

**FREE CONFERENCE CS FOR HOUSE BILL NO. 71**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

**BY THE FREE CONFERENCE COMMITTEE**

**Offered: 2/21/14**

**Sponsor(s): REPRESENTATIVES HUGHES, Gara, Costello, Holmes, Austerman, Pruitt, Foster, Edgmon, Muñoz, Herron, Chenault, Johnson, Gattis, Feige, Peggy Wilson, Hawker, Kreiss-Tomkins, Gruenberg, Tuck, Drummond, LeDoux, Stoltze, Josephson, Tarr, Saddler**

**SENATORS Olson, Ellis, Egan**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to a vessel-based commercial fisheries limited entry system for the**  
2 **Bering Sea hair crab fishery; requiring the Commercial Fisheries Entry Commission to**  
3 **report biennially on the vessel-based limited entry fisheries system for the Bering Sea**  
4 **hair crab fishery; establishing the Alaska regional economic assistance program;**  
5 **requiring the Department of Commerce, Community, and Economic Development to**  
6 **compile an annual report to the legislature regarding statewide and regional economic**  
7 **development projects and regional development organizations; and providing for an**  
8 **effective date."**

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

10 **\* Section 1.** AS 16.43.010(a) is amended to read:

11 (a) It is the purpose of this chapter to promote the conservation and the  
12 sustained yield management of Alaska's fishery resource and the economic health and

1 stability of commercial fishing in Alaska by regulating and controlling entry of  
2 participants and vessels into the commercial fisheries in the public interest and  
3 without unjust discrimination.

4 \* **Sec. 2.** AS 16.43.010(a), as amended by sec. 1 of this Act, is amended to read:

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

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

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

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

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

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

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

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

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

24 (7) issue entry permits to qualified applicants;

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

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

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

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

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

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

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

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

12 (16) establish reasonable user fees for services;

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

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

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

20 (20) [REPEALED

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

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

29 \* **Sec. 4.** AS 16.43 is amended by adding new sections to read:

30 **Sec. 16.43.451. Bering Sea hair crab fishery vessel permit system.** (a) The  
31 commission may establish a vessel permit system under AS 16.43.451 - 16.43.521 for

1 the Bering Sea hair crab fishery if the commission determines that

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

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

6 (3) either

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

9 (B) regulating the number of vessels in the fishery would  
10 enable the state to gain or retain management of the fishery.

11 (b) If the federal government has delegated management authority in the  
12 United States exclusive economic zone to the state for the Bering Sea hair crab  
13 fishery, the commission may, to the extent consistent with this chapter, adopt  
14 regulations to ensure that the vessel permit system is consistent with applicable federal  
15 laws.

16 (c) If the commission establishes a vessel permit system for a fishery that  
17 involves more than one fishery resource, type of gear, or administrative area, the  
18 commission may limit, as the commission determines appropriate, the fishery  
19 resources that may be harvested under the vessel permit, the types of gear that may be  
20 used under the vessel permit, or the areas where fishing may occur under the vessel  
21 permit. The commission shall adopt criteria, as appropriate, for determining

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

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

27 (d) The commission may, after consultation with the Department of Fish and  
28 Game, regulate the fishing capacity or effort authorized under a vessel interim-use  
29 permit or a vessel entry permit if the commission finds that limitations on fishing  
30 capacity or effort are necessary to achieve the purposes of this chapter. The  
31 commission shall adopt criteria, as appropriate, for measuring the fishing capacity or

1 effort of a vessel and for determining how restrictions on vessel fishing capacity or  
2 effort are established for individual vessel interim-use permits and vessel entry  
3 permits. The criteria may be based on past participation.

4 (e) The commission shall adopt regulations limiting the number of vessel  
5 permits that may be held by a permit holder or group of related permit holders if the  
6 commission finds that limiting the number of vessel permits that may be held by a  
7 permit holder or group of related permit holders is necessary to prevent the excessive  
8 concentration of ownership of vessel permits in the fishery.

9 (f) By February 1 of the filing year, the commission shall submit a biennial  
10 report to the governor and the legislature concerning the harvest and earnings of the  
11 vessel-based limited entry fisheries system for the Bering Sea hair crab during the  
12 preceding two years. The commission shall notify the legislature that the report is  
13 available.

14 **Sec. 16.43.461. Initial issuance of vessel permits.** (a) For the fishery that the  
15 commission establishes a vessel permit system for under AS 16.43.451, the  
16 commission shall establish qualifications for vessel interim-use permits and vessel  
17 entry permits. The qualifications may include a qualification date, eligibility period,  
18 recent and past participation requirements, minimum requirements for the nature and  
19 degree of ownership interest that a permit holder must have in a vessel in order to  
20 receive a vessel permit for the vessel, and criteria for receiving transferable and  
21 nontransferable vessel entry permits. In adopting qualifications for transferable and  
22 nontransferable vessel entry permits, the commission shall consider

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

26 (2) the level of recent and past participation and harvest in the fishery,  
27 the nature of the fishery, and the need to ensure the manageability of the fishery and  
28 conservation of the fishery resource.

29 (b) If the commission establishes a vessel permit system under AS 16.43.451  
30 for a fishery that was subject to a moratorium on entry of new vessels under former  
31 AS 16.43.901, the commission shall incorporate some or all of the vessel eligibility

1 criteria established for the moratorium into the eligibility criteria for vessel permits  
2 issued under the vessel permit system.

3 (c) Pending the issuance of vessel entry permits for a fishery for which the  
4 commission has established a vessel permit system under AS 16.43.451, the  
5 commission shall issue a vessel interim-use permit to the owner of each vessel that the  
6 commission finds is potentially eligible to receive a vessel entry permit. A vessel  
7 interim-use permit is renewable from year to year; however, a vessel interim-use  
8 permit expires at the end of the period for which the permit was issued and may not be  
9 renewed after a final determination by the commission that the vessel is or is not  
10 eligible for a vessel entry permit.

11 (d) The commission shall issue vessel entry permits for a fishery, subject to  
12 conditions established by the commission under AS 16.43.451 - 16.43.521, to the  
13 owner of each vessel that the commission finds is eligible to receive a vessel entry  
14 permit for that fishery.

15 (e) The commission shall adopt regulations regarding

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

19 (2) the substitution of another vessel by the applicant for a vessel  
20 interim-use permit or a vessel entry permit if the vessel or vessels used to establish  
21 eligibility for a vessel entry permit are lost, or are retired from the fishery by the vessel  
22 owner, before the initial issuance of a vessel entry permit for the vessel.

23 **Sec. 16.43.471. Optimum number range of vessel permits.** (a) If, after the  
24 initial issuance of vessel entry permits for the Bering Sea hair crab fishery, the  
25 commission determines that a long-term biological or economic change has occurred  
26 in the fishery, the commission, in consultation with the Department of Fish and Game,  
27 shall establish the optimum number range of vessel entry permits for the fishery.

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

30 (1) facilitate sound management of the fishery;

31 (2) promote

- 1 (A) the economic health and stability of the fishery;  
2 (B) broad access to the fishery;  
3 (C) conservation of the fish resources taken in the fishery;  
4 (D) quality seafood products; and

5 (3) discourage waste of harvested fish.

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

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

17 (e) If the optimum number range of vessel entry permits is greater than the  
18 number of permits authorized for the fishery, the commission shall issue additional  
19 vessel entry permits until the number of vessel entry permits is consistent with the  
20 optimum number range for the fishery. The commission shall obtain fair market value  
21 for new vessel entry permits issued under this subsection. The commission shall  
22 determine whether the additional vessel entry permits issued under this subsection are  
23 transferable or nontransferable.

24 **Sec. 16.43.481. Transfer and expiration of vessel entry permits.** (a) The  
25 commission may adopt regulations authorizing the transfer of a transferable vessel  
26 entry permit to an eligible transferee and establishing the terms and conditions under  
27 which vessel entry permits may be transferred. The commission may require that the  
28 transferee of a vessel entry permit must have a legal ownership interest in the vessel  
29 identified on the vessel entry permit. The commission may establish by regulation  
30 minimum requirements for the nature and degree of ownership interest that the  
31 transferee must have in the vessel.

1 (b) The commission may adopt regulations authorizing the simultaneous  
2 transfer of a transferable vessel entry permit to an eligible transferee and the  
3 substitution of another vessel for the vessel identified on the permit under  
4 AS 16.43.491.

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

7 **Sec. 16.43.491. Substitution of vessels.** (a) The commission shall adopt  
8 regulations providing for the permanent or temporary substitution, after the initial  
9 issuance of vessel entry permits, of another vessel for the vessel that is identified on a  
10 vessel entry permit. The commission may specify by regulation the nature and degree  
11 of legal ownership interest that a permit holder must have in the vessel that is  
12 permanently or temporarily substituted for the vessel identified on the permit. Upon  
13 the approval of a permanent substitution of a vessel, the commission shall issue a new  
14 vessel entry permit for the substituted vessel.

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

18 **Sec. 16.43.501. Renewal of vessel permits.** (a) A vessel interim-use permit or  
19 vessel entry permit is issued for one year and must be renewed annually.

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

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

28 **Sec. 16.43.511. Vessel permit fees.** (a) The commission shall establish fees for  
29 the issuance and annual renewal of vessel interim-use permits and vessel entry  
30 permits. Annual fees established under this subsection may not exceed \$2,500 and  
31 shall reasonably reflect the rate of economic return for the fishery.

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

4 (c) Subject to AS 37.10.050(a), the commission may establish fees for  
5 processing applications for vessel interim-use permits and vessel entry permits, for  
6 transfer of vessel entry permits, and for permanent and temporary substitution of  
7 vessels.

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

11 **Sec. 16.43.521. General Bering Sea hair crab vessel permit provisions.** (a)  
12 A person or entity may not operate a vessel or use a vessel to take fish in the Bering  
13 Sea hair crab commercial fishery for which a vessel interim-use permit or vessel entry  
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) A person or entity may not hold more than one vessel entry permit for the  
17 Bering Sea hair crab fishery unless

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

21 (2) either

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

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

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

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

1 (e) A vessel entry permit may not be  
 2 (1) pledged, mortgaged, leased, or encumbered in any way;  
 3 (2) transferred with any retained right of repossession or foreclosure,  
 4 or on any condition requiring a subsequent transfer; or  
 5 (3) attached, distrained, or sold on execution of judgment or under any  
 6 other process or order of any court.

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

18 (g) AS 16.43.451 - 16.43.521 do not alter the requirement for an interim-use  
 19 permit or entry permit under AS 16.43.140 or a vessel license under AS 16.05.490 -  
 20 16.05.520.

21 (h) Nothing in AS 16.43.451 - 16.43.521 limits the powers of the Board of  
 22 Fisheries or the Department of Fish and Game.

23 (i) Notwithstanding AS 16.05.815 and AS 16.43.975, the commission may  
 24 release to the owner of a vessel information on the vessel's history of harvests in a  
 25 fishery that is necessary to apply for a vessel interim-use permit or vessel entry permit  
 26 under AS 16.43.451 - 16.43.521.

27 \* **Sec. 5.** AS 16.43.960(a) is amended to read:

28 (a) The commission may revoke, suspend, or transfer all entry or interim-use  
 29 permits, vessel entry permits, or vessel interim-use permits held by a person **or**  
 30 **entity** who knowingly provides or assists in providing false information, or fails to  
 31 correct false information provided to the commission for the purpose of obtaining a

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

11 \* **Sec. 6.** AS 16.43.960(a), as amended by sec. 5 of this Act, is amended to read:

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

27 \* **Sec. 7.** AS 16.43.970(a) is amended to read:

28 (a) A person who violates a provision of this chapter or a regulation adopted  
 29 under this chapter or an entity that violates a provision of AS 16.43.451 - 16.43.521  
 30 or a regulation adopted under AS 16.43.451 - 16.43.521 is, upon conviction, guilty  
 31 of a class B misdemeanor and is punishable by a fine of not more than \$5,000 for a

1 first conviction, and a fine of not more than \$10,000 for a second or third conviction.  
 2 Upon a first or second conviction under this subsection, the court may in its discretion  
 3 also order the commission to suspend the commercial fishing privileges of the person  
 4 **or entity** for a period of not more than three years and to revoke one or more or all  
 5 commercial fishing permits held by the person **or entity**. Upon a third or subsequent  
 6 conviction under this subsection, the person **or entity** is also subject to a loss of  
 7 commercial fishing privileges as provided under (i) of this section. This subsection  
 8 does not apply to violations of AS 16.43.140(a).

9 \* **Sec. 8.** AS 16.43.970(a), as amended by sec. 7 of this Act, 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  
 12 AS 16.43.451 - 16.43.521 OR A REGULATION ADOPTED UNDER AS 16.43.451 -  
 13 16.43.521] is, upon conviction, guilty of a class B misdemeanor and is punishable by a  
 14 fine of not more than \$5,000 for a first conviction, and a fine of not more than \$10,000  
 15 for a second or third conviction. Upon a first or second conviction under this  
 16 subsection, the court may in its discretion also order the commission to suspend the  
 17 commercial fishing privileges of the person [OR ENTITY] for a period of not more  
 18 than three years and to revoke one or more or all commercial fishing permits held by  
 19 the person [OR ENTITY]. Upon a third or subsequent conviction under this  
 20 subsection, the person [OR ENTITY] is also subject to a loss of commercial fishing  
 21 privileges as provided under (i) of this section. This subsection does not apply to  
 22 violations of AS 16.43.140(a).

23 \* **Sec. 9.** AS 16.43.970(b) is amended to read:

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

1 permits under (i) of this section.

2 \* **Sec. 10.** AS 16.43.970(b), as amended by sec. 9 of this Act, is amended to read:

3 (b) A person [OR ENTITY] who knowingly makes a false statement to the  
4 commission for the purpose of obtaining a benefit, including the issuance, renewal,  
5 duplication, or transfer of an entry or interim-use permit or [,] vessel license [,  
6 VESSEL INTERIM-USE PERMIT, OR VESSEL ENTRY PERMIT,] or a person who  
7 assists another by knowingly making a false statement to the commission for the  
8 purpose of obtaining a benefit for another, is guilty of the crime of unsworn  
9 falsification in the second degree as set out in AS 11.56.210. Upon conviction, the  
10 person [OR ENTITY] is also subject to suspension of commercial fishing privileges  
11 and revocation of commercial fishing permits under (i) of this section.

12 \* **Sec. 11.** AS 16.43.970(d) is amended to read:

13 (d) If a permit holder is charged by the state with violating a provision of this  
14 chapter or a regulation adopted under this chapter, the holder may not transfer any  
15 interim-use or entry permit under AS 16.43.170 or any transferable vessel entry  
16 permit under AS 16.43.451 - 16.43.521 until after the final adjudication or dismissal  
17 of the charges.

18 \* **Sec. 12.** AS 16.43.970(d), as amended by sec. 11 of this Act, is amended to read:

19 (d) If a permit holder is charged by the state with violating a provision of this  
20 chapter or a regulation adopted under this chapter, the holder may not transfer any  
21 interim-use or entry permit under AS 16.43.170 [OR ANY TRANSFERABLE  
22 VESSEL ENTRY PERMIT UNDER AS 16.43.451 - 16.43.521] until after the final  
23 adjudication or dismissal of the charges.

24 \* **Sec. 13.** AS 16.43.970(e) is amended to read:

25 (e) Notwithstanding any other provision of this section, an interim-use or entry  
26 permit or transferable vessel entry permit may not be transferred while under  
27 suspension, without the consent of the commission.

28 \* **Sec. 14.** AS 16.43.970(e), as amended by sec. 13 of this Act, is amended to read:

29 (e) Notwithstanding any other provision of this section, an interim-use or entry  
30 permit [OR TRANSFERABLE VESSEL ENTRY PERMIT] may not be transferred  
31 while under suspension, without the consent of the commission.

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

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

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

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

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

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

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

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

28 \* **Sec. 16.** AS 16.43.970(i), as amended by sec. 15 of this Act, is amended to read:

29 (i) Upon the conviction of a person [OR ENTITY] for an offense described  
30 under (a), (b), or (g) of this section, the court shall immediately notify the commission  
31 of the conviction. The notice provided by the court shall be accompanied by an order

1 suspending commercial fishing privileges and revoking commercial fishing permits  
2 under (a) of this section, as appropriate. The commission shall, upon receipt of

3 (1) an order from the court under (a) of this section, suspend the  
4 commercial fishing privileges of a person [OR ENTITY] for the period set by the  
5 court and revoke commercial fishing permits held by the person [OR ENTITY] as  
6 directed by the court;

7 (2) a notice from the court that a person [OR ENTITY] has been  
8 convicted of a third or subsequent violation of (a) of this section, suspend all  
9 commercial fishing privileges of the person [OR ENTITY] for a period of three years  
10 from the date of conviction and revoke all commercial fishing permits held by the  
11 person [OR ENTITY];

12 (3) a notice from the court that a person [OR ENTITY] has been  
13 convicted of a violation described under (b) of this section, suspend all commercial  
14 fishing privileges of the person [OR ENTITY] for a period of three years from the date  
15 of conviction and revoke all commercial fishing permits held by the person [OR  
16 ENTITY];

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

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

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

26 \* **Sec. 17.** AS 16.43.970(j)(1) is amended to read:

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

30 \* **Sec. 18.** AS 16.43.970(j)(1), as amended by sec. 17 of this Act, is amended to read:

31 (1) "commercial fishing permit" means an entry permit or [,] an

1 interim-use permit [, A VESSEL ENTRY PERMIT, OR A VESSEL INTERIM-USE  
2 PERMIT] issued under this chapter;

3 \* **Sec. 19.** AS 43.33 is amended by adding a new section to article 14 to read:

4 **Sec. 44.33.896. Alaska regional economic assistance program.** (a) The  
5 department shall

6 (1) encourage the formation of regional development organizations by  
7 providing assistance in forming organizations to interested individuals, including  
8 information on how to qualify and apply for regional development grants and federal  
9 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act  
10 of 1965), as amended;

11 (2) assist an interested individual in establishing boundaries for a  
12 proposed organization to ensure that the region

13 (A) is of sufficient geographic size and contains a large enough  
14 population to form an economically viable unit with shared interests,  
15 resources, traditions, and goals;

16 (B) contains at least one municipality that serves as a regional  
17 center; and

18 (C) contains the entire area of each municipality included in the  
19 region;

20 (3) gather information about regional economic issues, international  
21 trade, and tourism from organizations;

22 (4) serve as liaison between organizations and other state agencies and  
23 encourage other agencies to make resources available to help accomplish goals of the  
24 organizations;

25 (5) assist each organization to

26 (A) provide services designed to encourage economic  
27 development to local communities and businesses;

28 (B) collect and distribute economic information relevant to the  
29 region;

30 (C) participate in state marketing campaigns and join state  
31 trade missions that are relevant to the region; and

1 (D) develop and implement strategies to attract new industry,  
2 expand international trade opportunities, and encourage tourism within the  
3 region.

4 (b) Subject to (c) of this section, the department may make regional  
5 development grants to organizations for projects the department determines will be of  
6 value in encouraging economic development. During a fiscal year, the department may  
7 make no more than 15 grants and may only make grants to one organization from a  
8 particular region. An organization that is designated an economic development district  
9 under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall  
10 by regulation adopt procedures for applying for regional development grants,  
11 including application deadlines. The department may by regulation establish  
12 additional grant eligibility requirements.

13 (c) To qualify for a grant, a regional development organization must match the  
14 grant by providing an amount of money from nonstate sources. The department shall  
15 establish by regulation a formula that determines the amount of the match required  
16 under this subsection based on the capability of each organization to generate money  
17 from nonstate sources. The amount of match required may not exceed the amount of  
18 grant money and may not be less than 20 percent of the grant. The total amount of  
19 grant money provided to an organization during a fiscal year may not exceed  
20 \$100,000.

21 (d) There is established in the department the regional development fund  
22 consisting of appropriations to the fund. Money from the fund may be used only for  
23 regional development grants.

24 (e) Not later than February 1 of each year, the department shall compile a  
25 report on statewide and regional economic development projects and on the activities  
26 of regional development organizations that have received assistance under (a) of this  
27 section or a grant under (b) of this section. The department shall notify the legislature  
28 that the report is available. The report must include the information listed in (1) - (3)  
29 of this subsection. To compile the report, the department shall require each regional  
30 development organization to provide the following information to the department on  
31 or before a date set by the department:

1 (1) an assistance and funding summary for the previous fiscal year that  
2 includes

3 (A) the assistance provided to the organization by the  
4 department, the amount and purposes of grants made to the organization by the  
5 department, and a statement of any other funding received by the organization  
6 from the state;

7 (B) the amount of federal funding and grants received by the  
8 organization; and

9 (C) the amounts and sources of private sector sponsorships;

10 (2) an activity summary that includes

11 (A) a summary of the meetings of the board of the regional  
12 development organization held during the past year, including the number of  
13 meetings and the date, location, and a brief description of the agenda of each  
14 meeting;

15 (B) a summary of economic development initiatives being  
16 undertaken and services being provided by the regional development  
17 organization at the time of the report;

18 (C) a work plan containing goals, objectives, and strategies for  
19 addressing regional economic needs;

20 (D) a summary of any comprehensive economic development  
21 strategy being implemented by the board at the time of the report; and

22 (E) the status of projects funded by grants from the state or the  
23 federal government; and

24 (3) an economic development summary that includes

25 (A) potential projects identified by the board that may enhance  
26 economic development; and

27 (B) challenges to regional economic development identified by  
28 the board.

29 (f) In this section,

30 (1) "department" means the Department of Commerce, Community,  
31 and Economic Development;

1 (2) "regional development organization" or "organization" means a  
2 nonprofit organization or nonprofit corporation formed to encourage economic  
3 development within a particular region of the state that includes the entire area of each  
4 municipality within that region and that has a board of directors that represents the  
5 region's economic, political, and social interests.

6 \* **Sec. 20.** AS 16.43.100(a)(21), 16.43.451, 16.43.461, 16.43.471, 16.43.481, 16.43.491,  
7 16.43.501, 16.43.511, and 16.43.521 are repealed.

8 \* **Sec. 21.** AS 44.33.896 is repealed July 1, 2016.

9 \* **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to  
10 read:

11 INITIAL REPORT FILED UNDER AS 44.33.896(e). In addition to the requirements  
12 of AS 44.33.896(e), enacted by sec. 19 of this Act, the Department of Commerce,  
13 Community, and Economic Development shall include, in the first report compiled after the  
14 effective date of sec. 19 of this Act, a funding summary for the previous three fiscal years.

15 \* **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 TRANSITION: REGULATIONS. Notwithstanding AS 44.62.190, the Department of  
18 Commerce, Community, and Economic Development may continue to use and enforce  
19 regulations previously adopted to administer the former Alaska Regional Economic  
20 Assistance Program to the extent those regulations do not conflict with AS 44.33.896, added  
21 by sec. 19 of this Act. The Department of Commerce, Community, and Economic  
22 Development shall update and readopt those regulations in accordance with AS 44.62 to  
23 conform to the provisions of this Act.

24 \* **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to  
25 read:

26 RETROACTIVITY. AS 44.33.896, enacted by sec. 19 of this Act, is retroactive to  
27 July 1, 2013.

28 \* **Sec. 25.** Sections 2, 6, 8, 10, 12, 14, 16, 18, and 20 of this Act take effect December 30,  
29 2018.

30 \* **Sec. 26.** AS 16.43.451(f), enacted by sec. 4 of this Act, takes effect January 1, 2015.

31 \* **Sec. 27.** Except as provided in secs. 25 and 26 of this Act, this Act takes effect

1 immediately under AS 01.10.070(c).