

HOUSE BILL NO. 188

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE KREISS-TOMKINS

Introduced: 3/20/17

Referred: House Special Committee on Fisheries, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

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

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

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

9 LEGISLATIVE FINDINGS. The legislature finds that

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

12 (2) art. VIII, sec. 15, of the Constitution of the State of Alaska, authorizes the
13 state to limit entry into a fishery for the purposes of resource conservation and preventing

1 economic distress among fishermen and those dependent upon them for a livelihood;

2 (3) to promote the conservation of fisheries and the economic health and
3 stability of commercial fishing in the state, the state began limiting entry into commercial
4 fisheries in 1975;

5 (4) since 1975, there has been a substantial and well-documented decline in
6 the number of limited entry permits held by residents of many Alaska communities;

7 (5) the decline in the number of limited entry permits represents lost jobs, lost
8 economic opportunity, and other economic distress among fishermen, their dependents, and
9 their communities;

10 (6) the state has a compelling interest in promoting the economic self-
11 sufficiency of its communities and ensuring their economic health and vitality;

12 (7) fishing is the most viable economic opportunity in numerous Alaska
13 communities;

14 (8) access to commercial fishing opportunities reduces economic distress and
15 contributes to economic self-sufficiency by providing jobs, income, a local tax base, and
16 greater access to subsistence and other fisheries;

17 (9) access to many commercial fisheries in the state requires significant
18 financial resources, posing a barrier to Alaskans desiring to participate in the state's
19 commercial fisheries;

20 (10) state-chartered regional fisheries trusts would empower communities to
21 prevent economic distress among fishermen, promote fisheries conservation, improve access
22 by Alaskans to fisheries, and realize greater economic self-sufficiency by providing a tightly
23 controlled, additional path of entry into the state's commercial fisheries.

24 * **Sec. 2.** AS 16.05.253(a) is amended to read:

25 (a) The Board of Fisheries may require **an individual** [A PERSON] who
26 holds a limited entry permit or an interim-use permit under AS 16.43 **or who leases a**
27 **limited entry permit under AS 16.44** to be physically present at a beach or riparian
28 fishing site during the operation of net gear or other stationary fishing gear at the site,
29 except when the permit holder **or lessee** is at or traveling to or from the location of

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

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

1 * **Sec. 3.** AS 16.05.480(a) is amended to read:

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

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

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

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

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

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

30 (j) In this section, "commercial fishing license" includes an entry permit and
31 an interim-use permit issued under AS 16.43, an entry permit leased from a

1 **regional fisheries trust under AS 16.44,** and a crewmember fishing license.

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

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

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

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

10 * **Sec. 8.** AS 16.05.680(a) is amended to read:

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

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

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

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

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

21 (C) exempt under AS 16.05.660; or

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

24 * **Sec. 9.** AS 16.05.710 is amended by adding a new subsection to read:

25 (e) If proceedings to suspend commercial fishing privileges or licenses under
26 this section are pending against a person, a regional fisheries trust established under
27 AS 16.44.010 may not lease the person a permit.

28 * **Sec. 10.** AS 16.10.265(a) is amended to read:

29 (a) An individual may not, while acting as a fish processor or primary fish
30 buyer, or as an agent, director, officer, member, or employee of a fish processor, of a
31 primary fish buyer, or of a cooperative corporation organized under AS 10.15,

1 intentionally or knowingly make an original purchase of fish from a seller who does
2 not hold

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

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

6 **(3) a fish transporter permit under AS 16.05.671.**

7 * **Sec. 11.** AS 16.10.455(b) is amended to read:

8 (b) A hatchery permit holder may, by a majority vote of the membership of
9 the hatchery permit holder's board, elect to harvest surplus salmon produced at a
10 facility in a terminal harvest area established for that facility through the common
11 property fishery. At the request of the hatchery permit holder and if the commissioner
12 of fish and game determines that there are no allocative issues involved, and after
13 reasonable consultation with affected commercial fishermen and the organizations of
14 affected commercial fishermen, the commissioner may adopt regulations governing
15 the harvest of surplus salmon in a terminal harvest area when the hatchery permit
16 holder elects to harvest surplus salmon produced at a facility through a common
17 property fishery. The regulations must specify the terms, conditions, and rules under
18 which the common property fishery in the terminal harvest area shall be conducted,
19 including requirements for hold inspections and reporting of harvests and sales of
20 salmon taken in the terminal harvest area. Following adoption of regulations by the
21 department, each year before March 10, the hatchery permit holder's board, by a
22 majority vote of the board's membership, may determine whether the hatchery will
23 operate under the regulations adopted under this subsection during the current calendar
24 year, and shall notify the department if the hatchery intends to operate under the
25 regulations adopted under this subsection. The Board of Fisheries may adopt
26 regulations under AS 16.05.251 regarding a fisheries management plan governing
27 operations under this subsection in a terminal harvest area, including allocation plans.
28 Participation in the fishery must be open to all interim-use permit **holders,** [AND]
29 entry permit holders, **and lessees of entry permits under AS 16.44,** who hold **or**
30 **lease** permits to operate a type of gear that may be used in the fishing district in which
31 the terminal harvest area is located if that type of gear is authorized by regulation to be

1 used in the terminal harvest area. An interim-use permit holder or an entry permit
 2 holder or lessee who takes salmon in a common property fishery in a terminal harvest
 3 area may sell the salmon to any fish buyer or processor who is licensed to do business
 4 in the state.

5 * **Sec. 12.** AS 16.10.540(a) is amended to read:

6 (a) An association of individuals [PERSONS] who hold entry permits under
 7 AS 16.43 or lease entry permits under AS 16.44, that consists of at least 51 percent
 8 of the persons who hold or lease [HOLDING] entry permits and who actively
 9 participate in the [PARTICIPATING IN A] fishery to be benefited by a hatchery
 10 program, may levy and collect an assessment from among its members for the purpose
 11 of securing and repaying a loan made under AS 16.10.510.

12 * **Sec. 13.** AS 16.43.100(a) is amended to read:

13 (a) To accomplish the purposes set out in AS 16.43.010, the commission shall
 14 (1) regulate entry into the commercial fisheries for all fishery resources
 15 in the state;
 16 (2) establish priorities for the application of the provisions of this
 17 chapter to the various commercial fisheries of the state;
 18 (3) establish administrative areas suitable for regulating and
 19 controlling entry into the commercial fisheries;
 20 (4) establish, for all types of gear, the maximum number of entry
 21 permits for each administrative area;
 22 (5) designate, when necessary to accomplish the purposes of this
 23 chapter, particular species for which separate interim-use permits or entry permits will
 24 be issued;
 25 (6) establish qualifications for the issuance of entry permits;
 26 (7) issue entry permits to qualified applicants;
 27 (8) issue interim-use permits as provided in AS 16.43.210, 16.43.220,
 28 and 16.43.225;
 29 (9) establish, for all types of gear, the optimum number of entry
 30 permits for each administrative area;
 31 (10) administer the buy-back program provided for in AS 16.43.310

1 and 16.43.320 to reduce the number of outstanding entry permits to the optimum
2 number of entry permits;

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

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

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

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

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

14 (16) establish reasonable user fees for services;

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

17 (18) establish and collect annual fees for the issuance of landing
18 permits that reasonably reflect the costs incurred in the administration and
19 enforcement of provisions of law related to landing permits;

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

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

27 (21) administer, when necessary to accomplish the purposes of this
28 chapter, a Bering Sea hair crab fishery vessel permit system under AS 16.43.451 -
29 16.43.521; **and**

30 **(22) ensure that a regional fisheries trust's portfolio of entry**
31 **permits complies with AS 16.44.060 and block the transfer of an entry permit to a**

regional fisheries trust if the acquisition of the entry permit by the regional fisheries trust would violate AS 16.44.060.

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

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

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

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

(1) fishing more than one type of gear;

(2) fishing in more than one administrative area;

(3) harvesting particular species for which separate interim-use or entry permits are issued;

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

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

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

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

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

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

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

6 (b) The holder **or lessee** of an entry permit shall have the permit in possession
7 at all times when engaged in the operation of gear for which it was issued.

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

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

11 **(1) leased, except for the lease of a permit held by a regional**
12 **fisheries trust established under AS 16.44.010;**

13 **(2)** [(1)] pledged, mortgaged, [LEASED,] or encumbered in any way;

14 **(3)** [(2)] transferred with any retained right of repossession or
15 foreclosure, or on any condition requiring a subsequent transfer; or

16 **(4)** [(3)] attached, distrained, or sold on execution of judgment or
17 under any other process or order of any court, except as provided in AS 16.43.170(g)
18 and (h).

19 * **Sec. 18.** AS 16.43.150(h) is amended to read:

20 (h) Unless an entry permit holder has expressed a contrary intent in a will that
21 is probated, the commission shall, upon the death of the permit holder, transfer the
22 permanent permit by right of survivorship directly to the surviving spouse or, if no
23 spouse survives, to a natural person **or a regional fisheries trust established under**
24 **AS 16.44.010** designated by the permit holder on a form provided by the commission.
25 If no spouse survives and if the person **or regional fisheries trust** designated on the
26 form, if any, does not survive **or continue to exist**, the permit passes as part of the
27 permit holder's estate. A designation under this subsection must be acknowledged
28 before a person authorized to administer an oath under AS 09.63.010 or must be
29 witnessed by two persons who are qualified under AS 13.12.505 to witness the will of
30 the permit holder. Except as provided in AS 16.10.333 - 16.10.337, AS 44.81.215, and
31 44.81.231 - 44.81.250, the permit is exempt from the claims of creditors of the estate.

1 * **Sec. 19.** AS 16.43.150 is amended by adding new subsections to read:

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

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

7 * **Sec. 20.** AS 16.43.160(d) is amended to read:

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

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

18 (a) Except as provided in AS 16.10.333 - 16.10.338 and [IN] AS 44.81.231 -
19 44.81.250, entry permits and interim-use permits are transferable only through the
20 commission as provided in this section and AS 16.43.180 and under regulations
21 adopted by the commission. **For purposes of this section, the lease of a permit held**
22 **by a regional fisheries trust under AS 16.44 is not a transfer of the permit.** An
23 involuntary transfer of an entry permit in a manner inconsistent with the statutes of
24 this state and the regulations of the commission is void.

25 * **Sec. 22.** AS 16.43.170(b) is amended to read:

26 (b) Except as provided in (e) of this section, the holder of an entry permit may
27 transfer the permit to another person, **to a regional fisheries trust under AS 16.44,** or
28 to the commission upon 60 **days'** [DAYS] notice of intent to transfer under
29 regulations adopted by the commission. **Not** [NO] sooner than 60 days nor later than
30 12 months from the date of notice to the commission, the holder of an entry permit
31 may transfer the permit. If the proposed transferee, other than the commission **or a**

1 **regional fisheries trust**, can demonstrate the present ability to participate actively in
 2 the fishery, and the transfer does not violate any provision of this chapter or
 3 regulations adopted under this chapter, and if a certificate for the permit under
 4 AS 16.10.333(b)(1) - (2), 16.10.338, or AS 44.81.231(a) is not in effect, the
 5 commission shall approve the transfer and reissue the entry permit to the transferee **if**
 6 [PROVIDED THAT] neither party is prohibited by law from participating in the
 7 transfer.

8 * **Sec. 23.** AS 16.43.330(a) is amended to read:

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

14 * **Sec. 24.** AS 16.43.850 is amended to read:

15 **Sec. 16.43.850. Point system.** (a) For the purpose of identifying frequent
 16 violators of commercial fishing laws in salmon fisheries, the commission shall adopt
 17 regulations establishing a uniform system for the suspension of commercial salmon
 18 fishing privileges by assigning demerit points for convictions for violations of
 19 commercial fishing laws in salmon fisheries that are reported to the commission under
 20 AS 16.43.880. The commission shall assess demerit points against **an individual who**
 21 **holds an entry permit or interim-use permit or who leases an entry permit under**
 22 **AS 16.44** [A PERMIT HOLDER] for each violation of commercial fishing laws in a
 23 salmon fishery in accordance with (b) and (c) of this section. The commission shall
 24 assess points against **an individual holding or leasing** a permit [HOLDER] for the
 25 salmon fishery in which the violation of commercial fishing laws occurred.

26 (b) The commission shall assess demerit points against **an individual who**
 27 **holds or leases** a permit [HOLDER] for a conviction of a violation of commercial
 28 fishing laws in a salmon fishery under AS 16.05.722, 16.05.723, 16.05.831;
 29 AS 16.10.055, 16.10.070 - 16.10.090, 16.10.100, 16.10.110, 16.10.120, 16.10.200 -
 30 16.10.220, and 16.10.760 - 16.10.790 for the following violations in accordance with
 31 this schedule:

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

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

(d) The commission shall suspend **the** [A PERMIT HOLDER'S] commercial salmon fishing privileges **of a permit holder or lessee** for a salmon fishery for a period of

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

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

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

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

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

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

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

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

(e) If the commission assesses points under (a) of this section against a lessee of a permit, the commission shall give the regional fisheries trust that leased the permit notice of the assessment of points.

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

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

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

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

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

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

(c) If, during the period for which the commission has suspended the [A

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

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

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

(a) The 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 commission for the purpose of obtaining a benefit for self or another, including the issuance, renewal, duplication, [OR] transfer, or lease under AS 16.44 of an entry or interim-use permit, vessel license, vessel entry permit, or vessel interim-use permit. The commission may also require a regional fisheries trust to terminate the lease of a permit to a person who knowingly provides or assists in providing false information or fails to correct false information provided to the commission for the purpose of obtaining a benefit for self or another. The commission may suspend, as appropriate, that person's, [OR] entity's, or lessee's eligibility to hold or lease an entry or interim-use permit, vessel entry permit, or vessel interim-use permit for a period not to exceed three years, and may impose an administrative fine of not more than \$5,000 on the person or entity whose officers, employees, representatives, or agents knowingly provide or assist in providing false information, or fail to correct false information provided, to the commission for the purpose of obtaining a benefit.

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

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

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

Chapter 44. Regional Fisheries Trusts.

Sec. 16.44.010. Establishment and purpose of a regional fisheries trust. (a)

A municipality or municipalities may establish a regional fisheries trust under this section if at least two-thirds of the municipalities within the fisheries trust region, acting jointly, inform the department that they will establish a fisheries trust for the region and there is not already a fisheries trust established in that region.

(b) The purpose of a regional fisheries trust established under (a) of this section is to

(1) prevent economic distress among fishermen and those persons dependent upon them for a livelihood;

(2) improve state residents' ability to participate in state fisheries by creating opportunities for those persons with limited alternative economic options and sources of income;

(3) empower communities to achieve economic self-sufficiency; and

(4) promote resource conservation.

(c) The department, in consultation with the Department of Fish and Game, shall establish fisheries trust regions. The department may modify or change the boundaries of the regions for good reason.

(d) Each fisheries trust established under (a) of this section is a public corporation and instrumentality of the state within the Department of Commerce, Community, and Economic Development. The exercise by a fisheries trust of the powers conferred under this chapter is considered to be for a public purpose. For administrative purposes, the fisheries trusts are in the department, but each fisheries trust has a separate and independent legal existence from the state and shall be governed by a board established under AS 16.44.020.

(e) The department may conduct an annual audit of a fisheries trust established under this section. The department may also conduct supplementary audits as it

1 considers necessary. The results of an audit under this subsection is a public record
2 under AS 40.25.110.

3 (f) The department may dissolve a fisheries trust if the fisheries trust becomes
4 insolvent. However, nothing in this subsection precludes municipalities in that region
5 from establishing another fisheries trust under (a) of this section.

6 **Sec. 16.44.020. Regional fisheries trust board; membership; meetings;**
7 **location.** (a) Each regional fisheries trust shall be governed by a board of directors,
8 composed of members appointed by the governor under this section.

9 (b) The governor shall appoint one individual from each municipality wholly
10 or partially located within the fisheries trust region established by the department
11 under AS 16.44.010(c) to serve as a member of a fisheries trust board. The governor
12 shall choose each member appointed under this subsection from a list of nominees
13 provided by each municipality.

14 (c) If, under AS 16.44.050(a)(2), the municipalities within the fisheries trust
15 region elect to include directors from each unincorporated community within the
16 fisheries trust region on the board of directors for the regional fisheries trust, the
17 governor shall appoint one individual from each unincorporated community within the
18 fisheries trust region. The governor shall choose each member from a list of nominees
19 provided by a single entity or village council in each unincorporated community
20 wholly or partially within the fisheries trust region. A regional fisheries trust board of
21 directors may also vote under AS 16.44.050(a)(2) to allow or prohibit the inclusion of
22 members from an unincorporated community wholly or partially within the fisheries
23 trust region.

24 (d) An individual appointed under (b) or (c) of this section must be a resident
25 of the municipality or unincorporated community from which the individual was
26 appointed. In each unincorporated community wholly or partially within the fisheries
27 trust region, a single entity or village council eligible to receive a community
28 assistance payment under AS 29.60.865 shall provide the list of nominees from which
29 the governor shall appoint an individual to serve as a member of a regional fisheries
30 trust board of directors.

31 (e) Except as provided under AS 16.44.050(a)(2), a member of a board of a

1 regional fisheries trust shall serve for a term of three years. A member shall hold
2 office for the term of the appointment and until a successor has been appointed and
3 qualified. A member is eligible for reappointment. A vacancy on a board occurring
4 other than by expiration of term shall be filled in the same manner as the original
5 appointment but for the unexpired term only. Terms must be staggered so that one-
6 third, or as close to one-third as practicable, of the terms expire each year. A member
7 may not serve more than 12 cumulative years on the board.

8 (f) A majority of the members of a board constitutes a quorum for the
9 transaction of business and the exercise of the powers and duties of the board except
10 for certain board actions relating to the board's membership under AS 16.44.050(a)(2).

11 (g) A member of a board may not lease an entry permit from the fisheries
12 trust.

13 (h) The members of a board shall annually elect from among themselves a
14 chair and vice-chair and other board officers as may be provided in the bylaws of the
15 fisheries trust. The members of the board may elect to create an executive governance
16 committee and provide that committee some of the board's powers under this chapter.

17 (i) The board of each fisheries trust may hire staff qualified to assist the board
18 in carrying out the provisions of this chapter. If staff is hired, staff compensation shall
19 be reasonable.

20 (j) A fisheries trust may share resources, including staff, with other fisheries
21 trusts established under this chapter if the sharing arrangement is approved by the
22 board of each participating fisheries trust. A fisheries trust may also share resources
23 and staff with a regional association qualified under AS 16.10.380(a), an Alaska
24 Native village or village regional corporation established under 43 U.S.C. 1606
25 (Alaska Native Claims Settlement Act), a regional development organization as
26 defined in AS 44.33.896, or another entity created for a purpose related to commercial
27 fishing or service in the fisheries trust region.

28 (k) Unless a fisheries trust is sharing resources with one or more other entities
29 under (j) of this section, a fisheries trust shall be administratively headquartered in the
30 community in its region with the greatest number of entry permits on January 1, 2017.

31 **Sec. 16.44.030. Administrative expenses, compensation, and fees due the**

1 **department.** (a) A member of a fisheries trust board may be provided reasonable
 2 compensation. However, the compensation may not exceed the median rate of
 3 compensation provided to the elected members of the municipal governments of the
 4 three most populated municipalities within the fisheries trust region. For the purposes
 5 of this section, "compensation" does not include reasonable per diem and travel
 6 expenses for necessary fisheries trust business purposes.

7 (b) The administrative expenses of a fisheries trust must be reasonable and
 8 minimized to enhance the ability of the fisheries trust to acquire entry permits and to
 9 return maximum benefit to the persons and region served by the fisheries trust.

10 (c) The department may adopt regulations relating to the administrative
 11 expenses of, and compensation provided by, a fisheries trust.

12 (d) The commissioner shall assess fisheries trust fees for the department's
 13 actual expenses necessarily incurred by the department in connection with its duties
 14 under this chapter relating to the fisheries trust.

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

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

24 **Sec. 16.44.050. Powers and duties of a regional fisheries trust.** (a) In
 25 addition to all powers necessary to carry out the purposes of this chapter, a fisheries
 26 trust may

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

30 (2) if two-thirds of the full membership of the board appointed from
 31 the municipalities in the region affirmatively vote under AS 16.44.020(c) to approve

1 the action, expand or reduce the membership of the fisheries trust board of directors by
 2 allowing or prohibiting individuals from unincorporated communities in the region to
 3 serve as directors;

4 (3) borrow funds;

5 (4) subject to the limitations of AS 16.43 and this chapter, hold,
 6 transfer, or receive the transfer of an entry permit for a fishery within the fisheries
 7 trust region;

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

13 (6) subject to AS 16.44.070, lease entry permits to individuals
 14 qualified under AS 16.44.080 on conditions that the board considers appropriate that
 15 may include terms that allow a fisheries trust to transfer a leased permit to a lessee and
 16 terminate a lease upon default of a lessee; and

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

21 (b) In a manner consistent with AS 16.44.010(b), a fisheries trust shall

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

24 (2) establish criteria for leasing and temporary transfer of entry permits
 25 acquired by the fisheries trust that ensure the solvency and financial strength of the
 26 fisheries trust;

27 (3) lease and temporarily transfer entry permits only in accordance
 28 with criteria established by the fisheries trust under (2) of this subsection;

29 (4) upon request of the commission under AS 16.43.960, terminate the
 30 lease of a permit to an individual under this chapter; and

31 (5) make its criteria for leasing entry permits under (2) of this

1 subsection public, and provide copies to the department and to the Alaska Commercial
2 Fisheries Entry Commission.

3 (c) In leasing permits by competitive bid under (b)(1) of this section, and
4 subject to criteria adopted under (b)(2) of this section, a fisheries trust may preference
5 bids for the lease of entry permits under (b)(1) of this section in a manner consistent
6 with the purposes of a fisheries trust under AS 16.44.010(b).

7 **Sec. 16.44.055. Disposition of proceeds.** Leasing fees and other fisheries trust
8 revenue, subject to legislative appropriation, and less any fees due the department
9 under AS 16.44.030(d), shall be available to a fisheries trust's board of directors to be
10 used

11 (1) to pay for a fisheries trust's operations;

12 (2) to finance the acquisition of additional permits; and

13 (3) subject to AS 16.44.050(a), to support programs and projects that
14 benefit commercial fishermen within the fisheries trust region.

15 **Sec. 16.44.060. Acquisition and holding of entry permits.** (a) A fisheries
16 trust may not acquire an entry permit for a fishery that is not in the fisheries trust
17 region. A fisheries trust may not hold more than two and one-half percent of the entry
18 permits issued for a fishery in the fisheries trust region, rounded up to the nearest
19 whole number.

20 (b) Subject to (a) of this section, a fisheries trust shall hold a variety of types
21 of limited entry permits. To the extent reasonably possible, a fisheries trust shall hold
22 a number of limited entry permits of each type issued within its region, such that the
23 fisheries trust's portfolio of limited entry permits is proportionally representative of all
24 of the limited entry permits of each kind issued within the fisheries trust region.

25 (c) The commission shall ensure that a portfolio of entry permits held by a
26 fisheries trust complies with the requirements of this section. A fisheries trust may not
27 acquire an entry permit if the commission finds that the acquisition would violate the
28 requirements of this section.

29 (d) An entry permit held and leased by a fisheries trust is subject to
30 AS 16.43.150(g).

31 **Sec. 16.44.070. Lease terms for entry permits held by a regional fisheries**

1 **trust.** (a) Subject to (b) of this section, a fisheries trust shall establish lease terms for
 2 entry permits held by the fisheries trust in a manner that is consistent with the purpose
 3 provided by AS 16.44.010(b).

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

8 (c) An entry permit held by a fisheries trust may not be subleased by the
 9 lessee.

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

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

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

20 (b) A fisheries trust may not lease a permit to

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

23 (2) staff of a fisheries trust employed under AS 16.44.020(i) or of
 24 another entity that is shared with the fisheries trust under AS 16.44.020(j).

25 (c) When an individual no longer maintains a domicile in the state, the
 26 individual is no longer eligible to lease an entry permit, and a fisheries trust shall
 27 terminate a lease held by the individual.

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

30 (e) In this section, "domicile" means the true and permanent home of an
 31 individual from which the individual has no present intention of moving and to which

1 the individual intends to return whenever the individual is away.

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

3 (1) "board" means the board of a regional fisheries trust;

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

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

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

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

12 (6) "fisheries trust" means a regional fisheries trust established under
13 AS 16.44.010;

14 (7) "fishery" has the meaning given in AS 16.05.940.

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

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

18 (A) [REPEALED

19 (B)] Alaska Permanent Fund Corporation;

20 **(B)** [(C)] Alaska Industrial Development and Export Authority;

21 **(C)** [(D)] Alaska Commercial Fisheries Entry Commission;

22 **(D)** [(E)] Alaska Commission on Postsecondary Education;

23 **(E)** [(F)] Alaska Aerospace Corporation;

24 **(F)** [(G)] REPEALED

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

27 **(G) a regional fisheries trust established under**
28 **AS 16.44.010;**

29 * **Sec. 33.** AS 43.76.040 is amended to read:

30 **Sec. 43.76.040. Definitions [DEFINITION].** In AS 43.76.001 - 43.76.040,
31 unless the context otherwise requires,

(1) "buyer" means a person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon but excluding a transfer to a person engaged solely in interstate transportation of goods for hire;

(2) "person holding a limited entry permit" or "entry permit holder" means an individual who is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an entry permit, but does not include the lessee of an entry permit under AS 16.44.

* Sec. 34. AS 43.76.320 is amended to read:

Sec. 43.76.320. Definitions [DEFINITION]. In AS 43.76.300 - 43.76.320,

(1) "buyer" means a person who acquires possession of fish from the person who caught the fish regardless of whether there is an actual sale of the fish, but does not include a person engaged solely in interstate transportation of goods for hire;

(2) "person holding a limited entry permit" means an individual who is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an entry permit, but does not include the lessee of an entry permit under AS 16.44.

* Sec. 35. AS 43.76.399 is amended by adding a new paragraph to read:

(5) "person holding a limited entry permit" or "entry permit holder" means an individual who is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an entry permit, but does not include the lessee or temporary transferee of an entry permit under AS 16.44.

* Sec. 36. AS 44.33.020(a) is amended by adding a new paragraph to read:

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

* Sec. 37. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Alaska Commercial Fisheries Entry Commission and the commissioner of commerce, community, and economic development may immediately adopt regulations necessary to implement the provisions of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.

1 * **Sec. 38.** The uncoded law of the State of Alaska is amended by adding a new section to
2 read:

3 INITIAL DIRECTORS OF REGIONAL FISHERIES TRUSTS. Subject to
4 AS 16.44.020(e), added by sec. 31 of this Act, the term of office of each initial director of a
5 regional fisheries trust shall be determined by lot.

6 * **Sec. 39.** The uncoded law of the State of Alaska is amended by adding a new section to
7 read:

8 INITIAL ESTABLISHMENT OF FISHERIES TRUST REGIONS. (a) When initially
9 establishing the boundaries of a fisheries trust region under AS 16.44.010(c), added by sec. 31
10 of this Act, the Department of Commerce, Community, and Economic Development shall, in
11 consultation with the Department of Fish and Game, divide the land area of the state into
12 separate fisheries trust regions that the Department of Commerce, Community, and Economic
13 Development determines are socially, economically, and politically cohesive, using, to the
14 extent practicable,

15 (1) the boundaries of the commercial fishing administrative areas established
16 by the Alaska Commercial Fisheries Entry Commission under AS 16.43.200, as those
17 boundaries are described in regulation on the effective date of sec. 31 of this Act; and

18 (2) the designations of which state communities are local to particular
19 fisheries made in the report by the Alaska Commercial Fisheries Entry Commission titled
20 "Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975 - 2015."

21 (b) In establishing the fisheries trust regional boundaries under (a) of this section, the
22 Department of Commerce, Community, and Economic Development shall, to the extent
23 practicable,

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

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

26 * **Sec. 40.** Section 37 of this Act takes effect immediately under AS 01.10.070(c).

27 * **Sec. 41.** Except as provided by sec. 40 of this Act, this Act takes effect January 1, 2018.