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Kirsch/Bullard
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CS FOR HOUSE BILL NO. 112(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered:

Referred:

Sponsor(s): REPRESENTATIVE STUTES

A BILL

FOR AN ACT ENTITLED

1 **"An Act repealing the Alaska Commercial Fisheries Entry Commission and**
2 **transferring its duties to a commercial fisheries entry division established in the**
3 **Department of Fish and Game and the office of administrative hearings; and providing**
4 **for an effective date."**

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

6 *** Section 1.** AS 16.05.050(a) is amended to read:

7 (a) The commissioner has, but not by way of limitation, the following powers
8 and duties:

9 (1) through the appropriate state agency and under the provisions of
10 AS 36.30 (State Procurement Code), to acquire by gift, purchase, or lease, or other
11 lawful means, land, buildings, water, rights-of-way, or other necessary or proper real
12 or personal property when the acquisition is in the interest of furthering an objective or
13 purpose of the department and the state;

14 (2) under the provisions of AS 36.30, to design and construct

hatcheries, pipelines, rearing ponds, fishways, and other projects beneficial for the fish and game resources of the state;

(3) to accept money from any person under conditions requiring the use of the money for specific purposes in the furtherance of the protection, rehabilitation, propagation, preservation, or investigation of the fish and game resources of the state or in settlement of claims for damages to fish or game resources;

(4) to collect, classify, and disseminate statistics, data, and information that, in the commissioner's discretion, will tend to promote the purposes of this title except AS 16.51 and AS 16.52;

(5) to take, capture, propagate, transport, buy, sell, or exchange fish or game or eggs for propagating, scientific, public safety, or stocking purposes;

(6) under the provisions of AS 36.30, to provide public facilities where necessary or proper to facilitate the taking of fish or game, and to enter into cooperative agreements with any person to effect them;

(7) to exercise administrative, budgeting, and fiscal powers;

(8) under the provisions of AS 36.30, to construct, operate, supervise, and maintain vessels used by the department;

(9) to authorize the holder of an interim-use permit under AS 16.43 to engage on an experimental basis in commercial taking of a fishery resource with vessel, gear, and techniques not presently qualifying for licensing under this chapter in conformity with standards established by the **commercial fisheries entry division of the department under AS 16.43** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION];

(10) not later than January 31 of each year, to provide to the commissioner of revenue the names of those fish and shellfish species that the commissioner of fish and game designates as developing commercial fish species for that calendar year; a fish or shellfish species is a developing commercial fish species if, within a specified geographical region,

(A) the optimum yield from the harvest of the species has not been reached;

(B) a substantial portion of the allowable harvest of the species

has been allocated to fishing vessels of a foreign nation; or

(C) a commercial harvest of the fish species has recently developed;

(11) to initiate or conduct research necessary or advisable to carry out the purposes of this title except AS 16.51 and AS 16.52;

(12) to enter into cooperative agreements with agencies of the federal government, educational institutions, or other agencies or organizations, when in the public interest, to carry out the purposes of this title except AS 16.51 and AS 16.52;

(13) to implement an on-board observer program authorized by the Board of Fisheries under AS 16.05.251(a)(13); implementation

(A) must be as unintrusive to vessel operations as practicable; and

(B) must make scheduling and scope of observers' activities as predictable as practicable;

(14) to sell fish caught during commercial fisheries test fishing operations;

(15) to establish and charge fees equal to the cost of services provided by the department, including provision of public shooting ranges, broodstock and eggs for private nonprofit hatcheries, department publications, and other direct services, and reasonable fees for the use of state facilities managed by the department; fees established under this paragraph for tours of hatchery facilities, commercial use of sport fishing access sites, and for operation of state hatchery facilities by private aquaculture associations are not subject to the cost limit under AS 37.10.050(a);

(16) to permit and regulate aquatic farming in the state in a manner that ensures the protection of the state's fish and game resources and improves the economy, health, and well-being of the citizens of the state;

(17) to operate state housing and facilities for employees, contractors, and others in support of the department's responsibilities and to charge rent that is consistent with applicable collective bargaining agreements, or, if no collective bargaining agreement is applicable, competitive with market conditions; rent received from tenants shall be deposited in the general fund;

(18) [TO PETITION THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION, UNLESS THE BOARD OF FISHERIES DISAPPROVES THE PETITION UNDER AS 16.05.251(g),] to establish a moratorium on new entrants into commercial fisheries, unless the Board of Fisheries disapproves the request under AS 16.05.251(g).

(A) that have experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;

(B) that have achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and

(C) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery;

(19) to promote fishing, hunting, and trapping and preserve the heritage of fishing, hunting, and trapping in the state;

(20) under the provisions of AS 16.43, to regulate and control entry of participants and vessels into the commercial fisheries in the public interest and without unjust discrimination.

* Sec. 2. AS 16.05.251(g) is amended to read:

(g) Upon request of the commissioner, the [THE] Board of Fisheries shall consider imposing [A REQUEST OF THE COMMISSIONER FOR APPROVAL OF A PETITION TO THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION TO ESTABLISH] a moratorium on new entrants into a commercial fishery under AS 16.43.225 at the board's next regular or special meeting that follows the board's receipt [BY THE BOARD] of the request [FOR APPROVAL OF THE PETITION] and that allows time for the notice required under this subsection. The board may consider the request of the commissioner [FOR APPROVAL OF THE PETITION] only after 15 days' public notice of the board's intention to consider the request [APPROVAL OF THE PETITION]. The board shall consider whether the commissioner, in support of the request [FOR APPROVAL OF THE PETITION], has adequately shown that the fishery meets requirements for a moratorium on new entrants under AS 16.05.050. The board by a majority vote of its members at the

meeting when the request [PETITION] must be considered shall approve or disapprove the request [PETITION].

* **Sec. 3.** AS 16.05.450(b) is amended to read:

(b) The commercial fisheries entry division of the department [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] shall issue a vessel license under AS 16.05.490 to each qualified vessel for which a written application has been filed, at a place in the state designated by the commercial fisheries entry division of the department [COMMISSION], containing the reasonable information required by the commercial fisheries entry division of the department [COMMISSION] together with the required fee. The application shall be simple in form and shall be executed by the applicant under the penalty of unsworn falsification in the second degree.

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

(d) Upon request, the commercial fisheries entry division of the department [OR THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] shall provide a social security number provided by an applicant for a license under this section to the child support services agency created in AS 25.27.010, or the child support agency of another state, for child support purposes authorized under law.

* **Sec. 5.** AS 16.05.520 is amended to read:

Sec. 16.05.520. Number plate. (a) The vessel license includes a permanent number plate. The number plate shall be accompanied by a tab affixed to the number plate designating the year to be fished. A number plate is not transferable, and the number plate shall be considered a permanent fixture on [UPON] the vessel on [UPON] which the number plate is originally placed. The number plate shall be securely fastened well forward on the port side in plain sight. On a vessel with a superstructure, the number plate shall be fastened on the port side of the superstructure. A number plate remains the property of the state. The commercial fisheries entry division of the department [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] may establish by regulation a reasonable fee for the initial issuance of a permanent number plate. If a permanent number plate is accidentally defaced, mutilated, destroyed, or lost, the person owning or operating the vessel shall

1 immediately apply for and may obtain a duplicate upon furnishing the **commercial**
2 **fisheries entry division of the department** [ALASKA COMMERCIAL FISHERIES
3 ENTRY COMMISSION] with the pertinent facts and a payment of a reasonable fee
4 established by the **commercial fisheries entry division of the department**
5 [COMMISSION] by regulation that is not less than \$2.

6 (b) If a vessel carrying a number plate is lost, destroyed, or sold, the owner
7 shall immediately report the loss, destruction, or sale to the **commercial fisheries**
8 **entry division of the department** [ALASKA COMMERCIAL FISHERIES ENTRY
9 COMMISSION].

10 * **Sec. 6.** AS 16.05.530(a) is amended to read:

11 (a) Upon payment of the vessel license fee and filing of the name and address
12 of the owner of the vessel or the owner's authorized agent, the name and number of the
13 vessel, a description of the vessel, the vessel license number, if any, the area to be
14 fished, and other reasonable information required by the **commercial fisheries entry**
15 **division of the department** [ALASKA COMMERCIAL FISHERIES ENTRY
16 COMMISSION], the **commercial fisheries entry division of the department**
17 [COMMISSION] shall issue a permanent number plate and a vessel license. If the
18 vessel has a permanent number plate, the **commercial fisheries entry division of the**
19 **department** [COMMISSION] shall issue a vessel license and tab designating the year
20 the license is valid. The tab shall be placed in the space provided on the permanent
21 number plate.

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

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

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

28 (2) has been issued a landing permit by the **commercial fisheries**
29 **entry division of the department** [ALASKA COMMERCIAL FISHERIES ENTRY
30 COMMISSION].

31 * **Sec. 8.** AS 16.05.675(c) is amended to read:

(c) The commercial fisheries entry division of the department [COMMISSIONER] may [AUTHORIZE THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION TO] issue landing permits for a fishery if the commissioner has made a written finding that the issuance of landing permits for that fishery is consistent with state resource conservation and management goals.

* **Sec. 9.** AS 16.05.815(a) is amended to read:

(a) Except as provided in (b) and (c) of this section, records required by regulations of the department concerning the landings of fish, shellfish, or fishery products, and annual statistical reports of fishermen, buyers, and processors required by regulation of the department are confidential and may not be released by the department [OR BY THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] except as set out in this subsection. [THE DEPARTMENT MAY RELEASE THE RECORDS AND REPORTS SET OUT IN THIS SUBSECTION TO THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION.] The department [AND THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] may release the records and reports set out in this subsection to the recipients identified in this subsection if the recipient, other than a recipient under (5) - (9) of this subsection, agrees to maintain the confidentiality of the records and reports. The department [AND THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] may release

(1) any of the records and reports to the National Marine Fisheries Service and the professional staff of the North Pacific Fishery Management Council as required for preparation and implementation of the fishery management plans of the North Pacific Fishery Management Council within the exclusive economic zone;

(2) any of the records and reports to the professional staff of the Pacific States Marine Fisheries Commission who are employed in the Alaska Fisheries Information Network project for the purpose of exchanging information with users authorized by the department;

(3) any of the records and reports to the Department of Revenue to assist the department in carrying out its statutory responsibilities;

(4) records or reports of the total value purchased by each buyer to a

1 municipality that levies and collects a tax on fish, shellfish, or fishery products if the
2 municipality requires records of the landings of fish, shellfish, or fishery products to
3 be submitted to it for purposes of verification of taxes payable;

4 (5) [SUCH] records and reports as necessary to be in conformity with a
5 court order;

6 (6) on request, the report of a person to the person whose fishing
7 activity is the subject of the report, or to a designee of the person whose fishing
8 activity is the subject of the report;

9 (7) on request, annual statistical reports of a fisherman, buyer, or
10 processor to the fisherman, buyer, or processor whose activity is the subject of the
11 report, or to a designee of the fisherman, buyer, or processor whose activity is the
12 subject of the report;

13 (8) any of the records and reports to the Department of Public Safety
14 for law enforcement purposes;

15 (9) fish tickets, fish ticket information, records required of sport
16 fishing guides, and annual statistical reports of fishermen, buyers, and processors and
17 information in those reports to the law enforcement personnel of the National Marine
18 Fisheries Service and the National Oceanic and Atmospheric Administration for the
19 purpose of enforcing fishery laws in waters of this state and in waters of the exclusive
20 economic zone adjacent to this state;

21 (10) fish tickets, fish ticket information, and records required of sport
22 fishing guides regarding halibut to the International Pacific Halibut Commission;

23 (11) any of the records and reports to the child support services agency
24 created in AS 25.27.010, or the child support enforcement agency of another state, for
25 child support purposes authorized under law;

26 (12) any of the records and reports to the Department of Natural
27 Resources to assist the department in carrying out its statutory responsibilities in
28 regard to sport fishing operations and sport fishing guides within the Kenai River
29 Special Management Area under AS 41.21.500 - 41.21.514; and

30 (13) fish ticket information and records or reports of the total value
31 purchased by each fisherman, buyer, or processor to the National Marine Fisheries

Service for the purpose of enforcing the industry fee system of a fishing capacity reduction program under 16 U.S.C. 1861a (Magnuson-Stevens Fishery Conservation and Management Act).

* **Sec. 10.** AS 16.10.333(a) is amended to read:

(a) Loans under AS 16.10.310(a) may be made to an individual commercial fisherman for the purchase of a limited entry permit upon certification by the **commercial fisheries entry division of the Department of Fish and Game** [COMMISSION] that the fisherman is a person who qualifies as a transferee for the permit under AS 16.43 and the regulations adopted **under AS 16.43** [BY THE COMMISSION].

* **Sec. 11.** AS 16.10.333(d) is amended to read:

(d) Upon satisfaction of the note by the debtor, the commissioner shall certify to the **commercial fisheries entry division of the Department of Fish and Game** [COMMISSION] that the note has been satisfied.

* **Sec. 12.** AS 16.10.333(e) is amended to read:

(e) Upon certification as provided in (d) of this section, the **commercial fisheries entry division of the Department of Fish and Game** [COMMISSION] shall amend the permit certificate to list the debtor as the legal owner.

* **Sec. 13.** AS 16.10.335(a) is amended to read:

(a) If the debtor defaults **on** [UPON] a note for which a limited entry permit has been pledged as security under AS 16.10.333 or 16.10.338, the commissioner shall provide the debtor, by both certified and first class mail sent to the debtor's last known address on file with the commissioner, with a notice of default that includes

(1) a description of the security given for the note including the number assigned to the pledged permit by the **commercial fisheries entry division of the Department of Fish and Game** [COMMISSION];

(2) the date **on** [UPON] which the default occurred;

(3) the amount of the debtor's outstanding principal and interest as of the date of the default notice, the total amount remaining on the note less unearned interest, and the amount of daily interest;

(4) a statement that the debtor may, within 15 days after the postmark

1 date of the notice, request a hearing to submit evidence showing the debtor has not
2 defaulted;

3 (5) a statement that the note may be reinstated if it is brought current
4 within 120 days after the postmark date of the notice;

5 (6) a statement that, under AS 16.10.310(a)(4), the debtor may
6 reinstate the note by submitting to the commissioner a plan of repayment if the
7 commissioner accepts the debtor's plan of repayment;

8 (7) the place where reinstatement of the note or payment in full may be
9 made; and

10 (8) a notice in at least 10-point bold type stating: IMPORTANT:
11 YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
12 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE
13 PERMIT AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED
14 AGAINST YOU.

15 * **Sec. 14.** AS 16.10.337(a) is amended to read:

16 (a) Upon a foreclosure on an entry permit as provided in AS 16.10.335 or the
17 termination of a debtor's interest in an entry permit under AS 16.10.335(g), the
18 commissioner shall offer the **commercial fisheries entry division of the Department**
19 **of Fish and Game** [COMMISSION] a right of first refusal if the permit is subject to a
20 buy-back program under AS 16.43.290 - 16.43.330 at a price equal to the amount
21 outstanding on the note plus any costs the department directly incurred in
22 administering the loan.

23 * **Sec. 15.** AS 16.10.337(b) is amended to read:

24 (b) If the **commercial fisheries entry division of the Department of Fish**
25 **and Game** [COMMISSION] does not exercise its right of first refusal within 30 days
26 after it receives the offer, or if the permit is not subject to a buy-back program under
27 AS 16.43.290 - 16.43.330, the department shall advertise and sell the permit. If the
28 proceeds of the sale of a permit exceed the amount necessary to pay the note in full,
29 plus penalties, costs of administration of the note, attorney fees, and child support
30 liens of which the department has notice, the excess shall be transferred by the
31 commissioner to the debtor. At any time until the permit has been sold under this

subsection, the debtor may repurchase the permit by paying the department the amount necessary to pay the note in full, plus penalties, costs of administration of the note, and attorney fees, as determined by the commissioner.

* **Sec. 16.** AS 16.10.360(4) is amended to read:

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

* **Sec. 17.** AS 16.40.250 is amended to read:

Sec. 16.40.250. Salmon fishery associations. The commissioner may assist in and encourage the formation of qualified salmon fishery associations for the purpose of promoting the consolidation of the fishing fleet in a salmon fishery for which the commercial fisheries entry division of the department [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] has issued commercial fishing entry permits under AS 16.43. A salmon fishery association is qualified if the commissioner determines that the regional association

(1) is incorporated as a nonprofit corporation under AS 10.20;

(2) is made up [COMPRISED] of interim-use permit and entry permit holders in the salmon fishery for which the association is established; and

(3) has a board of directors that is made up [COMPRISED] of interim-use permit and entry permit holders in the salmon fishery.

* **Sec. 18.** AS 16.43 is amended by adding a new section to read:

Sec. 16.43.015. Commercial fisheries entry division. (a) The commercial fisheries entry division is established as a regulatory division of the department.

(b) The commissioner shall appoint the director of the commercial fisheries entry division.

* **Sec. 19.** AS 16.43.100 is amended to read:

Sec. 16.43.100. Duties and general powers. (a) To accomplish the purposes set out in AS 16.43.010, the department [COMMISSION] shall

(1) regulate entry into the commercial fisheries for all fishery resources in the state;

(2) establish priorities for the application of the provisions of this chapter to the various commercial fisheries of the state;

(3) establish administrative areas suitable for regulating and controlling entry into the commercial fisheries;

(4) establish, for all types of gear, the maximum number of entry permits for each administrative area;

(5) designate, when necessary to accomplish the purposes of this chapter, particular species for which separate interim-use permits or entry permits will be issued;

(6) establish qualifications for the issuance of entry permits;

(7) issue entry permits to qualified applicants;

(8) issue interim-use permits as provided in AS 16.43.210, 16.43.220, and 16.43.225;

(9) establish, for all types of gear, the optimum number of entry permits for each administrative area;

(10) administer the buy-back program provided for in AS 16.43.310 and 16.43.320 to reduce the number of outstanding entry permits to the optimum number of entry permits;

(11) provide for the transfer and reissuance of entry permits to qualified transferees;

(12) provide for the transfer and reissuance of entry permits for alternative types of legal gear, in a manner consistent with the purposes of this chapter;

(13) establish and administer the collection of the annual fees provided for in AS 16.43.160;

(14) administer the issuance of commercial fishing vessel licenses under AS 16.05.490;

(15) issue educational entry permits to applicants who qualify under the provisions of AS 16.43.340 - 16.43.390;

(16) establish reasonable user fees for services;

(17) issue landing permits under AS 16.05.675 and regulations adopted under that section;

(18) establish and collect annual fees for the issuance of landing

permits that reasonably reflect the costs incurred in the administration and enforcement of provisions of law related to landing permits;

(19) establish a moratorium on entry into commercial fisheries as provided in AS 16.43.225;

(20) when requested by a regional development organization formed under former AS 44.33.895, provide to the organization, without charge, public information contained in the department's [COMMISSION'S] data with respect to relevant fisheries, including limited fisheries, fishery participants, and limited entry permit holders' harvests and earnings; and

(21) administer, when necessary to accomplish the purposes of this chapter, a Bering Sea hair crab fishery vessel permit system under AS 16.43.451 - 16.43.521.

(b) The department [COMMISSION] may do all things necessary to the exercise of its powers under this chapter, whether or not specifically designated in this chapter.

* **Sec. 20.** AS 16.43.110 is repealed and reenacted to read:

Sec. 16.43.110. Regulations and hearings. (a) The department may adopt regulations, consistent with law, necessary or proper in the exercise of its powers or for the performance of its duties under this chapter.

(b) An administrative hearing on a contested case under this chapter shall be conducted by the office of administrative hearings (AS 44.64.010). Notwithstanding AS 44.64.060(e), the office of administrative hearings shall render the final administrative decision.

(c) The department shall adopt regulations to provide for the correction of administrative error.

* **Sec. 21.** AS 16.43.120 is amended to read:

Sec. 16.43.120. Application of Administrative Procedure Act. (a) The administrative adjudication procedures of AS 44.62 (Administrative Procedure Act) [DO NOT] apply to administrative hearings on contested cases conducted by [ADJUDICATORY PROCEEDINGS OF] the office of administrative hearings (AS 44.64.010) held under this chapter. Final [COMMISSION EXCEPT THAT

1 FINAL] administrative determinations by the office of administrative hearings
2 [COMMISSION] are subject to judicial review as provided in AS 44.62.560 -
3 44.62.570.

4 (b) AS 44.62.010 - 44.62.320 and 44.62.640 apply to regulations adopted by
5 the department under this chapter [COMMISSION].

6 * **Sec. 22.** AS 16.43.140(a) is amended to read:

7 (a) A person may not operate gear in the commercial taking of fishery
8 resources without a valid entry permit or a valid interim-use permit issued by the
9 department [COMMISSION].

10 * **Sec. 23.** AS 16.43.140(c) is amended to read:

11 (c) A person may hold more than one interim-use or entry permit issued or
12 transferred under this chapter only for the following purposes:

- 13 (1) fishing more than one type of gear;
14 (2) fishing in more than one administrative area;
15 (3) harvesting particular species for which separate interim-use or
16 entry permits are issued;
17 (4) if authorized by regulations of the department [COMMISSION],
18 fishing an entire unit of gear in a fishery in which the department [COMMISSION]
19 has issued entry permits for less than a unit of gear under AS 16.43.270(d); under this
20 paragraph, a person may not hold more than two entry permits for a fishery; however,
21 the person may not

- 22 (A) fish more than one unit of gear in the fishery; or
23 (B) acquire a second entry permit for the fishery after the
24 person has acquired an entry permit that authorizes the use of an entire unit of
25 gear in the fishery;

- 26 (5) consolidation of the fishing fleet for a salmon fishery; however, a
27 person may hold not more than two entry permits for a salmon fishery under this
28 paragraph, but the person who holds two entry permits for a salmon fishery may not
29 engage in fishing under the second entry permit.

30 * **Sec. 24.** AS 16.43.150(d) is amended to read:

31 (d) Failure to renew an entry permit for a period of two years from the year of

1 last renewal results in a forfeiture of the entry permit to the department
2 [COMMISSION], except as waived by the department [COMMISSION] for good
3 cause. An entry permit may not be renewed until the fees for each preceding year
4 during which the entry permit was not renewed are paid. However, failure to renew an
5 entry permit in a year in which there is an administrative closure for the entire season
6 for a specific fishery is good cause not to renew the entry permit. The department
7 [COMMISSION] shall waive the payment of fees for that year.

8 * **Sec. 25.** AS 16.43.150(h) is amended to read:

9 (h) Unless an entry permit holder has expressed a contrary intent in a will that
10 is probated, the department [COMMISSION] shall, upon the death of the permit
11 holder, transfer the permanent permit by right of survivorship directly to the surviving
12 spouse or, if no spouse survives, to a natural person designated by the permit holder on
13 a form provided by the department [COMMISSION]. If no spouse survives and if the
14 person designated on the form, if any, does not survive, the permit passes as part of the
15 permit holder's estate. A designation under this subsection must be acknowledged
16 before a person authorized to administer an oath under AS 09.63.010 or must be
17 witnessed by two persons who are qualified under AS 13.12.505 to witness the will of
18 the permit holder. Except as provided in AS 16.10.333 - 16.10.337, AS 44.81.215, and
19 44.81.231 - 44.81.250, the permit is exempt from the claims of creditors of the estate.

20 * **Sec. 26.** AS 16.43.150(i) is amended to read:

21 (i) The holder of a transferable or nontransferable entry permit or of an
22 interim-use permit may voluntarily relinquish the permit to the department
23 [COMMISSION].

24 * **Sec. 27.** AS 16.43.160(a) is amended to read:

25 (a) Except as specifically provided in this section, the department
26 [COMMISSION] shall establish annual fees for the issuance and annual renewal of
27 entry permits or interim-use permits.

28 * **Sec. 28.** AS 16.43.160(b) is amended to read:

29 (b) The department [COMMISSION] may charge interest at a rate not to
30 exceed the legal rate of interest established in AS 45.45.010 on fees more than 60 days
31 overdue.

1 * **Sec. 29.** AS 16.43.160(c) is amended to read:

2 (c) The annual base fee for issuance or renewal of an entry permit or an
3 interim-use permit may not be less than \$30 or more than \$3,000. The annual base fee
4 must reasonably reflect the different rates of economic return for different fisheries. In
5 addition to the annual base fee established by the department [COMMISSION] under
6 this subsection, a nonresident shall pay an annual nonresident surcharge for the
7 issuance or renewal of one or more entry permits or interim-use permits. The
8 department [COMMISSION] shall establish the annual nonresident surcharge by
9 regulation at an amount that is as close as is practicable to the maximum allowed by
10 law.

11 * **Sec. 30.** AS 16.43.170(a) is amended to read:

12 (a) Except as provided in AS 16.10.333 - 16.10.338 and in AS 44.81.231 -
13 44.81.250, entry permits and interim-use permits are transferable only through the
14 department [COMMISSION] as provided in this section and AS 16.43.180 and under
15 regulations adopted by the department [COMMISSION]. An involuntary transfer of
16 an entry permit in a manner inconsistent with the statutes of this state and the
17 regulations of the department [COMMISSION] is void.

18 * **Sec. 31.** AS 16.43.170(b) is amended to read:

19 (b) Except as provided in (e) of this section, the holder of an entry permit may
20 transfer the permit to another person or to the department [COMMISSION] upon 60
21 days' [DAYS] notice of intent to transfer under regulations adopted by the
22 department. Not [COMMISSION. NO] sooner than 60 days nor later than 12 months
23 from the date of notice to the department [COMMISSION], the holder of an entry
24 permit may transfer the permit. If the proposed transferee, other than the department
25 [COMMISSION], can demonstrate the present ability to participate actively in the
26 fishery and the transfer does not violate any provision of this chapter or regulations
27 adopted under this chapter, and if a certificate for the permit under AS 16.10.333(b)(1)
28 - (2), 16.10.338, or AS 44.81.231(a) is not in effect, the department [COMMISSION]
29 shall approve the transfer and reissue the entry permit to the transferee if [PROVIDED
30 THAT] neither party is prohibited by law from participating in the transfer.

31 * **Sec. 32.** AS 16.43.170(g) is amended to read:

(g) A person may request the department [COMMISSION] to transfer an entry permit due to an execution on a permit holder's interest in that permit if the execution is to enforce a lien recorded with the department [COMMISSION] under AS 25.27.230(c). The request shall be made in the form and manner provided in this chapter and regulations adopted under this chapter. The department [COMMISSION] may deny a request for transfer of an entry permit due to an execution of a holder's interest in that permit if

(1) the execution does not comply with legal requirements or otherwise is not valid;

(2) the transfer violates this chapter or regulations adopted under this chapter;

(3) the proposed transferee or other party to the transfer is prohibited by law from participating in the transaction;

(4) a certificate for the permit under AS 16.10.333(b)(1) - (2), 16.10.338, or AS 44.81.231(a) is in effect at the time of the proposed transfer;

(5) the proposed transferee of the entry permit, other than the department [COMMISSION], cannot demonstrate the present ability to actively participate in the fishery; or

(6) the holder of the entry permit as shown by the records of the department [COMMISSION] demonstrates, under regulations adopted by the department [COMMISSION], that the entry permit is a necessary means of support for the holder and those dependent on [UPON] the holder.

* **Sec. 33.** AS 16.43.170(h) is amended to read:

(h) Notwithstanding (g) of this section, the department [COMMISSION] may not approve a request for transfer of an entry permit after an execution sale unless the parties to the transfer offer the department [COMMISSION] a right to purchase the permit at the same price and on the same terms as those of that execution sale. If the department [COMMISSION] exercises its right to purchase the permit, the permit then shall be transferred to the department [COMMISSION].

* **Sec. 34.** AS 16.43.180 is amended to read:

Sec. 16.43.180. Emergency transfers. (a) The department [COMMISSION]

shall adopt regulations providing for the temporary emergency transfer of entry permits and interim-use permits when illness, disability, death, required military or government service, or other unavoidable hardship prevents the permit holder from participating in the fishery. To alleviate hardship pending a final determination of the permit holder's eligibility for an entry permit, the **department** [COMMISSION] shall adopt regulations providing for the temporary emergency transfer of an interim-use permit issued under AS 16.43.210(b) or 16.43.225.

(b) The **department** [COMMISSION] shall adopt regulations providing for the temporary transfer of an entry permit upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate.

* **Sec. 35.** AS 16.43.200 is amended to read:

Sec. 16.43.200. Administrative areas. (a) The **department** [COMMISSION] shall establish administrative areas suitable for regulating and controlling entry into the commercial fisheries. The **department** [COMMISSION] shall make the administrative areas reasonably compatible with the geographic areas for which specific commercial fishing regulations are adopted by the Board of Fisheries.

(b) The **department** [COMMISSION] may modify or change the boundaries of administrative areas when necessary and consistent with the purposes of this chapter.

* **Sec. 36.** AS 16.43.210(a) is amended to read:

(a) For each fishery that is not subject to a maximum number of entry permits under AS 16.43.240 and not subject to a moratorium under AS 16.43.225, the **department** [COMMISSION] shall issue interim-use permits under regulations adopted by the **department** [COMMISSION] to all applicants who can establish their present ability to participate actively in the fishery for which they are making application.

* **Sec. 37.** AS 16.43.210(b) is amended to read:

(b) Before the issuance of the maximum number of entry permits for a given fishery, the **department** [COMMISSION] may issue an interim-use permit to an applicant who may later become eligible for an entry permit under AS 16.43.270.

* **Sec. 38.** AS 16.43.210(c) is amended to read:

(c) To the extent **authorized by** [THAT] the commissioner [OF FISH AND GAME AUTHORIZES IT] under AS 16.05.050(a)(9), the **department** [COMMISSION] may grant an interim-use permit to a person to engage in the commercial taking from a fishery on an experimental basis.

* **Sec. 39.** AS 16.43.220(a) is amended to read:

(a) The **department** [COMMISSION] shall adopt regulations specifying the dates and places of application, the procedures to be followed in renewal of the interim-use permit including the time, place of its renewal, and for any other purpose incident to the administration of interim-use permits for that fishery. An interim-use permit shall expire upon the final determination of the holder's eligibility for an entry permit.

* **Sec. 40.** AS 16.43.225 is amended to read:

Sec. 16.43.225. Moratorium on new entrants into certain fisheries. (a) Subject to (b) of this section, the **department** [COMMISSION] may establish a moratorium on new entrants into a fishery

(1) that has experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;

(2) that has achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and

(3) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

(b) The **department** [COMMISSION] may establish a moratorium on new entrants into a fishery described in (a) of this section if

(1) the commissioner [OF FISH AND GAME], subject to AS 16.05.251(g), **imposes** [PETITIONS THE COMMISSION UNDER AS 44.62.220 TO ESTABLISH] a moratorium on new entrants into the fishery; and

(2) the **department** [COMMISSION] finds that

(A) the fishery has reached a level of participation that may threaten the conservation and the sustained yield management of the fishery resource and the economic health and stability of commercial fishing; and

(B) the department [COMMISSION] has insufficient information to conclude that the establishment of a maximum number of entry permits under AS 16.43.240 would further the purposes of this chapter.

(c) The department [COMMISSION] may establish a moratorium under this section for a continuous period of up to four years. A fishery that has been subject to a moratorium under this section may not be subjected to a subsequent moratorium under this section unless five years have elapsed since the previous moratorium expired.

(d) While a moratorium is in effect, the department [COMMISSION] shall conduct investigations to determine whether a maximum number of entry permits should be established under AS 16.43.240 by

(1) conducting research into conditions in the fishery;

(2) consulting with the [DEPARTMENT OF FISH AND GAME AND THE] Board of Fisheries; and

(3) consulting with participants in the fishery.

(e) The department [COMMISSION] shall establish by regulation the qualifications for applicants for an interim-use permit for a fishery subject to a moratorium under this section. The qualifications must include the minimum requirements for past or present participation and harvest in the fishery. The department [COMMISSION] may not issue an interim-use permit for a fishery subject to a moratorium under this section unless the applicant can satisfy the qualifications established under this subsection and establish the present ability and intent to participate actively in the fishery.

* **Sec. 41.** AS 16.43.227(a) is amended to read:

(a) The department [COMMISSION] may establish a moratorium on new entrants into the southeast Alaska Dungeness crab fishery for a continuous period of up to four years without complying with AS 16.43.225(a) - (c). While the moratorium is in effect, the department [COMMISSION] shall

(1) conduct the investigation required under AS 16.43.225(d);

(2) establish by regulation the qualifications for an interim-use permit for the fishery, including minimum requirements for past or present participation and harvest in the fishery; and

(3) issue interim-use permits for the fishery to applicants who satisfy the qualifications established under (2) of this subsection and who establish the present ability and intent to participate actively in the fishery.

* **Sec. 42.** AS 16.43.228(g) is amended to read:

(g) The **department** [COMMISSION] may not consider participation in a fishery, subject to a moratorium on entry under this section, that occurs during the period of the moratorium in determining eligibility for an entry permit that may be issued for the fishery after termination of the moratorium.

* **Sec. 43.** AS 16.43.230 is amended to read:

Sec. 16.43.230. Designation of distressed fisheries. Pending the determination of maximum numbers of entry permits under AS 16.43.240 and before the initial issue of entry permits under AS 16.43.270, the **department** [COMMISSION] shall designate as distressed fisheries those for which it estimates that the optimum number of entry permits will be less than the highest number of units of gear fished in that fishery during any one of the four years immediately preceding January 1, 1973.

* **Sec. 44.** AS 16.43.240(b) is amended to read:

(b) When the **department** [COMMISSION] finds that a fishery, not designated as a distressed fishery under AS 16.43.230 or not subject to a moratorium under AS 16.43.225, has reached levels of participation that require the limitation of entry under AS 16.43.140 - 16.43.330 in order to achieve the purposes of this chapter, the **department** [COMMISSION] shall establish the maximum number of entry permits for that fishery.

* **Sec. 45.** AS 16.43.240(c) is amended to read:

(c) When the **department** [COMMISSION] finds that a fishery subject to a moratorium under AS 16.43.225 has reached levels of participation that require the limitation of entry under AS 16.43.140 - 16.43.330 in order to achieve the purposes of this chapter, the **department** [COMMISSION] shall establish the maximum number of entry permits for that fishery.

* **Sec. 46.** AS 16.43.250 is amended to read:

Sec. 16.43.250. Standards for initial issue of entry permits. (a) Following

the establishment of the maximum number of units of gear for a particular fishery under AS 16.43.240, the department [COMMISSION] shall adopt regulations establishing qualifications for ranking applicants for entry permits according to the degree of hardship that they would suffer by exclusion from the fishery. The regulations shall define priority classifications of similarly situated applicants based on [UPON] a reasonable balance of the following hardship standards:

(1) degree of economic dependence on [UPON] the fishery, including, when reasonable for the fishery, the percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations, and investment in vessels and gear;

(2) extent of past participation in the fishery, including, when reasonable for the fishery, the number of years of participation in the fishery, and the consistency of participation during each year.

(b) The department [COMMISSION] shall designate in the regulations those priority classifications of applicants who would suffer significant economic hardship by exclusion from the fishery.

(c) The department [COMMISSION] shall designate in the regulations those priority classifications of applicants who would suffer only minor economic hardship by exclusion from the fishery.

(d) If an individual eligible to apply under AS 16.43.260(a) has applied during application periods established under AS 16.43.260(b) for two or more entry permits under AS 16.43.260(d) or (e) for the same specific fishery resource and the same specific type of gear in different administrative areas, but has failed to qualify for an entry permit for that type of fishery resource and gear, the individual's cumulative qualifications may be credited to the fishery for which the individual is most qualified. The department [COMMISSION] shall issue an entry permit to the individual for the fishery if the individual's cumulative qualifications result in placing the individual in a category designated in (b) of this section. The qualifications credited to a fishery under this subsection may not be considered for the purpose of ranking the applicant under (a) - (c) of this section for any other fishery. The department [COMMISSION] may not revoke any permit previously issued notwithstanding the issuance of permits in

1 excess of the maximum number established under AS 16.43.230 - 16.43.240 as a
2 result of this subsection. In this subsection, "fishery" includes all salmon fisheries of
3 the state for which a maximum number of entry permits has been established by the
4 **department** [COMMISSION] under AS 16.43.240(b).

5 (e) If the cumulative qualifications of an individual under (d) of this section
6 include points granted by the **department** [COMMISSION] under (a) of this section
7 for more than one fishery and the number of points required to place an applicant in
8 the priority classification under (b) of this section is not the same for each of the
9 fisheries, the **department** [COMMISSION] shall obtain a quotient for the individual
10 by dividing the number of points the individual has been granted for each fishery by
11 the number of points needed to place an applicant in a priority classification under (b)
12 of this section for that fishery. If the sum of the quotients obtained under this
13 subsection equals or exceeds 1.00, the individual is entitled to a permit under (d) of
14 this section.

15 * **Sec. 47.** AS 16.43.260(a) is amended to read:

16 (a) The **department** [COMMISSION] shall accept applications for entry
17 permits only from applicants who have harvested fishery resources commercially
18 while participating in the fishery as holders of gear licenses issued under former
19 AS 16.05.536 - 16.05.670 or interim-use permits under AS 16.43.210(a) or 16.43.225
20 before the qualification date established in (d), (e), or (f) of this section. The
21 **department** [COMMISSION] may specify by regulation the calendar years of
22 participation that will be considered for eligibility purposes.

23 * **Sec. 48.** AS 16.43.260(b) is amended to read:

24 (b) The **department** [COMMISSION] shall establish the opening and closing
25 dates, places, and form of application for entry permits for each fishery. The
26 **department** [COMMISSION] may require the submission of specific verified
27 evidence establishing the applicant's qualifications under the regulations adopted
28 under AS 16.43.250.

29 * **Sec. 49.** AS 16.43.260(c) is amended to read:

30 (c) When an applicant is unable to establish qualifications for an entry permit
31 by submitting the specific verified evidence required in the application by the

department [COMMISSION], the applicant may request and obtain an administrative adjudication of the application according to the procedures established in AS 16.43.110(b). At the hearing the applicant may present alternative evidence of qualifications for an entry permit.

* **Sec. 50.** AS 16.43.260(e) is amended to read:

(e) Except as provided in (f) of this section, when the **department** [COMMISSION] establishes the maximum number of entry permits for a particular fishery under AS 16.43.240 [AFTER JANUARY 1, 1975], an applicant shall be assigned to a priority classification based solely **on** [UPON] the applicant's qualifications as of January 1 of the year during which the **department** [COMMISSION] establishes the maximum number of entry permits for the fishery for which application is made.

* **Sec. 51.** AS 16.43.260(f) is amended to read:

(f) When the **department** [COMMISSION] establishes the maximum number of entry permits under AS 16.43.240 for a fishery that is subject to a moratorium under AS 16.43.225, an applicant for an entry permit for the fishery shall be assigned to a priority classification based solely **on** [UPON] the applicant's qualifications as of the effective date of the statute or regulation establishing the moratorium.

* **Sec. 52.** AS 16.43.270(a) is amended to read:

(a) The **department** [COMMISSION] shall issue entry permits, for each fishery, first to all qualified applicants in the priority classifications designated under AS 16.43.250(b) and then to qualified applicants in order of descending priority classification, until the number of entry permits issued equals the maximum number of entry permits established under AS 16.43.230 and 16.43.240 for each fishery, except that a person within a priority classification specified under AS 16.43.250(b) may not be denied an entry permit.

* **Sec. 53.** AS 16.43.270(b) is amended to read:

(b) If, within the lowest priority classification of qualified applicants to which some entry permits may be issued, there are more applicants than there are entry permits to be issued, then the allocation of entry permits within that priority classification shall be by lottery. However, the **department** [COMMISSION] shall

1 issue entry permits to all qualified applicants in that priority classification if the total
2 number of permits issued for the fishery does not exceed the maximum number of
3 entry permits established under AS 16.43.240 for that fishery by more than five
4 percent or 10 permits, whichever is greater.

5 * **Sec. 54.** AS 16.43.270(d) is amended to read:

6 (d) The department [COMMISSION] may restrict the fishing capacity
7 employed under an entry permit if, before the initial issuance of entry permits for a
8 fishery, the department [COMMISSION] determines that the fishing capacity in the
9 fishery must be limited to achieve the purposes of this chapter, establishes criteria for
10 determining the fishing capacity that is allowed under an entry permit, and establishes
11 how fishing capacity will be measured. The maximum fishing capacity allowed under
12 an entry permit must be based on [UPON] past participation in the fishery by the
13 initial recipient of the entry permit during a period, specified by the department
14 [COMMISSION], preceding the qualification date established under AS 16.43.260.
15 The department [COMMISSION] may define fishing capacity in terms of quantity of
16 fishing gear, a proportion of the maximum amount of gear that can be utilized in the
17 fishery under regulations of the Board of Fisheries, fishing vessel size or other
18 characteristics, or other factors determined by the department [COMMISSION] to
19 affect the amount of fishing effort in the fishery. The recipient or transferee of an entry
20 permit issued subject to this subsection may not exceed the fishing capacity allowed
21 under the entry permit.

22 * **Sec. 55.** AS 16.43.290 is amended to read:

23 **Sec. 16.43.290. Optimum number of entry permits.** Following the issuance
24 of entry permits under AS 16.43.270, the department [COMMISSION] shall
25 establish the optimum number of entry permits for each fishery based on [UPON] a
26 reasonable balance of the following general standards:

27 (1) the number of entry permits sufficient to maintain an economically
28 healthy fishery that will result in a reasonable average rate of economic return to the
29 fishermen participating in that fishery, considering time fished and necessary
30 investments in vessels and gear;

31 (2) the number of entry permits necessary to harvest the allowable

commercial take of the fishery resource during all years in an orderly, efficient manner, and consistent with sound fishery management techniques;

(3) the number of entry permits sufficient to avoid serious economic hardship to those currently engaged in the fishery, considering other economic opportunities reasonably available to them.

* **Sec. 56.** AS 16.43.300 is amended to read:

Sec. 16.43.300. Revisions of optimum number of entry permits. (a) The department [COMMISSION] may increase or decrease the optimum number of entry permits for a fishery when one or more of the following conditions makes a change desirable considering the purposes of this chapter:

(1) an established long-term change in the biological condition of the fishery has occurred that substantially alters the optimum number of entry permits permissible applying the standards set out in AS 16.43.290;

(2) an established long-term change in market conditions has occurred, directly affecting the fishery, that substantially alters the optimum number of entry permits permissible under the standards set out in AS 16.43.290.

(b) If the department [COMMISSION] decreases the optimum number of entry permits for a fishery, the number of entry permits may be reduced only under the voluntary buy-back provisions set out in AS 16.43.310 and 16.43.320.

* **Sec. 57.** AS 16.43.310 is amended to read:

Sec. 16.43.310. Establishment of buy-back funds and permit buy-back assessments. (a) When the optimum number of entry permits is less than the number of entry permits outstanding in a fishery, the department [COMMISSION] may establish a buy-back program, a buy-back plan, and a buy-back fund for that fishery.

(b) The department [COMMISSION] may establish by regulation a permit buy-back assessment for each fishery for which the department [COMMISSION] has established a buy-back fund under (a) of this section. The amount of the assessment may not exceed seven percent of the value, as defined in AS 43.75.290, of fish that a permit holder in the fishery subject to the assessment removes from the state or transfers to a buyer in the state. The Department of Revenue shall collect an assessment established under this subsection.

(c) The department [COMMISSION] shall expend money appropriated to a buy-back fund for the purpose of reducing the number of entry permits in the fishery to the optimum number, at a rate to be established by the department [COMMISSION]. The legislature may appropriate interest accrued on the money in a buy-back fund to that fund. Except as provided in AS 16.43.320, money appropriated to a buy-back fund does not lapse.

* **Sec. 58.** AS 16.43.320 is amended to read:

Sec. 16.43.320. Administration of the buy-back program. The department [COMMISSION] shall adopt regulations providing for the purchase of transferable entry permits with money in the buy-back fund for each fishery. The department [COMMISSION] shall cease purchases of entry permits in a fishery when the number of entry permits in the fishery has been reduced to the optimum number. The department [COMMISSION] shall terminate a buy-back assessment established for a fishery under AS 16.43.310(b) when the department [COMMISSION] determines that the amount of revenue collected through the assessment is sufficient to purchase the number of entry permits necessary to achieve the optimum number of entry permits in the fishery and to offset the reasonable costs of the buy-back program for the fishery, including repayment of any debt the department [COMMISSION] was authorized to incur to capitalize the buy-back fund for the fishery. The unexpended balance of appropriations made to a buy-back fund for a fishery shall lapse back into the fund from which the money was appropriated at the end of the fiscal year in which the buy-back program is terminated.

* **Sec. 59.** 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 department [COMMISSION] shall issue new entry permits to applicants who are presently able to engage actively in the fishery until the optimum number is reached.

* **Sec. 60.** AS 16.43.330(b) is amended to read:

(b) The department [COMMISSION] shall determine equitable methods of issuance, as appropriate, under (a) of this section that assure the receipt of fair market value for the permits issued.

1 * **Sec. 61.** AS 16.43.340(a) is amended to read:

2 (a) In addition to entry permits and interim-use permits, the department
3 [COMMISSION] may issue educational entry permits to public, private, or
4 denominational educational institutions accredited by the Department of Education
5 and Early Development or accredited institutions, career, or vocational programs
6 approved by the Alaska Commission on Postsecondary Education, or full-time
7 nonprofit residential child care facilities licensed by the Department of Health and
8 Social Services, division of social services, if

9 (1) the program is offered to students at the junior high school level or
10 above;

11 (2) the issuance of an educational entry permit is reasonably necessary
12 to the instruction of students under courses offered by the applicant for the educational
13 entry permit;

14 (3) the program is offered by an institution that is located in the state
15 and has been in operation for at least two years; and

16 (4) the institution offering the program is not a correspondence
17 institution.

18 * **Sec. 62.** AS 16.43.340(c) is amended to read:

19 (c) The department [COMMISSION] may issue educational entry permits
20 notwithstanding the establishment of maximum or optimum numbers under
21 AS 16.43.240 and 16.43.290.

22 * **Sec. 63.** AS 16.43.351(b) is amended to read:

23 (b) A recipient may be issued an educational entry permit valid for designated
24 fisheries in the administrative area the department [COMMISSION] determines to be
25 appropriate, considering the nature of the educational program and the location of the
26 educational or vocational institution. The recipient of an educational entry permit may
27 not be issued an educational entry permit in more than one administrative area except
28 as issued by the department [COMMISSION] in its discretion upon good cause
29 shown.

30 * **Sec. 64.** AS 16.43.351(d) is amended to read:

31 (d) Annual fees for educational entry permits shall be as specified by

department [COMMISSION] regulation under the authority of AS 16.43.160.

* **Sec. 65.** AS 16.43.371 is amended to read:

Sec. 16.43.371. Accounting of harvest. The recipient of an educational entry permit shall report to the **department** [COMMISSION] costs and earnings, amount of harvest, and other information the **department** [COMMISSION] requires to monitor training programs of recipients of educational entry permits.

* **Sec. 66.** AS 16.43.381(b) is amended to read:

(b) The **department** [COMMISSION] shall adopt regulations relating to the issuance of educational entry permits, establishing eligibility criteria for recipients of the permits, and [SUCH] other matters as are reasonably necessary to implement AS 16.43.340 - 16.43.390.

* **Sec. 67.** AS 16.43.400 is amended to read:

Sec. 16.43.400. Special harvest area entry permits. (a) In addition to entry permits, interim-use permits, and educational permits, the **department** [COMMISSION] may issue special harvest area entry permits to holders of private, nonprofit hatchery permits issued by the **department** [DEPARTMENT OF FISH AND GAME] under AS 16.10.400 - 16.10.475.

(b) The **department** [COMMISSION] may issue special harvest area entry permits notwithstanding the establishment of maximum or optimum numbers under AS 16.43.240 and 16.43.290.

* **Sec. 68.** AS 16.43.410(c) is amended to read:

(c) The annual fee for a special harvest area entry permit shall be specified by **department** [COMMISSION] regulation under the authority of AS 16.43.160.

* **Sec. 69.** AS 16.43.440(b) is amended to read:

(b) The **department** [COMMISSION, AFTER CONSULTATION WITH THE DEPARTMENT OF FISH AND GAME,] shall adopt regulations that are reasonably necessary to implement AS 16.43.400 - 16.43.440.

* **Sec. 70.** AS 16.43.850(a) is amended to read:

(a) For the purpose of identifying frequent violators of commercial fishing laws in salmon fisheries, the **department** [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 department [COMMISSION] under AS 16.43.880. The department [COMMISSION] shall assess demerit points against a permit holder for each violation of commercial fishing laws in a salmon fishery in accordance with (b) and (c) of this section. The department [COMMISSION] shall assess points against a permit holder for the salmon fishery in which the violation of commercial fishing laws occurred.

* **Sec. 71.** AS 16.43.850(b) is amended to read:

(b) The department [COMMISSION] shall assess demerit points against 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 not present when required 4 points;
- (10) fishing with underlength or overlength vessel 6 points;
- (11) wanton waste of fishery resources 4 points.

* **Sec. 72.** AS 16.43.850(d) is amended to read:

(d) The department [COMMISSION] shall suspend a permit holder's commercial salmon fishing privileges for a salmon fishery for a period of

(1) one year if the permit holder 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 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 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. 73.** AS 16.43.855(c) is amended to read:

(c) The assessment of points against a permit holder by the department [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. 74.** AS 16.43.855(d) is amended to read:

(d) If points are assessed against a permit holder who holds a commercial fishing permit for a salmon fishery under an emergency transfer approved by the department [COMMISSION] under AS 16.43.180, the same number of points shall also be assessed against the 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. 75.** AS 16.43.860(a) is amended to read:

(a) A permit holder 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 privilege to obtain an entry permit or interim-use permit for a salmon fishery is suspended under this section, the department [COMMISSION] may not issue a permit card to the permit holder for that fishery.

* **Sec. 76.** AS 16.43.860(c) is amended to read:

(c) If, during the period for which a permit holder's commercial fishing privileges for a salmon fishery are suspended, the department [COMMISSION] establishes a limited entry system for the salmon fishery, the permit holder shall be eligible to obtain an entry permit for that fishery to the extent that the permit holder qualifies for the entry permit under regulations adopted by the department

[COMMISSION]. If the permit holder qualifies for an entry permit for the fishery, the department [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.

* **Sec. 77.** AS 16.43.860(d) is amended to read:

(d) The department [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 for the salmon fishery have been suspended.

* **Sec. 78.** AS 16.43.870 is amended to read:

Sec. 16.43.870. Notice and appeal. The department [COMMISSION] shall provide notice of determinations of the department [COMMISSION] under AS 16.43.850 - 16.43.895. Respondents may request a hearing under AS 16.43.110(b) [REGULATIONS ADOPTED BY THE COMMISSION UNDER AS 16.43.110].

* **Sec. 79.** AS 16.43.880(a) is amended to read:

(a) A court that convicts a person of a violation of commercial fishing laws under this title or under a regulation adopted under this title in a salmon fishery shall forward a record of the conviction to the department [COMMISSION] on a weekly basis.

* **Sec. 80.** AS 16.43.955 is amended to read:

Sec. 16.43.955. Hearings in proximity to Board of Fisheries meetings. When practicable, a department [COMMISSION] hearing that deals with the subject of limiting entry to a fishery shall be held on the same dates on which, and in the same building or in a building adjacent to the building in which, a Board of Fisheries meeting is being held.

* **Sec. 81.** AS 16.43.960(a) is amended to read:

(a) The department [COMMISSION] may revoke, suspend, or transfer all entry or interim-use permits, vessel entry permits, or vessel interim-use permits held by a person or entity who knowingly provides or assists in providing false information, or fails to correct false information provided to the department [COMMISSION] for the purpose of obtaining a benefit for self or another, including the issuance, renewal, duplication, or transfer of an entry or interim-use permit, vessel

1 license, vessel entry permit, or vessel interim-use permit. The **department**
2 [COMMISSION] may suspend, as appropriate, that person's or entity's eligibility to
3 hold an entry or interim-use permit, vessel entry permit, or vessel interim-use permit
4 for a period not to exceed three years, and may impose an administrative fine of not
5 more than \$5,000 on the person or entity whose officers, employees, representatives,
6 or agents knowingly provide or assist in providing false information, or fail to correct
7 false information provided, to the **department** [COMMISSION] for the purpose of
8 obtaining a benefit.

9 * **Sec. 82.** AS 16.43.960(a), as amended by sec. 6, ch. 2, SLA 2014, is amended to read:

10 (a) The **department** [COMMISSION] may revoke, suspend, or transfer all
11 entry or interim-use permits held by a person who knowingly provides or assists in
12 providing false information, or fails to correct false information provided to the
13 **department** [COMMISSION] for the purpose of obtaining a benefit for self or
14 another, including the issuance, renewal, duplication, or transfer of an entry or
15 interim-use permit or vessel license. The **department** [COMMISSION] may suspend
16 that person's eligibility to hold an entry or interim-use permit for a period not to
17 exceed three years, and may impose an administrative fine of not more than \$5,000 on
18 the person. The **department** [COMMISSION] may also impose an administrative fine
19 of not more than \$5,000 on an entity whose officers, employees, representatives, or
20 agents knowingly provide or assist in providing false information, or fail to correct
21 false information provided, to the **department** [COMMISSION] for the purpose of
22 obtaining a benefit.

23 * **Sec. 83.** AS 16.43.960(b) is amended to read:

24 (b) The **office of administrative hearings** [COMMISSION] shall serve the
25 respondent personally or by certified or registered mail with a notice to show cause
26 why the proposed action should not take place. The notice to show cause must

27 (1) be supported by an affidavit, which may be made on information or
28 belief, setting out the facts that are the basis of the proposed actions;

29 (2) provide for a least 30 days' notice of the place, date, and time of the
30 hearing where the respondent may present evidence in opposition to the proposed
31 action; unless waived in writing by the respondent, the hearing shall be held within the

judicial district in which the respondent resides if the respondent resides in the state;
the hearing place shall be at the discretion of the office of administrative hearings
[COMMISSION] for those respondents residing outside the state;

(3) specify the statutes or regulations violated;

(4) state with particularity the action proposed to be taken;

(5) indicate to the respondent that the respondent's ability to
permanently transfer the permits that are the subject of the show cause proceedings
has been suspended as of the date of the notice and will continue to be suspended until
the exhaustion of all administrative and judicial remedies; and

(6) provide other information the office of administrative hearings
[COMMISSION] considers proper.

* **Sec. 84.** AS 16.43.960(d) is amended to read:

(d) The show cause hearing shall be conducted and a decision shall be issued
[BEFORE A QUORUM OF COMMISSIONERS AND SHALL BE PRESIDED
OVER BY A HEARING OFFICER APPOINTED] by the office of administrative
hearings under AS 16.43.110(b) [COMMISSION WHO SHALL RULE ON THE
PRESENTATION OF EVIDENCE AND OTHER PROCEDURAL MATTERS].
Hearings shall be conducted in accordance with regulations adopted under
AS 16.43.110(b).

* **Sec. 85.** AS 16.43.960(e) is amended to read:

(e) The failure of a respondent properly served under (b) of this section to
appear at the hearing is not grounds for setting aside any [COMMISSION] action
taken by the office of administrative hearings. However, the office of
administrative hearings [COMMISSION] may in its discretion order a continuance
or second hearing.

* **Sec. 86.** AS 16.43.960(g) is amended to read:

(g) The provisions of this section [APPLY TO CONDUCT OCCURRING
AFTER JANUARY 1, 1973, BUT] do not affect a permit held by a person who is a
bona fide purchaser. Failure to correct false information is a continuing offense.

* **Sec. 87.** AS 16.43.960(h) is amended to read:

(h) Judicial review of [COMMISSION] determinations made by the office of

administrative hearings under this section is in accordance with AS 44.62.560 - 44.62.570; however, if a hearing de novo is granted under AS 44.62.570(d), the hearing may, in the discretion of the court, be had with a jury sitting if application for the jury hearing is filed with the court not [NO] later than 10 days after service of the notice of appeal.

* **Sec. 88.** AS 16.43.960(i) is amended to read:

(i) An entry permit revoked by the department [COMMISSION] under this section that is pledged as security for a loan under AS 16.10.333 or AS 44.81.231 shall be reassigned or sold as provided in AS 16.10.337 or AS 44.81.250.

* **Sec. 89.** AS 16.43.960(j) is amended to read:

(j) The department [COMMISSION] shall immediately cancel a limited entry permit card issued to a debtor under a loan made under AS 16.10.300 - 16.10.370 when the department [COMMISSION] receives a certificate of loan termination containing a copy of the

(1) notice required by AS 16.10.335(a); or

(2) notice that, if the debtor has filed bankruptcy, the automatic stay issued is no longer in effect and the debtor has not reaffirmed the debt.

* **Sec. 90.** AS 16.43.970(a) is amended to read:

(a) A person who violates a provision of this chapter or a regulation adopted under this chapter or an entity that violates a provision of AS 16.43.451 - 16.43.521 or a regulation adopted under AS 16.43.451 - 16.43.521 is, upon conviction, guilty of a class B misdemeanor and is punishable by a fine of not more than \$5,000 for a first conviction, and a fine of not more than \$10,000 for a second or third conviction. Upon a first or second conviction under this subsection, the court may in its discretion also order the department [COMMISSION] to suspend the commercial fishing privileges of the person or entity for a period of not more than three years and to revoke one or more or all commercial fishing permits held by the person or entity. Upon a third or subsequent conviction under this subsection, the person or entity is also subject to a loss of commercial fishing privileges as provided under (i) of this section. This subsection does not apply to violations of AS 16.43.140(a).

* **Sec. 91.** AS 16.43.970(a), as amended by sec. 8, ch. 2, SLA 2014, is amended to read:

(a) A person who violates a provision of this chapter or a regulation adopted under this chapter is, upon conviction, guilty of a class B misdemeanor and is punishable by a fine of not more than \$5,000 for a first conviction, and a fine of not more than \$10,000 for a second or third conviction. Upon a first or second conviction under this subsection, the court may in its discretion also order the department [COMMISSION] to suspend the commercial fishing privileges of the person for a period of not more than three years and to revoke one or more or all commercial fishing permits held by the person. Upon a third or subsequent conviction under this subsection, the person is also subject to a loss of commercial fishing privileges as provided under (i) of this section. This subsection does not apply to violations of AS 16.43.140(a).

* **Sec. 92.** AS 16.43.970(b) is amended to read:

(b) A person or entity who knowingly makes a false statement to the department [COMMISSION] for the purpose of obtaining a benefit, including the issuance, renewal, duplication, or transfer of an entry or interim-use permit, vessel license, vessel interim-use permit, or vessel entry permit, or a person who assists another by knowingly making a false statement to the department [COMMISSION] for the purpose of obtaining a benefit for another, is guilty of the crime of unsworn falsification in the second degree as set out in AS 11.56.210. Upon conviction, the person or entity is also subject to suspension of commercial fishing privileges and revocation of commercial fishing permits under (i) of this section.

* **Sec. 93.** AS 16.43.970(b), as amended by sec. 10, ch. 2, SLA 2014, is amended to read:

(b) A person who knowingly makes a false statement to the department [COMMISSION] for the purpose of obtaining a benefit, including the issuance, renewal, duplication, or transfer of an entry or interim-use permit or vessel license or a person who assists another by knowingly making a false statement to the department [COMMISSION] for the purpose of obtaining a benefit for another, is guilty of the crime of unsworn falsification in the second degree as set out in AS 11.56.210. Upon conviction, the person is also subject to suspension of commercial fishing privileges and revocation of commercial fishing permits under (i) of this section.

* **Sec. 94.** AS 16.43.970(e) is amended to read:

(e) Notwithstanding any other provision of this section, an interim-use or entry permit or transferable vessel entry permit may not be transferred while under suspension, without the consent of the department [COMMISSION].

* **Sec. 95.** AS 16.43.970(e), as amended by sec. 14, ch. 2, SLA 2014, is amended to read:

(e) Notwithstanding any other provision of this section, an interim-use or entry permit may not be transferred while under suspension, without the consent of the department [COMMISSION].

* **Sec. 96.** AS 16.43.970(i) is amended to read:

(i) Upon the conviction of a person or entity for an offense described under (a), (b), or (g) of this section, the court shall immediately notify the department [COMMISSION] of the conviction. The notice provided by the court shall be accompanied by an order suspending commercial fishing privileges and revoking commercial fishing permits under (a) of this section, as appropriate. The department [COMMISSION] shall, upon receipt of

(1) an order from the court under (a) of this section, suspend the commercial fishing privileges of a person or entity for the period set by the court and revoke commercial fishing permits held by the person or entity as directed by the court;

(2) a notice from the court that a person or entity has been convicted of a third or subsequent violation of (a) of this section, suspend all commercial fishing privileges of the person or entity for a period of three years from the date of conviction and revoke all commercial fishing permits held by the person or entity;

(3) a notice from the court that a person or entity has been convicted of a violation described under (b) of this section, suspend all commercial fishing privileges of the person or entity for a period of three years from the date of conviction and revoke all commercial fishing permits held by the person or entity;

(4) a notice from the court that a person has been convicted of a violation described under (g)(1) of this section, suspend all commercial fishing privileges of the person for a period of one year from the date of conviction;

(5) a notice from the court that a person has been convicted of a violation described under (g)(2) of this section, suspend all commercial fishing

1 privileges of the person for a period of two years from the date of conviction;

2 (6) a notice from the court that a person has been convicted of a
3 violation described under (g)(3) of this section, suspend all commercial fishing
4 privileges of the person for a period of five years from the date of conviction.

5 * **Sec. 97.** AS 16.43.970(i), as amended by sec. 16, ch. 2, SLA 2014, is amended to read:

6 (i) Upon the conviction of a person for an offense described under (a), (b), or
7 (g) of this section, the court shall immediately notify the **department**
8 [COMMISSION] of the conviction. The notice provided by the court shall be
9 accompanied by an order suspending commercial fishing privileges and revoking
10 commercial fishing permits under (a) of this section, as appropriate. The **department**
11 [COMMISSION] shall, upon receipt of

12 (1) an order from the court under (a) of this section, suspend the
13 commercial fishing privileges of a person for the period set by the court and revoke
14 commercial fishing permits held by the person as directed by the court;

15 (2) a notice from the court that a person has been convicted of a third
16 or subsequent violation of (a) of this section, suspend all commercial fishing privileges
17 of the person for a period of three years from the date of conviction and revoke all
18 commercial fishing permits held by the person;

19 (3) a notice from the court that a person has been convicted of a
20 violation described under (b) of this section, suspend all commercial fishing privileges
21 of the person for a period of three years from the date of conviction and revoke all
22 commercial fishing permits held by the person;

23 (4) a notice from the court that a person has been convicted of a
24 violation described under (g)(1) of this section, suspend all commercial fishing
25 privileges of the person for a period of one year from the date of conviction;

26 (5) a notice from the court that a person has been convicted of a
27 violation described under (g)(2) of this section, suspend all commercial fishing
28 privileges of the person for a period of two years from the date of conviction;

29 (6) a notice from the court that a person has been convicted of a
30 violation described under (g)(3) of this section, suspend all commercial fishing
31 privileges of the person for a period of five years from the date of conviction.

1 * **Sec. 98.** AS 16.43.975 is amended to read:

2 **Sec. 16.43.975. Public disclosure of certain documents prohibited.**

3 Documents submitted to the department [COMMISSION] containing information
4 relating to an individual's personal finances and information supplied by individuals
5 for research purposes, produced in response to requests by the department
6 [COMMISSION], are not subject to public disclosure.

7 * **Sec. 99.** AS 16.43.980(a) is amended to read:

8 (a) The department [COMMISSION] shall prepare an annual report and
9 notify the legislature that it is available. The report must include but not be limited to
10 the following:

11 (1) a progress report on the reduction of entry permits to optimum
12 levels;

13 (2) recommendations for additional legislation relating to the
14 regulation of entry of participants and vessels into Alaska commercial fisheries.

15 * **Sec. 100.** AS 16.43.990(1) is amended to read:

16 (1) "commissioner" ["COMMISSION"] means the commissioner of
17 fish and game [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION];

18 * **Sec. 101.** AS 16.43.990(4) is amended to read:

19 (4) "fishery" means the commercial taking of a specific fishery
20 resource in a specific administrative area with a specific type of gear; however, the
21 department [COMMISSION] may designate a fishery to include more than one
22 specific administrative area, gear type, or fishery resource;

23 * **Sec. 102.** AS 16.43.990 is amended by adding a new paragraph to read:

24 (12) "department" means the Department of Fish and Game unless
25 specifically provided otherwise.

26 * **Sec. 103.** AS 25.27.230(c) is amended to read:

27 (c) The lien shall attach to all real and personal property of the obligor and be
28 effective on the date of recording of the lien with the recorder of the recording district
29 in which the property attached is located. A lien against earnings shall attach and be
30 effective upon filing with the recorder of the recording district in which the employer
31 does business or maintains an office or agent for the purpose of doing business. A lien

1 filed at the offices of the Department of Fish and Game [COMMERCIAL
2 FISHERIES ENTRY COMMISSION] in Juneau against a limited entry permit issued
3 under AS 16.43 is considered to have been filed against the permit in all recording
4 districts in which the permit holder uses the permit.

5 * **Sec. 104.** AS 37.05.146(c)(29) is amended to read:

6 (29) the commercial fisheries entry division of the Department of
7 Fish and Game [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION]
8 under AS 16.05.490, 16.05.530, and AS 16.43;

9 * **Sec. 105.** AS 43.76.015(f) is amended to read:

10 (f) In this section, "eligible interim-use permit and entry permit holder" means
11 an individual who, 90 days before the date ballots must be postmarked to be counted
12 in an election under this section, is listed in the records of the commercial fisheries
13 entry division of the Department of Fish and Game [ALASKA COMMERCIAL
14 FISHERIES ENTRY COMMISSION] as the legal owner of an interim-use permit or
15 an entry permit that [WHICH] authorizes the individual to fish commercially in an
16 administrative area established [BY THE ALASKA COMMERCIAL FISHERIES
17 ENTRY COMMISSION] under AS 16.43.200, which is included, in whole or in part,
18 in the region in which the election is held.

19 * **Sec. 106.** AS 43.76.160(g) is amended to read:

20 (g) In this section, "eligible interim-use permit and entry permit holder" means
21 an individual who, 90 days before the date ballots must be postmarked to be counted
22 in an election under this section, is listed in the records of the commercial fisheries
23 entry division of the Department of Fish and Game [ALASKA COMMERCIAL
24 FISHERIES ENTRY COMMISSION] as the legal holder of an interim-use permit for
25 dive gear or an entry permit for dive gear that authorizes the individual to fish
26 commercially in the administrative area for the species of fishery resource for which
27 the dive fishery management assessment is to be approved, amended, or terminated.

28 * **Sec. 107.** AS 43.76.210(1) is amended to read:

29 (1) "administrative area" means an area established by the commercial
30 fisheries entry division of the Department of Fish and Game [ALASKA
31 COMMERCIAL FISHERIES ENTRY COMMISSION] under AS 16.43.200 for

regulating and controlling entry into fisheries using dive gear;

* **Sec. 108.** AS 43.76.230(g) is amended to read:

(g) In this section, "eligible interim-use permit and entry permit holder" 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 **commercial fisheries entry division of the Department of Fish and Game** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] as the legal holder of an interim-use permit for salmon fishing gear or 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. 109.** AS 43.76.280(1) is amended to read:

(1) "administrative area" means an area established by the **commercial fisheries entry division of the Department of Fish and Game** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] under AS 16.43.200 for regulating and controlling entry into salmon fisheries;

* **Sec. 110.** AS 43.76.300 is amended to read:

Sec. 43.76.300. Permit buy-back assessment. A person holding a limited entry permit or interim-use permit under AS 16.43 for a fishery subject to a permit buy-back assessment established by the **commercial fisheries entry division of the Department of Fish and Game** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] under AS 16.43.310 shall pay the permit buy-back assessment at the rate established by the **division** [COMMISSION] on the value, as defined in AS 43.75.290, of fish that the person removes from the state or transfers to a buyer in the state under the authority conferred by the limited entry permit or interim-use permit. The buyer shall collect the permit buy-back assessment at the time the fish is acquired by the buyer.

* **Sec. 111.** AS 43.76.370(i) is amended to read:

(i) In this section, "eligible interim-use permit and entry permit holder" 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 **commercial fisheries entry division of the Department of Fish and Game** [ALASKA COMMERCIAL

FISHERIES ENTRY COMMISSION] as the legal owner of an interim-use permit or 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. 112.** AS 44.62.330(a)(27) is amended to read:

(27) the Department of Fish and Game as to functions relating to the protection of fish and game under AS 16.05.871 or commercial fisheries under AS 16.43;

* **Sec. 113.** AS 44.64.030(a) is amended by adding a new paragraph to read:

(51) AS 16.43 (commercial fisheries entry division).

* **Sec. 114.** AS 44.81.231(d) is amended to read:

(d) Upon payment of the loan, the bank shall certify to the commercial fisheries entry division of the Department of Fish and Game [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] that the loan has been repaid, and the division [COMMISSION] shall amend the permit certificate to list the equitable owner as the holder, and the legal interest of the bank shall terminate.

* **Sec. 115.** AS 44.81.241 is amended to read:

Sec. 44.81.241. Initial notice of default. If there is a default on a loan secured by a permit pledged under AS 44.81.231, the bank shall notify the borrowers and guarantors on the loan of the default and of the right to cure the default by sending a notice by certified mail to their last known address or addresses on file with the bank. The notice must include

(1) the date of the notice;

(2) a description of the security given for the loan, including the number assigned by the commercial fisheries entry division of the Department of Fish and Game [COMMISSION] and the name of the equitable owner of each permit pledged to secure the loan;

(3) the date and nature of the default;

(4) the amount of arrearages as of the date of the notice;

(5) the total indebtedness, including interest, penalties, and costs of collection, remaining owing on the loan as of the date of the notice;

(6) the amount of daily interest to accrue from the date of the notice;

(7) a statement that the costs of collection of the loan incurred by the bank after the date of the notice will be added to the total amount of the indebtedness owing on the loan;

(8) a statement that the default may be cured within 60 days from the date of the notice or within an extended time period that is specified in an extension notice provided by the bank within the 60-day period under AS 44.81.249;

(9) the place where payment of arrearages or other cure may be made; and

(10) a statement in at least 10 point bold type stating:

"IMPORTANT: UNLESS YOU CURE THE LOAN DEFAULT WITHIN THE TIME SPECIFIED BY THIS NOTICE, THE TOTAL INDEBTEDNESS OWING ON THE LOAN SHALL BE IMMEDIATELY DUE AND PAYABLE TO THE BANK WITHOUT FURTHER NOTICE TO YOU. ALSO, THE BANK SHALL THEN BE ENTITLED TO TAKE ANY LEGAL ACTION AGAINST YOU TO COLLECT THE LOAN, INCLUDING THE INSTITUTION OF LAWSUITS AND THE FORECLOSURE OF THE PLEDGE OF ANY PERMIT PLEDGED TO SECURE THIS LOAN."

* **Sec. 116.** AS 44.81.245 is amended to read:

Sec. 44.81.245. Foreclosure. The bank may foreclose on a permit pledge that secures a loan by sending to the equitable owner of the permit pledged and any other borrowers and guarantors on the loan a notice of foreclosure. The notice shall be sent by certified mail to their last known address or addresses on file with the bank and must include

(1) the date of the notice;

(2) a statement that the total indebtedness owing on the loan became due and payable to the bank because the loan default was not cured within the time specified in the notice of default and right to cure provided under AS 44.81.241, and that as a result the bank is entitled to take legal action to collect the loan, including the forfeiture of a permit pledge that secures the loan and the institution of legal action;

(3) a description of the permit pledge that is being foreclosed by the notice, including an identification of the permit by the number assigned by the commercial fisheries entry division of the Department of Fish and Game [COMMISSION] and the name of the equitable owner;

(4) the amount of the total indebtedness owing as of the date of the notice;

(5) the amount of daily interest that accrues from the date of the notice;

(6) a statement that the costs of collection of the loan incurred by the bank after the date of the notice will be added to the total amount of the indebtedness due on the loan;

(7) a statement that to avoid forfeiture of all rights of the equitable owner of the permit identified in the notice, the loan must be paid in full within 60 days from the date of the notice or within an extended time period that is specified in an extension notice provided by the bank within the 60-day period under AS 44.81.249;

(8) a statement that once a forfeiture of all rights of the equitable owner of a permit described in the notice occurs, the permit may not be redeemed;

(9) a statement of the right of the equitable owner to nominate a person to assume the loan under AS 44.81.250(c);

(10) the place where payment in full may be made; and

(11) a notice in at least 10 point bold type stating:

"IMPORTANT: IF THE LOAN IS NOT PAID IN FULL BY THE DATE SPECIFIED, ALL RIGHTS OF THE EQUITABLE OWNER TO THE PERMIT IDENTIFIED IN THIS NOTICE WILL BE FORFEITED WITHOUT FURTHER NOTICE TO YOU. IN THAT EVENT, THERE WILL NOT BE A RIGHT OF REDEMPTION OF THE PERMIT. IN ADDITION, THE BANK MAY NOW TAKE OTHER ACTION TO COLLECT THE LOAN, INCLUDING THE INSTITUTION OF LEGAL ACTION AGAINST YOU AND THE FORECLOSURE OF OTHER PERMIT PLEDGES THAT SECURE THE LOAN."

1 * **Sec. 117.** AS 44.81.247(a) is amended to read:

2 (a) If a loan is not paid in full within the time specified by the notice provided
3 for the loan under AS 44.81.245, the equitable interest in the permit identified in the
4 notice terminates by operation of law without further notice. The **commercial**
5 **fisheries entry division of the Department of Fish and Game** [COMMISSION]
6 shall cancel an entry permit card issued to the equitable owner of the permit
7 immediately upon receipt by the **division** [COMMISSION] of a certificate of
8 termination containing a copy of the notices required by AS 44.81.241 and 44.81.245.

9 * **Sec. 118.** AS 44.81.250(a) is amended to read:

10 (a) Upon foreclosure of a pledge of an entry permit under AS 44.81.241 -
11 44.81.249 or the termination of a debtor's interest in an entry permit under
12 AS 44.81.247(b), the bank shall determine if the permit is subject to a buy-back
13 program under AS 16.43.290 - 16.43.330 and, if it is subject to a buy-back program,
14 shall offer the permit to the **commercial fisheries entry division of the Department**
15 **of Fish and Game** [COMMISSION] at a price equal to the outstanding indebtedness
16 on the loan.

17 * **Sec. 119.** AS 44.81.250(b) is amended to read:

18 (b) If the permit is not subject to a buy-back program, or if the **commercial**
19 **fisheries entry division of the Department of Fish and Game** [COMMISSION]
20 fails to buy back the permit within 30 days after the **division** [COMMISSION]
21 receives the offer, the bank shall sell the permit to a person who qualifies as a
22 transferee of an entry permit under AS 16.43 and the regulations adopted by the
23 **division** [COMMISSION]. The bank shall give preference to an offer to purchase a
24 permit made by a state resident if the price offered is equal to or greater than the price
25 offered by a nonresident. If the proceeds of the sale of a permit exceed the amount
26 necessary to pay the indebtedness in full, the bank shall remit the excess to the
27 borrower.

28 * **Sec. 120.** AS 44.81.350(3) is amended to read:

29 (3) **"division"** ["COMMISSION"] means the **commercial fisheries**
30 **entry division of the Department of Fish and Game** [ALASKA COMMERCIAL
31 FISHERIES ENTRY COMMISSION] under AS 16.43.020;

* **Sec. 121.** AS 16.10.360(1); AS 16.43.020, 16.43.030, 16.43.040, 16.43.050, 16.43.060, 16.43.070, 16.43.080; AS 39.25.110(11)(D); and AS 39.50.200(b)(10) are repealed.

* **Sec. 122.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION. Litigation, hearings, investigations, and other proceedings pending under a law amended or repealed by this Act, or in connection with functions transferred by this Act, continue in effect and may be continued and completed notwithstanding a transfer or amendment or repeal provided for in this Act. Certificates, orders, and regulations issued or adopted under authority of a law amended or repealed by this Act remain in effect for the term issued, or until revoked, vacated, or otherwise modified under the provisions of this Act. Contracts, rights, liabilities, and obligations created by or under a law amended or repealed by this Act, and in effect on the effective date of this Act, remain in effect notwithstanding this Act's taking effect. Records, equipment, appropriations, and other property of agencies of the state whose functions are transferred under this Act shall be transferred to implement the provisions of this Act.

* **Sec. 123.** The uncodified law of the State of Alaska is amended by adding a new section to read:

EMPLOYEES. Employees of the Alaska Commercial Fisheries Entry Commission become employees of the commercial fisheries entry division of the Department of Fish and Game on the effective date of this Act.

* **Sec. 124.** Section 82 of this Act takes effect on the effective date of sec. 6, ch. 2, SLA 2014.

* **Sec. 125.** Section 91 of this Act takes effect on the effective date of sec. 8, ch. 2, SLA 2014.

* **Sec. 126.** Section 93 of this Act takes effect on the effective date of sec. 10, ch. 2, SLA 2014.

* **Sec. 127.** Section 95 of this Act takes effect on the effective date of sec. 14, ch. 2, SLA 2014.

* **Sec. 128.** Section 97 of this Act takes effect on the effective date of sec. 16, ch. 2, SLA 2014.