

CS FOR HOUSE BILL NO. 206(RLS) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Amended: 5/11/02

Offered: 2/27/02

Sponsor(s): HOUSE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to a vessel-based commercial fisheries limited entry system for the Bering Sea Korean hair crab fishery and for weathervane scallop fisheries, to management of offshore fisheries, and to the definition of 'person' for purposes of the commercial fisheries entry program; and providing for an effective date."

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

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

FINDINGS. The legislature finds that

(1) the conventional commercial fisheries limited entry system, which limits the entry of natural persons into a fishery, may not adequately protect the economic health and stability of certain fisheries in this state;

(2) a system that limits the number of vessels that may engage in a fishery may be necessary to regulate certain fisheries in order to promote the conservation and sustained yield management of Alaska's fishery resource and the economic health and

1 stability of commercial fishing in this state;

2 (3) the existing moratorium on entry of new vessels into the Bering Sea
3 Korean hair crab fishery (AS 16.43.901) expires on June 30, 2003, and the existing vessel
4 moratorium for the weathervane scallop fisheries in state waters (AS 16.43.906) expires on
5 June 30, 2004;

6 (4) a vessel-based limited entry system may be necessary to facilitate state
7 management of fisheries that overlap with federally managed fisheries in the United States
8 exclusive economic zone; and

9 (5) a vessel-based limited entry system may be necessary to achieve
10 compatible state and federal management and enforcement of fisheries.

11 * **Sec. 2.** AS 16.43 is amended by adding new sections to read:

12 **Article 6A. Vessel Permit System for Bering Sea Korean Hair Crab Fishery**
13 **and Weathervane Scallop Fisheries.**

14 **Sec. 16.43.450. Vessel permit system.** (a) The commission may establish a
15 vessel permit system under AS 16.43.450 - 16.43.520 for the Bering Sea Korean hair
16 crab fishery or a weathervane scallop fishery if the commission determines that

17 (1) the regulation of entry into the fishery is necessary to achieve the
18 purposes of this chapter;

19 (2) a vessel permit system would achieve the purposes of this chapter;
20 and

21 (3) either
22 (A) limiting the number of participants in the fishery under
23 AS 16.43.140 - 16.43.330 would not achieve the purposes of this chapter; or
24 (B) regulating the number of vessels in the fishery would
25 enable the state to gain or retain management of the fishery.

26 (b) If the federal government has delegated management authority in the
27 United States exclusive economic zone to the state for the Bering Sea Korean hair crab
28 fishery or a weathervane scallop fishery, the commission may, to the extent consistent
29 with this chapter, adopt regulations to ensure that the vessel permit system is
30 consistent with applicable federal laws.

31 (c) If the commission establishes a vessel permit system for a fishery that

1 involves more than one fishery resource, type of gear, or administrative area, the
 2 commission may limit, as the commission determines appropriate, the fishery
 3 resources that may be harvested under the vessel permit, the types of gear that may be
 4 used under the vessel permit, or the areas where fishing may occur under the vessel
 5 permit. The commission shall adopt criteria, as appropriate, for determining

6 (1) how restrictions on fishery resources, types of gear, and areas
 7 fished are established for individual vessel interim-use permits and vessel entry
 8 permits; and

9 (2) how eligibility to take a particular fishery resource, to use a
 10 particular type of gear, or to fish in a particular area is established.

11 (d) The commission may, after consultation with the Department of Fish and
 12 Game, regulate the fishing capacity or effort authorized under a vessel interim-use
 13 permit or a vessel entry permit if the commission finds that limitations on fishing
 14 capacity or effort are necessary to achieve the purposes of this chapter. The
 15 commission shall adopt criteria, as appropriate, for measuring the fishing capacity or
 16 effort of a vessel and for determining how restrictions on vessel fishing capacity or
 17 effort are established for individual vessel interim-use permits and vessel entry
 18 permits. The criteria may be based on past participation.

19 (e) The commission shall adopt regulations limiting the number of vessel
 20 permits that may be held by a permit holder or group of related permit holders if the
 21 commission finds that limiting the number of vessel permits that may be held by a
 22 permit holder or group of related permit holders is necessary to prevent the excessive
 23 concentration of ownership of vessel permits in the fishery.

24 **Sec. 16.43.460. Initial issuance of vessel permits.** (a) For each fishery in
 25 which the commission establishes a vessel permit system under AS 16.43.450, the
 26 commission shall establish qualifications for vessel interim-use permits and vessel
 27 entry permits. The qualifications may include a qualification date, eligibility period,
 28 recent and past participation requirements, minimum requirements for the nature and
 29 degree of ownership interest that a permit holder must have in a vessel in order to
 30 receive a vessel permit for the vessel, and criteria for receiving transferable and
 31 nontransferable vessel entry permits. In adopting qualifications for transferable and

1 nontransferable vessel entry permits, the commission shall consider

2 (1) information provided by the Department of Fish and Game,
3 participants in the fishery, owners of vessels and gear used in the fishery, and other
4 interested parties;

5 (2) the level of recent and past participation and harvest in the fishery,
6 the nature of the fishery, and the need to ensure the manageability of the fishery and
7 conservation of the fishery resource.

8 (b) If the commission establishes a vessel permit system under AS 16.43.450
9 for a fishery that is, or recently was, subject to a moratorium on entry of new vessels
10 under AS 16.43.901 or 16.43.906, the commission shall incorporate some or all of the
11 vessel eligibility criteria established for the moratorium into the eligibility criteria for
12 vessel permits issued under the vessel permit system.

13 (c) Pending the issuance of vessel entry permits for a fishery for which the
14 commission has established a vessel permit system under AS 16.43.450, the
15 commission shall issue a vessel interim-use permit to the owner of each vessel that the
16 commission finds is potentially eligible to receive a vessel entry permit. A vessel
17 interim-use permit is renewable from year to year; however, a vessel interim-use
18 permit expires at the end of the period for which the permit was issued and may not be
19 renewed after a final determination by the commission that the vessel is or is not
20 eligible for a vessel entry permit.

21 (d) The commission shall issue vessel entry permits for a fishery, subject to
22 conditions established by the commission under AS 16.43.450 - 16.43.520, to the
23 owner of each vessel that the commission finds is eligible to receive a vessel entry
24 permit for that fishery.

25 (e) The commission shall adopt regulations regarding

26 (1) the determination of which person or entity is eligible to receive a
27 vessel interim-use permit or a vessel entry permit for a vessel in the event of
28 competing claims to ownership of the vessel;

29 (2) the substitution of another vessel by the applicant for a vessel
30 interim-use permit or a vessel entry permit if the vessel or vessels used to establish
31 eligibility for a vessel entry permit are lost, or are retired from the fishery by the vessel

owner, before the initial issuance of a vessel entry permit for the vessel.

Sec. 16.43.470. Optimum number range of vessel permits. (a) If, after the initial issuance of vessel entry permits for a fishery, the commission determines that a long-term biological or economic change has occurred in the fishery, the commission, in consultation with the Department of Fish and Game, shall establish the optimum number range of vessel entry permits for the fishery.

(b) In determining the optimum number range of vessel entry permits, the commission shall seek to

(1) facilitate sound management of the fishery;

(2) promote

(A) the economic health and stability of the fishery;

(B) broad access to the fishery;

(C) conservation of the fish resources taken in the fishery;

(D) quality seafood products; and

(3) discourage waste of harvested fish.

(c) The commission may increase or decrease the optimum number range of vessel entry permits for a fishery if the commission finds that an established long-term change in the biological or economic condition of the fishery has occurred and that the number of vessel entry permits that are necessary to achieve the goals set out in (b) of this section has substantially changed.

(d) If the optimum number range of vessel entry permits is less than the number of outstanding vessel permits for the fishery, the commission may adopt regulations to allow the voluntary consolidation of vessel entry permits by permit holders, including entities. The commission may investigate procedures to permanently reduce the number of vessel permits issued for a fishery to within the optimum number range.

(e) If the optimum number range of vessel entry permits is greater than the number of permits authorized for the fishery, the commission shall issue additional vessel entry permits until the number of vessel entry permits is consistent with the optimum number range for the fishery. The commission shall obtain fair market value for new vessel entry permits issued under this subsection. The commission shall

determine whether the additional vessel entry permits issued under this subsection are transferable or nontransferable.

Sec. 16.43.480. Transfer and expiration of vessel entry permits. (a) The commission may adopt regulations authorizing the transfer of a transferable vessel entry permit to an eligible transferee and establishing the terms and conditions under which vessel entry permits may be transferred. The commission may require that the transferee of a vessel entry permit must have a legal ownership interest in the vessel identified on the vessel entry permit. The commission may establish by regulation minimum requirements for the nature and degree of ownership interest that the transferee must have in the vessel.

(b) The commission may adopt regulations authorizing the simultaneous transfer of a transferable vessel entry permit to an eligible transferee and the substitution of another vessel for the vessel identified on the permit under AS 16.43.490.

(c) The commission shall adopt regulations relating to the expiration of nontransferable vessel entry permits.

Sec. 16.43.490. Substitution of vessels. (a) The commission shall adopt regulations providing for the permanent or temporary substitution, after the initial issuance of vessel entry permits, of another vessel for the vessel that is identified on a vessel entry permit. The commission may specify by regulation the nature and degree of legal ownership interest that a permit holder must have in the vessel that is permanently or temporarily substituted for the vessel identified on the permit. Upon the approval of a permanent substitution of a vessel, the commission shall issue a new vessel entry permit for the substituted vessel.

(b) A substituted vessel and the operation of the substituted vessel are subject to all terms and conditions attached to the vessel entry permit at the time that the vessel permit is transferred from the original vessel to the substituted vessel.

Sec. 16.43.500. Renewal of vessel permits. (a) A vessel interim-use permit or vessel entry permit is issued for one year and must be renewed annually.

(b) A vessel interim-use permit or vessel entry permit may not be renewed until the fees for each preceding year during which the permit has not been renewed

1 are paid.

2 (c) Failure to renew a vessel entry permit for two consecutive years from the
3 year of last renewal results in a forfeiture of the permit unless the forfeiture is waived
4 by the commission for good cause. If an administrative closure of a fishery occurs for
5 an entire season, the commission may not count the season toward the two-year
6 period.

7 **Sec. 16.43.510. Vessel permit fees.** (a) The commission shall establish fees
8 for the issuance and annual renewal of vessel interim-use permits and vessel entry
9 permits. Annual fees established under this subsection may not exceed \$2,500 and
10 shall reasonably reflect the rate of economic return for the fishery.

11 (b) The commission shall waive the payment of the annual fees for a vessel
12 interim-use permit or a vessel entry permit for a fishery in which there was an
13 administrative closure for the entire season.

14 (c) Subject to AS 37.10.050(a), the commission may establish fees for
15 processing applications for vessel interim-use permits and vessel entry permits, for
16 transfer of vessel entry permits, and for permanent and temporary substitution of
17 vessels.

18 (d) The commission may charge interest at a rate not to exceed the legal rate
19 of interest established in AS 45.45.010(a) on fees established under the section that are
20 more than 60 days overdue.

21 **Sec. 16.43.520. General vessel permit provisions.** (a) A person or entity
22 may not operate a vessel or use a vessel to take fish in a commercial fishery for which
23 a vessel interim-use permit or vessel entry permit is required unless the appropriate
24 vessel permit has been issued for the vessel and is posted in a prominent location on
25 the vessel.

26 (b) A person or entity may not hold more than one vessel entry permit for a
27 fishery unless

28 (1) the number of vessel entry permits held by the person or entity is
29 consistent with regulations of the commission regarding concentration of ownership of
30 vessel permits in the fishery; and

31 (2) either

1 (A) the person or entity qualified for each vessel entry permit at
 2 the time of the initial issuance of vessel entry permits for the fishery; or

3 (B) the vessel entry permits are issued for a vessel for which
 4 the person or entity already holds another vessel entry permit for that fishery.

5 (c) The operator of a vessel for which a vessel interim-use permit or vessel
 6 entry permit has been issued shall comply with the terms of the vessel permit while the
 7 vessel is operated in the fishery for which the permit is issued.

8 (d) A vessel interim-use permit and a vessel entry permit constitute a use
 9 privilege that may be modified or revoked by order of the commission or by law
 10 without compensation.

11 (e) A vessel entry permit may not be

12 (1) pledged, mortgaged, leased, or encumbered in any way;

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

15 (3) attached, distrained, or sold on execution of judgment or under any
 16 other process or order of any court.

17 (f) Unless the person who holds a vessel entry permit has expressed a contrary
 18 intent in a will that is probated, the commission shall, upon the death of the person,
 19 transfer the vessel entry permit by right of survivorship directly to the person's
 20 surviving spouse or, if no spouse survives, to another person designated by the vessel
 21 permit holder on a form provided by the commission. If no spouse survives and if the
 22 person designated on the form, if any, does not survive, the permit passes as part of the
 23 vessel permit holder's estate. A designation under this subsection must be
 24 acknowledged before a person authorized to administer an oath under AS 09.63.010 or
 25 must be witnessed by two persons who are qualified under AS 13.12.505 to witness
 26 the will of the vessel permit holder. A vessel entry permit is exempt from the claims of
 27 creditors of the estate.

28 (g) AS 16.43.450 - 16.43.520 do not alter the requirement for an interim-use
 29 permit or entry permit under AS 16.43.140 or a vessel license under AS 16.05.490 -
 30 16.05.520.

31 (h) Nothing in AS 16.43.450 - 16.43.520 limits the powers of the Board of

1 Fisheries or the Department of Fish and Game.

2 (i) Notwithstanding AS 16.05.815 and AS 16.43.975, the commission may
3 release to the owner of a vessel information on the vessel's history of harvests in a
4 fishery that is necessary to apply for a vessel interim-use permit or vessel entry permit
5 under AS 16.43.450 - 16.43.520.

6 * **Sec. 3.** AS 16.05.735 is amended to read:

7 **Sec. 16.05.735. Management of offshore fisheries.** The state may assume
8 management of **a fishery** [THE SCALLOP FISHERIES] in offshore water adjacent to
9 the state in the absence of a federal fishery management plan for **the fishery**
10 [SCALLOPS] or in the event that a federal fishery management plan for **the fishery**
11 [SCALLOPS] delegates authority to the state to manage **the fishery** [SCALLOP
12 FISHERIES] in the United States exclusive economic zone.

13 * **Sec. 4.** AS 16.43.010(a) is amended to read:

14 (a) It is the purpose of this chapter to promote the conservation and the
15 sustained yield management of Alaska's fishery resource and the economic health and
16 stability of commercial fishing in Alaska by regulating and controlling entry **of**
17 **participants and vessels** into the commercial fisheries in the public interest and
18 without unjust discrimination.

19 * **Sec. 5.** AS 16.43.010(a) is amended to read:

20 (a) It is the purpose of this chapter to promote the conservation and the
21 sustained yield management of Alaska's fishery resource and the economic health and
22 stability of commercial fishing in Alaska by regulating and controlling entry of
23 participants [AND VESSELS] into the commercial fisheries in the public interest and
24 without unjust discrimination.

25 * **Sec. 6.** AS 16.43.100(a) is amended to read:

26 (a) To accomplish the purposes set out in AS 16.43.010, the commission shall
27 (1) regulate entry into the commercial fisheries for all fishery resources
28 in the state;
29 (2) establish priorities for the application of the provisions of this
30 chapter to the various commercial fisheries of the state;
31 (3) establish administrative areas suitable for regulating and

1 controlling entry into the commercial fisheries;

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

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

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

8 (7) issue entry permits to qualified applicants;

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

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

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

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

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

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

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

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

27 (16) establish reasonable user fees for services;

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

30 (18) establish and collect annual fees for the issuance of landing
31 permits that reasonably reflect the costs incurred in the administration and

enforcement of provisions of law related to landing permits; [AND]

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

(20) administer, when necessary to accomplish the purposes of this chapter, a vessel permit system under AS 16.43.450 - 16.43.520.

* **Sec. 7.** AS 16.43.240(b) is amended to read:

(b) When the 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 commission shall establish the maximum number of entry permits for that fishery.

* **Sec. 8.** AS 16.43.240(c) is amended to read:

(c) When the 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 commission shall establish the maximum number of entry permits for that fishery.

* **Sec. 9.** 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 of an entry or interim-use permit, [OR] vessel license, **vessel entry permit, or vessel interim-use permit**. The commission may suspend, **as appropriate,** that person's **or entity's** eligibility to hold 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** [. THE COMMISSION MAY ALSO IMPOSE AN ADMINISTRATIVE FINE OF NOT MORE THAN \$5,000 ON AN] 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.

1 * **Sec. 10.** AS 16.43.960(a) is amended to read:

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

17 * **Sec. 11.** AS 16.43.970(a) is amended to read:

18 (a) A person who violates a provision of this chapter or a regulation adopted
19 under this chapter **or an entity that violates a provision of AS 16.43.450 - 16.43.520**
20 **or a regulation adopted under AS 16.43.450 - 16.43.520** is, upon conviction, guilty
21 of a class B misdemeanor and is punishable by a fine of not more than \$5,000 for a
22 first conviction, and a fine of not more than \$10,000 for a second or third conviction.
23 Upon a first or second conviction under this subsection, the court may in its discretion
24 also order the commission to suspend the commercial fishing privileges of the person
25 **or entity** for a period of not more than three years and to revoke one or more or all
26 commercial fishing permits held by the person **or entity**. Upon a third or subsequent
27 conviction under this subsection, the person **or entity** is also subject to a loss of
28 commercial fishing privileges as provided under (i) of this section. This subsection
29 does not apply to violations of AS 16.43.140(a).

30 * **Sec. 12.** AS 16.43.970(a) is amended to read:

31 (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 16.43.450 - 16.43.520 OR A REGULATION ADOPTED UNDER AS 16.43.450 - 16.43.520] 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 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. 13.** AS 16.43.970(b) is amended to read:

(b) A person or entity who knowingly makes a false statement to the 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, vessel interim-use permit, or vessel entry permit, or a person who assists another by knowingly making a false statement to the commission for the purpose of obtaining a benefit for another, is guilty of the crime of unsworn falsification 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. 14.** AS 16.43.970(b) is amended to read:

(b) A person [OR ENTITY] who knowingly makes a false statement to the 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 [, VESSEL INTERIM-USE PERMIT, OR VESSEL ENTRY PERMIT,] or a person who assists another by knowingly making a false statement to the commission for the purpose of obtaining a benefit for another, is guilty of the crime of unsworn falsification 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. 15.** AS 16.43.970(d) is amended to read:

(d) If a permit holder is charged by the state with violating a provision of this chapter or a regulation adopted under this chapter, the holder may not transfer [, UNDER AS 16.43.170,] any interim-use or entry permit **under AS 16.43.170 or any transferable vessel entry permit under AS 16.43.450 - 16.43.520** [,] until after the final adjudication or dismissal of the charges.

* **Sec. 16.** AS 16.43.970(d) is amended to read:

(d) If a permit holder is charged by the state with violating a provision of this chapter or a regulation adopted under this chapter, the holder may not transfer any interim-use or entry permit under AS 16.43.170 [OR ANY TRANSFERABLE VESSEL ENTRY PERMIT UNDER AS 16.43.450 - 16.43.520] until after the final adjudication or dismissal of the charges.

* **Sec. 17.** 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 commission.

* **Sec. 18.** 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 commission.

* **Sec. 19.** AS 16.43.970(f) is amended to read:

(f) A commercial fishing **entry** permit revoked under this section that is pledged as security for a loan under AS 16.10.333, or 16.10.338, or AS 44.81.231 shall be reassigned as provided in AS 16.10.337 or AS 44.81.250.

* **Sec. 20.** 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 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 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 privileges of the person for a period of two years from the date of conviction;

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

* **Sec. 21.** 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 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 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 privileges of the person for a period of two years from the date of conviction;

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

* **Sec. 22.** AS 16.43.970(j)(1) is amended to read:

(1) "commercial fishing permit" means an entry permit, [OR] an interim-use permit, a vessel entry permit, or a vessel interim-use permit issued under this chapter;

* **Sec. 23.** AS 16.43.970(j)(1) is amended to read:

(1) "commercial fishing permit" means an entry permit or [,] an interim-use permit [, A VESSEL ENTRY PERMIT, OR A VESSEL INTERIM-USE PERMIT] issued under this chapter;

* **Sec. 24.** AS 16.43.980(a) is amended to read:

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

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

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

* **Sec. 25.** AS 16.43.990(5) is amended to read:

(5) "person" means a natural person; **"person"** [AND] does not include a corporation, company, partnership, firm, association, organization, **joint venture**, [BUSINESS] trust, [OR] society, **or other legal entity other than a natural person**;

* **Sec. 26.** AS 16.43.990 is amended by adding a new paragraph to read:

(10) "entity" means a corporation, company, partnership, firm, association, organization, joint venture, trust, society, or other legal entity other than a natural person.

* **Sec. 27.** REPEAL OF VESSEL PERMIT SYSTEM. AS 16.43.100(a)(20), 16.43.450, 16.43.460, 16.43.470, 16.43.480, 16.43.490, 16.43.500, 16.43.510, and 16.43.520 are repealed.

* **Sec. 28.** Sections 5, 10, 12, 14, 16, 18, 21, 23, and 27 of this Act take effect December 30, 2008.

* **Sec. 29.** Except as provided in sec. 28 of this Act, this Act takes effect immediately under AS 01.10.070(c).