

**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 uncodified 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

1 and those dependent on them for a livelihood;

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

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

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

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

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

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

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

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

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

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

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

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

1 fishing site during the operation of net gear or other stationary fishing gear at the site,  
2 except when the permit holder or lessee is at or traveling to or from the location of  
3 (1) a sale of fish caught in the gear; or  
4 (2) other stationary gear of the permit holder or lessee.

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

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

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

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

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

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

is \$30.

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

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

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

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

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

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

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

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

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

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

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

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

(C) exempt under AS 16.05.660; or

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

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

(e) If proceedings to suspend commercial fishing privileges or licenses under 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

1 entry permits are issued;

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

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

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

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

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

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

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

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

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

24 (2) [(1)] pledged, mortgaged, [LEASED,] or encumbered in any way;

25 (3) [(2)] transferred with any retained right of repossession or  
26 foreclosure, or on any condition requiring a subsequent transfer; or

27 (4) [(3)] attached, distrained, or sold on execution of judgment or  
28 under any other process or order of any court, except as provided in AS 16.43.170(g)  
29 and (h).

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

31 (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

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

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

7 (b) Except as provided in (e) of this section, the holder of an entry permit may  
8 transfer the permit to another person, to a regional community permit bank under  
9 AS 16.44, or to the commission upon 60 days' [DAYS] notice of intent to transfer  
10 under regulations adopted by the commission. No sooner than 60 days nor later than  
11 12 months from the date of notice to the commission, the holder of an entry permit  
12 may transfer the permit. If the proposed transferee, other than the commission or a  
13 regional community permit bank, can demonstrate the present ability to participate  
14 actively in the fishery, and the transfer does not violate any provision of this chapter or  
15 regulations adopted under this chapter, and if a certificate for the permit under  
16 AS 16.10.333(b)(1) - (2), 16.10.338, or AS 44.81.231(a) is not in effect, the  
17 commission shall approve the transfer and reissue the entry permit to the transferee if  
18 [PROVIDED THAT] neither party is prohibited by law from participating in the  
19 transfer.

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

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

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

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

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

7 (b) The commission shall assess demerit points against an individual who  
8 holds or leases a permit [HOLDER] for a conviction of a violation of commercial  
9 fishing laws in a salmon fishery under AS 16.05.722, 16.05.723, 16.05.831;  
10 AS 16.10.055, 16.10.070 - 16.10.090, 16.10.100, 16.10.110, 16.10.120, 16.10.200 -  
11 16.10.220, and 16.10.760 - 16.10.790 for the following violations in accordance with  
12 this schedule:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 **Sec. 16.43.860. Suspension.** (a) A permit holder or lessee whose commercial  
5 salmon fishing privileges for a salmon fishery are suspended under AS 16.43.850 -  
6 16.43.895 may not obtain an entry permit or interim-use permit for that salmon fishery  
7 during the period of the suspension of the privileges. During the period for which the  
8 permit holder's or lessee's [PERMIT HOLDER'S] privilege to obtain an entry permit  
9 or interim-use permit for a salmon fishery is suspended under this section, the  
10 commission may not issue a permit card to the permit holder or lessee for that fishery.

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

14 (1) engage in the salmon fishery under a crewmember license; [OR]  
15 (2) lease an entry permit for the salmon fishery under AS 16.44; or

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

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

28 (d) The commission may not transfer a commercial fishing permit for a  
29 salmon fishery under an emergency transfer under AS 16.43.180 if, at the time of the  
30 application for the emergency transfer, the permit holder's commercial salmon fishing  
31 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.

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

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

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

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

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

(3) borrow funds;

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

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

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

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

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

6 (b) A permit bank shall

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

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

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

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

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

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

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

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

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

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

31 (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

1 in the permit bank region if

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

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

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

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

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

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

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

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

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

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

1 another state or country.

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

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

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

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

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

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

15 **Sec. 16.44.099. Definitions.** In this chapter,

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

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

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

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

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

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

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

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

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

31 (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)).

\* **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

1 enhancement tax under AS 43.76.001, 43.76.002, 43.76.003, 43.76.004,  
2 43.76.005, 43.76.006, 43.76.007, 43.76.008, 43.76.009, 43.76.010, 43.76.011,  
3 43.76.012, or 43.76.013;

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

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

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

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

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

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

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

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

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

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

1 the region;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (4) the ballot must

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

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

1 AS 43.76.250(a);

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

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

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

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

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

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

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

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

26 **Sec. 43.76.240. Amendment of salmon fishery assessment.** (a) The rate or  
27 termination date of the salmon fishery assessment levied on salmon under  
28 AS 43.76.220 may be amended by the commissioner of revenue upon a two-thirds  
29 majority vote at an election held under AS 43.76.230 among the eligible permit  
30 holders **and permit lessees** for the fishery in which the salmon fishery assessment is  
31 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

1 subsection has been received.

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

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

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

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

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

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

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

28 (4) the qualified salmon fishery association provides notice of the  
29 election in accordance with AS 43.76.230 within six months after receiving notice  
30 from the commissioner of fish and game that a valid petition under (1) of this  
31 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

1 to a buyer in the state.

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

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

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

9 (b) The seafood development tax is levied under AS 43.76.350, 43.76.355,  
10 43.76.360, or 43.76.365 on fishery resources taken in a fishery, or is amended or  
11 terminated, on the effective date stated on the ballot if

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

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

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

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

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

24 (1) the association shall hold at least one public meeting, not less than  
25 30 days before the date on which ballots must be postmarked to be counted in the  
26 election, to explain the reason for the proposed seafood development tax, the  
27 amendment of the tax, or the termination of the tax and to explain the registration and  
28 voting procedure to be used in the election; the association shall provide notice of the  
29 meeting by

30 (A) mailing the notice to each eligible interim-use permit  
31 **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

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

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

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

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

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

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

29 **Sec. 43.76.375. Termination of seafood development tax.** (a) The seafood  
30 development tax levied under AS 43.76.350, 43.76.355, 43.76.360, or 43.76.365 may  
31 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.