interim-use** permit holders, **entry permit holders,** **and entry permit lessees** cast a ballot. The seafood development tax may be terminated in one or more fisheries within a seafood development region under this section.

(b) The commissioner of revenue shall terminate a seafood development tax under (a) of this section following an election conducted by the qualified seafood development association for the seafood development region if

(1) a petition is presented to the commissioner of commerce, community, and economic development requesting termination of the seafood development tax in a fishery that is signed by at least 10 percent of the number of persons who are eligible to vote in an election under AS 43.76.370 to approve the levy of the seafood development tax in the fishery;

(2) an election is held in accordance with AS 43.76.370; the ballot must ask the question whether the seafood development tax for the fishery shall be terminated; the ballot must be worded so that a "yes" vote is for continuation of the seafood development tax and a "no" vote is for termination of the seafood development tax;

(3) a majority of the votes cast in the election by eligible interim-use permit **holders,** [AND] entry permit holders, **and entry permit lessees** are for the termination of the seafood development tax;

(4) at least 30 percent of the permit holders **and permit lessees** who are eligible to vote in the election cast a ballot in the election; and

(5) the qualified regional seafood development association for the fishery provides notice of the election in accordance with AS 43.76.370 within two months after receiving notice from the commissioner of commerce, community, and economic development that a valid petition under (1) of this subsection has been received.

* **Sec. 70.** AS 43.76.375 is amended by adding a new subsection to read:

(c) In this section, "eligible interim-use permit holder, entry permit holder, and entry permit lessee" means an individual who is listed in the records of the Alaska

Commercial Fisheries Entry Commission as the legal owner of an interim-use or entry permit or as the legal owner or, under AS 16.44, the lessee of an entry permit that authorizes the individual to operate commercial fishing gear in a fishery that is or will be subject to the seafood development tax that is the subject of an election under this section.

* **Sec. 71.** AS 44.33.020 is amended by adding a new paragraph to read:

(46) carry out its functions and duties under AS 16.44.

* **Sec. 72.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The commissioner of commerce, community, and economic development may immediately adopt regulations necessary to implement the provisions of this Act. The regulations may not take effect before January 1, 2017.

* **Sec. 73.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INITIAL DIRECTORS OF REGIONAL COMMUNITY PERMIT BANKS. Subject to AS 16.44.020(e), added by sec. 30 of this Act, the term of office of each initial director of a regional community permit bank shall be determined by lot.

* **Sec. 74.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INITIAL ESTABLISHMENT OF PERMIT BANK REGIONS. (a) When initially establishing the boundaries of a community permit bank region under AS 16.44.010(b), added by sec. 30 of this Act, the Department of Commerce, Community, and Economic Development shall, in consultation with the Department of Fish and Game, divide the land area of the state into separate permit bank regions that the Department of Commerce, Community, and Economic Development determines are socially, economically, and politically cohesive, using, to the extent practicable,

(1) the boundaries of the commercial fishing administrative areas established by the Alaska Commercial Fisheries Entry Commission under AS 16.43.200, as those boundaries are described in regulation on the effective date of sec. 30 of this Act; and

(2) the designations of which state communities are local to particular fisheries made in the report by the Alaska Commercial Fisheries Entry Commission titled

1 "Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975 - 2014."

2 (b) In establishing the permit bank regional boundaries under (a) of this section, the
3 Department of Commerce, Community, and Economic Development shall, to the extent
4 practicable,

5 (1) clearly delineate which communities are in each region; and

6 (2) ensure that a community is not split between regions.

7 * **Sec. 75.** Section 72 of this Act takes effect immediately under AS 01.10.070(c).

8 * **Sec. 76.** Except as provided by sec. 75 of this Act, this Act takes effect January 1, 2017.