

**HOUSE BILL NO. 237**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE AUSTERMAN

Introduced: 5/14/99

Referred: House Special Committee on Fisheries, Resources, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to a vessel-based commercial fisheries limited entry system;  
2 relating to management of offshore fisheries; relating to loans for the purchase  
3 of vessel entry permits; and providing for an effective date."

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

5 \* **Section 1. FINDINGS.** The legislature finds that

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

9 (2) a system that limits the number of vessels that may engage in a fishery  
10 may be necessary to regulate certain existing, developing, or future fisheries in order to  
11 promote the conservation and sustained yield management of Alaska's fishery resource and  
12 the economic health and stability of commercial fishing in this state;

13 (3) a vessel-based limited entry system that eliminates the windfall to persons  
14 and entities who are the recipients of the initial vessel permits for a fishery by restricting the

1 transferability of vessel permits will ensure maximum benefits to the State of Alaska and its  
2 residents;

3 (4) the existing moratorium on entry of new vessels into the Bering Sea  
4 Korean hair crab fishery (AS 16.43.901) expires on June 30, 2000, and the existing vessel  
5 moratorium for the weathervane scallop fisheries in state waters (AS 16.43.906) expires on  
6 June 30, 2001;

7 (5) the United States Department of Commerce has taken action to restrict  
8 access to groundfish, crab, and scallop fisheries in the waters of the United States exclusive  
9 economic zone adjacent to the state water of Alaska using a vessel-based limited entry system;

10 (6) a vessel-based limited entry system may be necessary to facilitate state  
11 management of fisheries that overlap with federally managed fisheries in the United States  
12 exclusive economic zone, especially for fisheries under a federal limited entry system; and

13 (7) a vessel-based limited entry system may be necessary to achieve compatible  
14 state and federal management and enforcement of fisheries.

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

16 **Article 6A. Vessel Permit System.**

17 **Sec. 16.43.450. Vessel permit system.** (a) The commission may establish a  
18 vessel permit system for a fishery if the commission determines

19 (1) that the regulation of entry into the fishery is necessary to achieve  
20 the purposes of this chapter;

21 (2) that a vessel permit system would achieve the purposes of this  
22 chapter; and

23 (3) that

24 (A) limiting the number of participants in the fishery under  
25 AS 16.43.140 - 16.43.330 would not achieve the purposes of this chapter; or

26 (B) regulating the number of vessels in the fishery would  
27 facilitate state management of a fishery that occurs in the United States  
28 exclusive economic zone or both the United States exclusive economic zone  
29 and state water; in making a determination under this subparagraph, the  
30 commission shall consider relevant provisions of the federal fishery  
31 management program for the fishery.

1 (b) For a fishery in which the federal government has delegated management  
2 authority in the United States exclusive economic zone to the state, the commission  
3 may, to the extent consistent with this chapter, adopt regulations to ensure that the  
4 vessel permit system complies with applicable federal laws.

5 (c) If the commission establishes a vessel permit system for a fishery that  
6 involves more than one fishery resource, type of gear, or administrative area, the  
7 commission may limit, as the commission determines appropriate, the fishery resources  
8 that may be harvested under the vessel permit, the types of gear that may be used  
9 under the vessel permit, or the areas where fishing may occur under the vessel permit.  
10 The commission shall adopt criteria, as appropriate, for determining

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

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

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

22 (e) The commission may adopt restrictions on fishing capacity and effort,  
23 fishery resources taken, types of gear used, and areas fished under a vessel permit at  
24 the time of initial issuance of vessel permits or at a later time.

25 (f) The commission shall adopt regulations limiting the number of vessel  
26 permits that may be held by a permit holder or group of related permit holders if the  
27 commission finds that the concentration of ownership of vessels in a fishery is contrary  
28 to the purposes of this chapter.

29 **Sec. 16.43.460. Initial issuance of vessel permits.** (a) For each fishery in  
30 which the commission establishes a vessel permit system, the commission shall  
31 establish qualifications, including the qualification date and the eligibility period, for

1 vessel entry permits.

2 (b) Pending the issuance of vessel entry permits for a fishery for which the  
3 commission has established a vessel permit system, the commission shall issue a  
4 provisional vessel permit to a person or entity for each vessel that the commission  
5 finds is potentially eligible to receive a vessel entry permit. A provisional vessel  
6 permit is renewable from year to year. Once the commission has made a final  
7 determination that the vessel is or is not eligible for a vessel entry permit, the  
8 provisional vessel permit expires at the end of the annual period for which the permit  
9 was issued and may not be renewed. If the commission determines that a vessel is  
10 eligible for a vessel entry permit, the commission shall issue a vessel entry permit for  
11 the vessel that is valid upon the expiration of the provisional vessel permit.

12 (c) The commission shall adopt regulations regarding the substitution of  
13 another vessel by the applicant for a vessel permit if the vessel used to establish  
14 eligibility for a vessel entry permit or a provisional vessel permit is lost before the  
15 initial issuance of a permit for the vessel.

16 **Sec. 16.43.470. Holders of vessel permits.** (a) The commission may issue  
17 a vessel entry permit or a provisional vessel permit to a person or entity who has a  
18 legal ownership interest in the vessel identified on the permit.

19 (b) The commission shall adopt regulations for determining which person or  
20 entity shall receive a vessel permit for a vessel if the vessel was owned by more than  
21 one legal owner during the period established by the commission to determine  
22 eligibility for the vessel permit.

23 (c) If the commission establishes a vessel permit system under AS 16.43.450 -  
24 16.43.530 for a fishery that is subject to a moratorium on entry of new vessels under  
25 AS 16.43.901 or 16.43.906, the commission may incorporate some or all of the vessel  
26 eligibility criteria established for the moratorium into the eligibility criteria for vessel  
27 permits issued under the vessel permit system.

28 (d) The permit holder shall post a vessel permit in a prominent location on the  
29 vessel identified on the permit so that the permit is readily available for inspection  
30 while the vessel is operating in the fishery for which the permit is issued.

31 **Sec. 16.43.480. Optimum number range of vessel permits.** (a) If, after the

1 initial issuance of vessel entry permits for a fishery, the commission determines that  
 2 a long-term biological or economic change has occurred in the fishery, the  
 3 commission, in consultation with the Department of Fish and Game, shall establish the  
 4 optimum number range of vessel entry permits for the fishery.

5 (b) In determining the optimum number range of vessel entry permits, the  
 6 commission shall seek to facilitate sound management of the fishery and to promote

7 (1) the economic health and stability of the fishery;

8 (2) broad access to the fishery;

9 (3) conservation of the resource; and

10 (4) quality seafood products and to discourage waste of harvested fish.

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

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

21 (e) If the optimum number range of vessel entry permits is greater than the  
 22 number of permits authorized for the fishery, the commission shall issue additional  
 23 vessel entry permits for vessels presently able to actively engage in the fishery until  
 24 the number of vessel entry permits is consistent with the optimum number range for  
 25 the fishery. The commission shall obtain fair market value for vessel entry permits  
 26 issued under this subsection.

27 **Sec. 16.43.490. Reversion of vessel entry permits.** (a) If the commission  
 28 determines that the person or entity to whom a vessel entry permit is originally issued  
 29 under AS 16.43.450 or 16.43.480(e) no longer has a legal ownership interest in the  
 30 vessel for which the permit is issued, the vessel entry permit reverts by law to the  
 31 commission.

1 (b) The commission shall reissue vessel entry permits that have reverted to the  
2 commission under (a) of this section or that have been forfeited to the commission  
3 under AS 16.43.510(c) to a vessel that is able to actually engage in the fishery. The  
4 commission shall obtain the fair market value for the vessel entry permit.

5 (c) Notwithstanding (b) of this section, the commission may not reissue a  
6 vessel entry permit that has reverted to the commission or that has been forfeited to  
7 the commission if the commission has determined under AS 16.43.480(d) that the  
8 optimum number range for the fishery is less than the number of outstanding vessel  
9 entry permits for the fishery.

10 **Sec. 16.43.500. Substitution of vessels.** (a) The commission may adopt  
11 regulations providing for the permanent or temporary substitution, after the initial  
12 issuance of vessel permits, of another vessel for the vessel that is identified on a vessel  
13 permit. A permit holder must have a legal ownership interest in the vessel that is  
14 permanently substituted for the vessel identified on the permit. Upon the approval of  
15 a permanent substitution of a vessel, the commission shall issue a new vessel permit  
16 for the substituted vessel. The commission may require that the permit holder have  
17 an ownership interest in a temporarily substituted vessel.

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

21 **Sec. 16.43.510. Renewal of vessel permits.** (a) A vessel entry permit or  
22 provisional vessel permit is issued for one year and must be renewed annually.

23 (b) A vessel entry permit or provisional vessel permit may not be renewed  
24 until the fees for each preceding year during which the permit has not been renewed  
25 are paid.

26 (c) Failure to renew a vessel entry permit or a provisional vessel permit for  
27 two consecutive years from the year of last renewal results in a forfeiture of the permit  
28 unless the forfeiture is waived by the commission for good cause. If an administrative  
29 closure of a fishery occurs for an entire season, the commission may not count the  
30 season toward the two-year period.

31 **Sec. 16.43.520. Vessel permit fees.** (a) The commission shall establish fees

1 for the issuance and annual renewal of vessel entry permits and provisional vessel  
 2 permits. Annual fees established under this subsection may not exceed \$2,500 and  
 3 shall reasonably reflect the rate of economic return for the fishery.

4 (b) The commission shall waive the payment of annual vessel permit fees for  
 5 a fishery in which there was an administrative closure for the entire season.

6 (c) Subject to AS 37.10.050(a), the commission may establish fees for  
 7 processing applications for vessel permits and for permanent and temporary  
 8 substitution of vessels.

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

12 **Sec. 16.43.530. General vessel permit provisions.** (a) A person may not  
 13 operate a vessel or use a vessel to take fish in a commercial fishery for which a vessel  
 14 permit is required unless the appropriate vessel permit has been issued for the vessel  
 15 and is posted in a prominent location on the vessel.

16 (b) The operator of a vessel for which a vessel permit has been issued shall  
 17 comply with the terms of the vessel permit while the vessel is operated in the fishery  
 18 for which the permit is issued.

19 (c) A vessel entry permit and a provisional vessel permit constitute a use  
 20 privilege that may be modified or revoked by order of the commission or by law  
 21 without compensation.

22 (d) AS 16.43.450 - 16.43.530 do not alter the requirement for an interim-use  
 23 permit or entry permit under AS 16.43.140 or a vessel license under AS 16.05.490 -  
 24 16.05.530.

25 (e) Nothing in AS 16.43.450 - 16.43.530 limits the powers of the Board of  
 26 Fisheries or the Department of Fish and Game.

27 (f) Notwithstanding AS 16.05.815 and AS 16.43.975, the commission may  
 28 release to the owner of a vessel information on the vessel's history of harvests in a  
 29 fishery that is necessary to apply for a vessel permit under AS 16.43.450 - 16.43.530.

30 \* **Sec. 3.** AS 16.05.735 is amended to read:

31 **Sec. 16.05.735. Management of offshore fisheries.** The state may assume

1 management of **a fishery** [THE SCALLOP FISHERIES] in offshore water adjacent to  
 2 the state in the absence of a federal fishery management plan for **the fishery**  
 3 [SCALLOPS] or in the event that a federal fishery management plan for **the fishery**  
 4 [SCALLOPS] delegates authority to the state to manage **the fishery** [SCALLOP  
 5 FISHERIES] in the United States exclusive economic zone.

6 \* **Sec. 4.** AS 16.10.310(a) is amended to read:

7 (a) The department may

8 (1) make loans

9 (A) to individual commercial fishermen who have been state  
 10 residents for a continuous period of two years immediately preceding the date  
 11 of application for a loan under AS 16.10.300 - 16.10.370 and have had a  
 12 crewmember or commercial fishing license under AS 16.05.480 or a permit  
 13 under AS 16.43 for the year immediately preceding the date of application and  
 14 any other two of the past five years, and who actively participated in the  
 15 fishery during those periods,

16 (i) for the purchase of entry permits **or vessel entry**  
 17 **permits**; or

18 (ii) to upgrade existing vessels and gear for the purpose  
 19 of improving the quality of Alaska seafood products;

20 (B) to an individual for the repair, restoration, or upgrading of  
 21 existing vessels and gear, for the purchase of entry permits and gear, **for the**  
 22 **purchase of vessel entry permits**, and for the construction and purchase of  
 23 vessels, if the individual has been a state resident for a continuous period of  
 24 two years immediately preceding the date of application for a loan under  
 25 AS 16.10.300 - 16.10.370, and either

26 (i) because of lack of training or lack of employment  
 27 opportunities in the area of residence, does not have occupational  
 28 opportunities available other than commercial fishing; or

29 (ii) is economically dependent on commercial fishing for  
 30 a livelihood and for whom commercial fishing has been a traditional  
 31 way of life in Alaska;

1 (C) for the purchase of quota shares for fisheries in or off the  
2 state by individual commercial fishermen who

3 (i) have been state residents for a continuous period of  
4 two years immediately preceding the date of application for a loan  
5 under AS 16.10.300 - 16.10.370;

6 (ii) for any two of the past five years, possessed a  
7 crewmember or commercial fishing license under AS 16.05.480 or a  
8 permit under AS 16.43 and actively participated in a fishery for which  
9 the license or permit was issued;

10 (iii) qualify as a transferee for quota shares under  
11 applicable law; and

12 (iv) are not eligible for financing from other recognized  
13 commercial lending institutions to purchase quota shares;

14 (2) designate agents and delegate its powers to them as necessary;

15 (3) adopt regulations necessary to carry out the provisions of  
16 AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for  
17 services provided;

18 (4) establish amortization plans for repayment of loans, which may  
19 include extensions for poor fishing seasons or for adverse market conditions for  
20 Alaska [ALASKAN] products;

21 (5) enter into agreements with private lending institutions, other state  
22 agencies, or agencies of the federal government, to carry out the purposes of  
23 AS 16.10.300 - 16.10.370;

24 (6) enter into agreements with other agencies or organizations to create  
25 an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of  
26 the state;

27 (7) allow an assumption of a loan if

28 (A) the applicant has been a state resident for a continuous  
29 period of two years immediately preceding the date of the request for an  
30 assumption; and

31 (B) approval of the assumption would be consistent with the

1 purposes of AS 16.10.300; an applicant for a loan assumption may not be  
 2 disqualified because the applicant does not meet the loan eligibility  
 3 requirements of (1) of this subsection;

4 (8) prequalify loan applicants for a limited entry permit loan, vessel  
 5 entry permit loan, or a quota shares loan and charge a fee not to exceed \$200 for  
 6 prequalification;

7 (9) charge and collect the fees established under this subsection;

8 (10) refinance a debt obligation incurred by a borrower or borrowers  
 9 under this section if the borrower or borrowers otherwise qualify for a loan under  
 10 AS 16.10.300 - 16.10.370; the department shall collect a refinancing loan origination  
 11 charge of one-half percent of the amount of the debt obligation that has been  
 12 refinanced when the first refinancing payment is due;

13 (11) refinance debt obligations, not to exceed \$300,000, incurred by a  
 14 borrower or borrowers for the purchase of a commercial fishing vessel or gear if the  
 15 borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;  
 16 the department may collect a refinancing loan origination charge as provided by  
 17 regulation.

18 \* **Sec. 5.** AS 16.10.325 is amended to read:

19 **Sec. 16.10.325. Guarantors.** A person may act as guarantor if the borrower  
 20 has insufficient collateral to secure a loan for the purposes described in  
 21 AS 16.10.310(a)(1)(B) or (C). The loan agreement shall specifically describe the  
 22 property of the guarantor to be used as collateral by the borrower and shall be signed  
 23 by the guarantor and the borrower. The department shall provide the guarantor with  
 24 a copy of all notices sent to the borrower by the department. If the loan is for the  
 25 purchase of an entry permit, vessel entry permit, or quota shares, the guaranty by the  
 26 guarantor may not constitute a lien, mortgage, or encumbrance on or pledge of the  
 27 entry permit, vessel entry permit, or quota shares.

28 \* **Sec. 6.** AS 16.43.010(a) is amended to read:

29 (a) It is the purpose of this chapter to promote the conservation and the  
 30 sustained yield management of Alaska's fishery resource and the economic health and  
 31 stability of commercial fishing in Alaska by regulating and controlling entry **of**

1        **participants and vessels** into the commercial fisheries in the public interest and  
2        without unjust discrimination.

3        \* **Sec. 7.** AS 16.43.100(a) is amended to read:

4                (a) To accomplish the purposes set out in AS 16.43.010, the commission shall

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

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

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

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

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

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

17                        (7) issue entry permits to qualified applicants;

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

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

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

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

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

29                        (13) administer the collection of the annual fees provided for in  
30        AS 16.43.160;

31                        (14) administer the issuance of commercial fishing vessel licenses under

1 AS 16.05.490;

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

4 (16) establish reasonable user fees for services;

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

7 (18) establish and collect annual fees for the issuance of landing  
8 permits that reasonably reflect the costs incurred in the administration and enforcement  
9 of provisions of law related to landing permits; [AND]

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

12 **(20) administer the vessel permit system authorized under**  
13 **AS 16.43.450 - 16.43.530.**

14 \* **Sec. 8.** AS 16.43.240(b) is amended to read:

15 (b) When the commission finds that a fishery, not designated as a distressed  
16 fishery under AS 16.43.230 or not subject to a moratorium under AS 16.43.225, has  
17 reached levels of participation that require the limitation of entry **under AS 16.43.140**  
18 **- 16.43.330** in order to achieve the purposes of this chapter, the commission shall  
19 establish the maximum number of entry permits for that fishery.

20 \* **Sec. 9.** AS 16.43.240(c) is amended to read:

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

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

26 (a) The commission may revoke, suspend, or transfer all entry or interim-use  
27 permits, **vessel entry permits, or provisional vessel permits** held by a person **or**  
28 **entity** who knowingly provides or assists in providing false information, or fails to  
29 correct false information provided to the commission for the purpose of obtaining a  
30 benefit for self or another, including the issuance, renewal, duplication, or transfer of  
31 an entry or interim-use permit, [OR] vessel license, **or vessel permit**. The commission

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

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

10 (a) A person who violates a provision of this chapter or a regulation adopted  
 11 under this chapter **or an entity that violates a provision of AS 16.43.450 - 16.43.530**  
 12 **or a regulation adopted under AS 16.43.450 - 16.43.530** is, upon conviction, guilty  
 13 of a class B misdemeanor and is punishable by a fine of not more than \$5,000 for a  
 14 first conviction, and a fine of not more than \$10,000 for a second or third conviction.  
 15 Upon a first or second conviction under this subsection, the court may in its discretion  
 16 also order the commission to suspend the commercial fishing privileges of the person  
 17 **or entity** for a period of not more than three years and to revoke one or more or all  
 18 commercial fishing permits held by the person **or entity**. Upon a third or subsequent  
 19 conviction under this subsection, the person **or entity** is also subject to a loss of  
 20 commercial fishing privileges as provided under (i) of this section. This subsection  
 21 does not apply to violations of AS 16.43.140(a).

22 \* **Sec. 12.** AS 16.43.970(b) is amended to read:

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

31 \* **Sec. 13.** AS 16.43.970(f) is amended to read:

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

4 \* **Sec. 14.** AS 16.43.970(i) is amended to read:

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

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

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

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

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

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

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

31 \* **Sec. 15.** AS 16.43.970(j)(1) is amended to read:

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

3 \* **Sec. 16.** AS 16.43.970(j) is amended by adding a new paragraph to read:

4 (3) "vessel permit" means a vessel entry permit or a provisional vessel  
5 permit issued under AS 16.43.450 - 16.43.530.

6 \* **Sec. 17.** AS 16.43.980(a) is amended to read:

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

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

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

14 \* **Sec. 18.** AS 16.43.990 is amended by adding a new paragraph to read:

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

18 \* **Sec. 19.** REGULATIONS. The Alaska Commercial Fisheries Entry Commission may  
19 adopt regulations under AS 44.62 (Administrative Procedure Act) that the commission finds  
20 necessary to implement this Act. The regulations may not take effect before January 1, 2001.

21 \* **Sec. 20.** Section 19 of this Act takes effect immediately under AS 01.10.070(c).

22 \* **Sec. 21.** Except as provided in sec. 20 of this Act, this Act takes effect January 1, 2001.