

CS FOR HOUSE BILL NO. 188(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered: 2/28/18

Referred: Labor and Commerce

Sponsor(s): REPRESENTATIVE KREISS-TOMKINS

A BILL

FOR AN ACT ENTITLED

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

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

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

10 LEGISLATIVE FINDINGS. The legislature finds that

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

13 (2) art. VIII, sec. 15, of the Constitution of the State of Alaska, authorizes the

1 state to limit entry into a fishery for the purposes of resource conservation and preventing
2 economic distress among fishermen and those dependent on them for a livelihood;

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

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

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

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

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

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

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

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

25 * **Sec. 2.** AS 06.26.040(b) is amended to read:

26 (b) This section does not prohibit the use of the **word "trust" by a regional**
27 **fisheries trust established under AS 16.44 or the** words "trust" or "trust company"
28 in the name of a corporation that is in existence as of January 1, 2003, and that is not
29 subject to this chapter if the corporation was originally organized under the laws of
30 this state and has not, since the date of its original organization, amended or restated
31 its articles of incorporation to delete from its name the words "trust" or "trust

1 company."

2 * **Sec. 3.** AS 16.05.253(a) is amended to read:

3 (a) The Board of Fisheries may require **an individual** [A PERSON] who
4 holds a limited entry permit or an interim-use permit under AS 16.43 **or who is a**
5 **temporary transferee under AS 16.43.180 or 16.43.190** to be physically present at a
6 beach or riparian fishing site during the operation of net gear or other stationary
7 fishing gear at the site, except when the permit holder **or temporary transferee** is at
8 or traveling to or from the location of

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

10 (2) other stationary gear of the permit holder **or temporary**
11 **transferee.**

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

13 (a) A person engaged in commercial fishing shall obtain a commercial fishing
14 license and shall retain the license in possession and readily available for inspection
15 during fishing operations. An entry permit or interim-use permit entitles the holder, **or**
16 **individual to whom the entry permit is temporarily transferred under**
17 **AS 16.43.180 or 16.43.190,** to participate as a gear operator in the fishery for which
18 the permit is issued and to participate as a crewmember in any fishery. A crewmember
19 fishing license is not transferable and entitles the holder to participate as a
20 crewmember in any fishery.

21 * **Sec. 5.** AS 16.05.480(g) is amended to read:

22 (g) A resident engaged in commercial fishing who is 11 years of age or older
23 and who does not hold an entry permit or an interim-use permit **or who is not a**
24 **temporary transferee under AS 16.43.180 or 16.43.190** shall, except as provided in
25 (i) of this section, pay a fee of \$60 for an annual crewmember fishing license. A
26 resident engaged in commercial fishing who is less than 11 years of age and who does
27 not hold an entry permit or an interim-use permit **or who is not a temporary**
28 **transferee under AS 16.43.180 or 16.43.190** shall pay an annual fee of \$5.

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

30 (h) A nonresident engaged in commercial fishing who is 11 years of age or
31 older and who does not hold an entry permit or an interim-use permit **or who is not a**

1 **temporary transferee under AS 16.43.180 or 16.43.190** shall, except as provided in
 2 (i) of this section, pay a base fee of \$60 for an annual crewmember fishing license,
 3 plus an amount, established by the department by regulation, that is as close as is
 4 practicable to the maximum allowed by law. A nonresident engaged in commercial
 5 fishing who is less than 11 years of age and who does not hold an entry permit or an
 6 interim-use permit **or who is not a temporary transferee under AS 16.43.180 or**
 7 **16.43.190** shall pay an annual base fee of \$5 plus an amount, established by the
 8 department by regulation, that is as close as is practicable to the maximum allowed by
 9 law.

10 * **Sec. 7.** AS 16.05.480(i) is amended to read:

11 (i) Notwithstanding (g) and (h) of this section, a resident or nonresident
 12 engaged in commercial fishing who does not hold an entry permit or an interim-use
 13 permit **or who is not a temporary transferee under AS 16.43.180 or 16.43.190** may
 14 obtain one seven-day crewmember fishing license under this subsection annually. **An**
 15 **individual** [A PERSON] who obtains a seven-day license is not eligible for another
 16 seven-day license in the same license year; however, if **an individual** [A PERSON]
 17 who obtains a seven-day license pays the full fee for an annual crewmember fishing
 18 license under (g) or (h) of this section during the same license year, the **individual**
 19 [PERSON] is entitled to receive a refund of the fee for the seven-day license. The
 20 department shall adopt regulations establishing a refund procedure. During the period
 21 for which the seven-day license is valid, **an individual** [A PERSON] who holds a
 22 seven-day license may not engage in fishing with a rod and reel while present on a
 23 commercial fishing vessel. The fee for a seven-day license is \$30.

24 * **Sec. 8.** AS 16.05.480(j) is amended to read:

25 (j) In this section, "commercial fishing license" includes an entry permit and
 26 an interim-use permit issued under AS 16.43, **an entry permit temporarily**
 27 **transferred under AS 16.43.180 or 16.43.190,** and a crewmember fishing license.

28 * **Sec. 9.** AS 16.05.675(a) is amended to read:

29 (a) **An individual** [A PERSON] who does not hold a limited entry permit or
 30 interim-use permit issued under AS 16.43 or a fish transporter permit issued under
 31 AS 16.05.671 **or who is not a temporary transferee under AS 16.43.180 or**

1 **16.43.190** may not deliver or land fish in the state unless the **individual** [PERSON]

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

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

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

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

8 (1) to employ, in the harvesting, transporting, or purchasing of fish, a
9 fisherman who [NEITHER] is **not** licensed under AS 16.05.480, **who** [NOR] is **not**
10 the holder of a permit issued under AS 16.43, **or who is not a temporary transferee**
11 **under AS 16.43.180 or 16.43.190;**

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

13 (A) the holder of a limited entry, interim-use, or landing permit
14 issued under AS 16.43 **or who is not a temporary transferee under**
15 **AS 16.43.180 or 16.43.190;**

16 (B) a fish transporter who is selling the fish as the agent of the
17 holder of a limited entry, interim-use, or landing permit issued under AS 16.43
18 **or who is a temporary transferee under AS 16.43.180 or 16.43.190;** or

19 (C) exempt under AS 16.05.660; or

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

22 * **Sec. 11.** AS 16.05.710 is amended by adding a new subsection to read:

23 (e) If proceedings to suspend commercial fishing privileges or licenses under
24 this section are pending against an individual, a regional fisheries trust established
25 under AS 16.44.010 may not temporarily transfer a permit to the individual under
26 AS 16.43.190.

27 * **Sec. 12.** AS 16.05.723(b) is amended to read:

28 (b) If a person is convicted under this section of one of the following offenses,
29 then, in addition to the penalties imposed under (a) of this section, the court may
30 impose a fine equal to the gross value of the fish found on board or at the fishing site
31 at the time of the violation:

- 1 (1) commercial fishing in closed waters;
- 2 (2) commercial fishing during a closed period or season;
- 3 (3) commercial fishing with unlawful gear, including a net, pot, tackle,
- 4 or other device designed or employed to take fish commercially; or
- 5 (4) commercial fishing without a limited entry permit holder **or**
- 6 **temporary transferee under AS 16.43.180 or 16.43.190** on board if the holder **or**
- 7 **temporary transferee** is required by law or regulation to be present.

8 * **Sec. 13.** AS 16.10.265(a) is amended to read:

9 (a) An individual may not, while acting as a fish processor or primary fish

10 buyer, or as an agent, director, officer, member, or employee of a fish processor, of a

11 primary fish buyer, or of a cooperative corporation organized under AS 10.15,

12 intentionally or knowingly make an original purchase of fish from a seller who [DOES

13 NOT HOLD]

14 (1) **does not hold** a landing permit, an entry permit, or an interim-use

15 permit; [OR]

16 (2) **is not a temporary transferee under AS 16.43.180 or 16.43.190;**

17 **or**

18 **(3) does not hold** a fish transporter permit under AS 16.05.671.

19 * **Sec. 14.** AS 16.10.267(a) is amended to read:

20 (a) When a fisherman sells fish, the fisherman shall possess

21 (1) a landing permit, entry permit, or interim-use permit issued, [OR]

22 transferred [TO THE FISHERMAN] under AS 16.43, **or temporarily transferred**

23 **under AS 16.43.180 or 16.43.190,** or other document authorized by regulation to be

24 used in place of an entry permit or interim-use permit; and

25 (2) an identification card that has been issued to the fisherman by a

26 state or federal agency or other organization designated by the Department of Public

27 Safety and that bears a photograph of the fisherman.

28 * **Sec. 15.** AS 16.10.455(b) is amended to read:

29 (b) A hatchery permit holder may, by a majority vote of the membership of

30 the hatchery permit holder's board, elect to harvest surplus salmon produced at a

31 facility in a terminal harvest area established for that facility through the common

1 property fishery. At the request of the hatchery permit holder and if the commissioner
 2 of fish and game determines that there are no allocative issues involved, and after
 3 reasonable consultation with affected commercial fishermen and the organizations of
 4 affected commercial fishermen, the commissioner may adopt regulations governing
 5 the harvest of surplus salmon in a terminal harvest area when the hatchery permit
 6 holder elects to harvest surplus salmon produced at a facility through a common
 7 property fishery. The regulations must specify the terms, conditions, and rules under
 8 which the common property fishery in the terminal harvest area shall be conducted,
 9 including requirements for hold inspections and reporting of harvests and sales of
 10 salmon taken in the terminal harvest area. Following adoption of regulations by the
 11 department, each year before March 10, the hatchery permit holder's board, by a
 12 majority vote of the board's membership, may determine whether the hatchery will
 13 operate under the regulations adopted under this subsection during the current calendar
 14 year, and shall notify the department if the hatchery intends to operate under the
 15 regulations adopted under this subsection. The Board of Fisheries may adopt
 16 regulations under AS 16.05.251 regarding a fisheries management plan governing
 17 operations under this subsection in a terminal harvest area, including allocation plans.
 18 Participation in the fishery must be open to all interim-use permit **holders**, [AND]
 19 entry permit holders, **and individuals to whom entry permits are temporarily**
 20 **transferred under AS 16.43.180 or 16.43.190** [WHO HOLD PERMITS] to operate a
 21 type of gear that may be used in the fishing district in which the terminal harvest area
 22 is located if that type of gear is authorized by regulation to be used in the terminal
 23 harvest area. An interim-use permit holder, [OR AN] entry permit holder, **or**
 24 **individual to whom an entry permit is temporarily transferred under**
 25 **AS 16.43.180 or 16.43.190** who takes salmon in a common property fishery in a
 26 terminal harvest area may sell the salmon to any fish buyer or processor who is
 27 licensed to do business in the state.

28 * **Sec. 16.** AS 16.10.540(a) is amended to read:

29 (a) An association of **individuals** [PERSONS] who hold entry permits under
 30 AS 16.43, that consists of at least 51 percent of the **individuals who hold** [PERSONS
 31 HOLDING] entry permits and actively **participate in the** [PARTICIPATING IN A]

1 fishery to be benefited by a hatchery program, may levy and collect an assessment
 2 from among its members for the purpose of securing and repaying a loan made under
 3 AS 16.10.510.

4 * **Sec. 17.** AS 16.43.100(a) is amended to read:

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

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

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

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

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

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

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

18 (7) issue entry permits to qualified applicants;

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

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

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

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

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

31 (13) establish and administer the collection of the annual fees provided

1 for in AS 16.43.160;

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

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

6 (16) establish reasonable user fees for services;

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

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

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

14 (20) when requested by a regional development organization formed
15 under former AS 44.33.895 or a regional fisheries trust established under
16 AS 16.44.010, provide to the organization or trust, without charge, public information
17 contained in the commission's data with respect to relevant fisheries, including limited
18 fisheries, fishery participants, and limited entry permit holders' harvests and earnings;
19 [AND]

20 (21) administer, when necessary to accomplish the purposes of this
21 chapter, a Bering Sea hair crab fishery vessel permit system under AS 16.43.451 -
22 16.43.521;

23 (22) approve the temporary transfer of entry permits from
24 regional fisheries trusts established under AS 16.44.010 to qualified individuals
25 under AS 16.44.080;

26 (23) prohibit the transfer of an entry permit to or from a regional
27 fisheries trust established under AS 16.44.010 if the acquisition of the entry
28 permit by the trust would violate AS 16.44.060;

29 (24) after dissolution of a fisheries trust established under
30 AS 16.44.010, determine and apply equitable methods of reissuance of entry
31 permits held by that fisheries trust to ensure the state receives fair market value

1 **for the permits.**

2 * **Sec. 18.** AS 16.43.140(a) is amended to read:

3 (a) A person may not operate gear in the commercial taking of fishery
4 resources **if the person does not hold** [WITHOUT] a valid entry permit or a valid
5 interim-use permit **or the person is not an individual who is a temporary**
6 **transferee under AS 16.43.180 or 16.43.190** [ISSUED BY THE COMMISSION].

7 * **Sec. 19.** AS 16.43.140(b) is amended to read:

8 (b) A permit is not required of a crewmember or other person assisting in the
9 operation of a unit of gear engaged in the commercial taking of fishery resources as
10 long as the holder of the entry permit or [THE] interim-use permit **or the temporary**
11 **transferee under AS 16.43.180 or 16.43.190** for that particular unit of gear is at all
12 times present and actively engaged in the operation of the gear.

13 * **Sec. 20.** AS 16.43.150(a) is amended to read:

14 (a) Except as may be otherwise provided under AS 16.43.270(d), an entry
15 permit authorizes the permittee, **or individual to whom an entry permit is**
16 **temporarily transferred under AS 16.43.180 or 16.43.190,** to operate a unit of gear
17 within a specified fishery.

18 * **Sec. 21.** AS 16.43.150(b) is amended to read:

19 (b) The holder of an entry permit **or a temporary transferee under**
20 **AS 16.43.180 or 16.43.190** shall have the permit in possession at all times when
21 engaged in the operation of gear for which it was issued.

22 * **Sec. 22.** AS 16.43.150(g) is amended to read:

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

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

26 (2) transferred with any retained right of repossession or foreclosure,
27 or on any condition requiring a subsequent transfer, **unless the permit is temporarily**
28 **transferred under AS 16.43.180 or 16.43.190;** or

29 (3) attached, distrained, or sold on execution of judgment or under any
30 other process or order of any court, except as provided in AS 16.43.170(g) and (h).

31 * **Sec. 23.** AS 16.43.150(h) is amended to read:

1 (h) Unless an entry permit holder has expressed a contrary intent in a will that
 2 is probated, the commission shall, upon the death of the permit holder, transfer the
 3 permanent permit by right of survivorship directly to the surviving spouse or, if no
 4 spouse survives, to a natural person **or a regional fisheries trust established under**
 5 **AS 16.44.010** designated by the permit holder on a form provided by the commission.
 6 If no spouse survives and if the person **or regional fisheries trust** designated on the
 7 form, if any, does not survive **or continue to exist**, the permit passes as part of the
 8 permit holder's estate. A designation under this subsection must be acknowledged
 9 before a person authorized to administer an oath under AS 09.63.010 or must be
 10 witnessed by two persons who are qualified under AS 13.12.505 to witness the will of
 11 the permit holder. Except as provided in AS 16.10.333 - 16.10.337, AS 44.81.215, and
 12 44.81.231 - 44.81.250, the permit is exempt from the claims of creditors of the estate.

13 * **Sec. 24.** AS 16.43.150 is amended by adding new subsections to read:

14 (j) Subsections (h) and (i) of this section do not apply to a temporary
 15 transferee under AS 16.43.190.

16 (k) A temporary transferee under AS 16.43.180 or 16.43.190 has the same use
 17 privilege or right in a fishery that is available to an individual holding an entry permit
 18 or valid interim-use permit under this chapter.

19 * **Sec. 25.** AS 16.43.160(d) is amended to read:

20 (d) The holder of a permit whose household income, assets, and financial
 21 resources fall within the eligibility standards for the food stamp program under 7
 22 U.S.C. 2011 - 2025, as amended, is subject to an annual base fee for the issuance or
 23 renewal of an entry permit or an interim-use permit that is equal to 50 percent of the
 24 annual base fee that the permit holder would otherwise pay under (c) of this section. In
 25 addition to the reduced annual base fee under this subsection, a nonresident who
 26 qualifies for a reduced fee under this subsection shall pay the annual nonresident
 27 surcharge established under (c) of this section. **This subsection does not apply to a**
 28 **temporary transferee under AS 16.43.190.**

29 * **Sec. 26.** AS 16.43.170(a) is amended to read:

30 (a) Except as provided in AS 16.10.333 - 16.10.338 and [IN] AS 44.81.231 -
 31 44.81.250, entry permits and interim-use permits are transferable only through the

1 commission as provided in this section, AS 16.43.180, and 16.43.190 [AS 16.43.180]
 2 and under regulations adopted by the commission. An involuntary transfer of an entry
 3 permit in a manner inconsistent with the statutes of this state and the regulations of the
 4 commission is void.

5 * **Sec. 27.** AS 16.43.170(b) is amended to read:

6 (b) Except as provided **for temporary transfers under AS 16.43.180 and**
 7 **16.43.190 and permit holders subject to** [IN] (e) of this section, the holder of an
 8 entry permit may transfer the permit to another person, **to a regional fisheries trust**
 9 **under AS 16.44**, or to the commission upon 60 **days'** [DAYS] notice of intent to
 10 transfer under regulations adopted by the commission. **Not** [NO] sooner than 60 days
 11 nor later than 12 months from the date of notice to the commission, the holder of an
 12 entry permit may transfer the permit. If the proposed transferee, other than the
 13 commission **or a regional fisheries trust**, can demonstrate the present ability to
 14 participate actively in the fishery, and the transfer does not violate any provision of
 15 this chapter or regulations adopted under this chapter, and if a certificate for the permit
 16 under AS 16.10.333(b)(1) - (2), 16.10.338, or AS 44.81.231(a) is not in effect, the
 17 commission shall approve the transfer and reissue the entry permit to the transferee **if**
 18 [PROVIDED THAT] neither party is prohibited by law from participating in the
 19 transfer.

20 * **Sec. 28.** AS 16.43.180(a) is amended to read:

21 (a) The commission shall adopt regulations providing for the temporary
 22 emergency transfer of entry permits, **including temporary emergency transfer of**
 23 **temporarily transferred permits under AS 16.43.190**, and interim-use permits when
 24 illness, disability, death, required military or government service, or other unavoidable
 25 hardship prevents the permit holder **or temporary transferee** from participating in the
 26 fishery. To alleviate hardship pending a final determination of the permit holder's
 27 eligibility for an entry permit, the commission shall adopt regulations providing for the
 28 temporary emergency transfer of an interim-use permit issued under AS 16.43.210(b)
 29 or 16.43.225.

30 * **Sec. 29.** AS 16.43.180 is amended by adding a new subsection to read:

31 (c) If a temporary transferee under AS 16.43.190 is prevented from

1 participating in a fishery under (a) of this section, the commission shall approve the
 2 temporary emergency transfer of the permit fished by the transferee to another
 3 individual, if

4 (1) the terms of the temporary emergency transfer agreement between
 5 the emergency transferee and the regional fisheries trust allow the emergency
 6 transferee to fish the permit on the same terms as the individual prevented from
 7 participating in the fishery; and

8 (2) the individual is

9 (A) selected by the temporary transferee who is prevented from
 10 participating in the fishery;

11 (B) approved by the regional fisheries trust that holds the
 12 permit; and

13 (C) qualified under this chapter and AS 16.44.080.

14 * **Sec. 30.** AS 16.43 is amended by adding a new section to article 2 to read:

15 **Sec. 16.43.190. Regional fisheries trusts; temporary transfer of entry**
 16 **permits.** (a) When an entry permit is transferred to a regional fisheries trust
 17 established under AS 16.44.010, the commission shall record the regional fisheries
 18 trust as the permit holder. An entry permit held by a regional fisheries trust may only
 19 be fished by an individual qualified under AS 16.44.080(a) and approved as a
 20 temporary transferee by the commission under (c) of this section or AS 16.43.180(c).

21 (b) Before an individual qualified under AS 16.44.080 may fish an entry
 22 permit held by a regional fisheries trust, the regional fisheries trust shall provide the
 23 commission with

24 (1) information identifying the permit to be temporarily transferred;

25 (2) the name, and other reasonable identifying information requested
 26 by the commission, of the individual;

27 (3) the terms of the temporary transfer, including the length of the
 28 transfer period and compensation; and

29 (4) any other information that the commission may require by
 30 regulation.

31 (c) Unless the commission finds that an individual does not qualify for transfer

1 of an entry permit under this chapter or AS 16.44.080, the commission shall approve
 2 the temporary transfer of an entry permit held by a regional fisheries trust to the
 3 individual on the terms provided to the commission under (b)(3) of this section within
 4 15 days after receipt of all information required, or requested, by the commission
 5 under this section.

6 (d) The commission shall revoke the temporary transfer of an entry permit
 7 held by a regional fisheries trust if

8 (1) requested by a regional fisheries trust under AS 16.43.960(l); or

9 (2) a temporary transferee

10 (A) fails to compensate the fisheries trust as provided by the
 11 terms of the temporary transfer provided to the commission under (b) of this
 12 section; or

13 (B) is not qualified under this chapter or AS 16.44.080.

14 * **Sec. 31.** AS 16.43.330(a) is amended to read:

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

20 * **Sec. 32.** AS 16.43.850 is amended to read:

21 **Sec. 16.43.850. Point system.** (a) For the purpose of identifying frequent
 22 violators of commercial fishing laws in salmon fisheries, the commission shall adopt
 23 regulations establishing a uniform system for the suspension of commercial salmon
 24 fishing privileges by assigning demerit points for convictions for violations of
 25 commercial fishing laws in salmon fisheries that are reported to the commission under
 26 AS 16.43.880. The commission shall assess demerit points against **an individual who**
 27 **holds an entry permit or interim-use permit or who is a temporary transferee**
 28 **under AS 16.43.180 or 16.43.190** [A PERMIT HOLDER] for each violation of
 29 commercial fishing laws in a salmon fishery in accordance with (b) and (c) of this
 30 section. The commission shall assess points against **an individual who holds** a permit
 31 **or who is a temporary transferee under AS 16.43.180 or 16.43.190** [HOLDER] for

1 the salmon fishery in which the violation of commercial fishing laws occurred.

2 (b) The commission shall assess demerit points against **an individual who**
3 **holds** a permit **or who is a temporary transferee under AS 16.43.180 or 16.43.190**
4 [HOLDER] for a conviction of a violation of commercial fishing laws in a salmon
5 fishery under AS 16.05.722, 16.05.723, 16.05.831; AS 16.10.055, 16.10.070 -
6 16.10.090, 16.10.100, 16.10.110, 16.10.120, 16.10.200 - 16.10.220, and 16.10.760 -
7 16.10.790 for the following violations in accordance with this schedule:

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

21 (c) Notwithstanding (b) of this section, if **the** [A PERMIT HOLDER'S] first
22 conviction of a violation of commercial fishing laws in a salmon fishery in a 36-month
23 period **for an individual who is a permit holder or a temporary transferee under**
24 **AS 16.43.180 or 16.43.190** is a conviction under AS 16.05.722, the number of demerit
25 points assessed against the permit holder **or temporary transferee** for the violation
26 must be one-half of the points assessed for the violation under (b) of this section.

27 (d) The commission shall suspend **the** [A PERMIT HOLDER'S] commercial
28 salmon fishing privileges **of an individual who is a permit holder or a temporary**
29 **transferee under AS 16.43.180 or 16.43.190** for a salmon fishery for a period of

- 30 (1) one year if the permit holder **or temporary transferee**
31 accumulates 12 or more points during any consecutive 36-month period as a result of

1 convictions for violations of commercial fishing laws in the salmon fishery;

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

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

8 * **Sec. 33.** AS 16.43.855(a) is amended to read:

9 (a) Notice of each assessment of points shall be given to the permit holder **or**
10 **the temporary transferee under AS 16.43.180 or 16.43.190.** Notice shall also be
11 given to the permit holder **or temporary transferee** before the expiration of a
12 suspension of commercial salmon fishing privileges under AS 16.43.850(d) that
13 subsequent violations of commercial fishing laws in the salmon fishery may result in
14 further suspensions of the permit. The notice may be given by first class mail.

15 * **Sec. 34.** AS 16.43.855(c) is amended to read:

16 (c) The assessment of points against a permit holder **or temporary transferee**
17 **under AS 16.43.180 or 16.43.190** by the commission under AS 16.43.850 - 16.43.895
18 is in addition to, and not in substitution for, other provisions of this title and is not a
19 substitute for any penalty imposed by a court.

20 * **Sec. 35.** AS 16.43.855(d) is amended to read:

21 (d) **Subject to (e) of this section, if** [IF] points are assessed against **an**
22 **individual temporarily transferred** [A PERMIT HOLDER WHO HOLDS] a
23 commercial fishing permit for a salmon fishery **under AS 16.43.180** [UNDER AN
24 EMERGENCY TRANSFER APPROVED BY THE COMMISSION UNDER
25 AS 16.43.180], the same number of points shall also be assessed against the transferor
26 of the permit **or the temporary transferee from whom the permit was transferred**
27 **under AS 16.43.180(c).** Points assessed against the transferor of the permit under this
28 subsection shall be included in calculations made under AS 16.43.850(d).

29 * **Sec. 36.** AS 16.43.855 is amended by adding a new subsection to read:

30 (e) If the commission assesses points under (d) of this section against an
31 individual to whom a permit is temporarily transferred under AS 16.43.180 or

1 16.43.190, the commission

2 (1) shall provide notice of the assessment of points to the regional
3 fisheries trust that temporarily transferred the permit; and

4 (2) may not assign any point against the regional fisheries trust.

5 * **Sec. 37.** AS 16.43.860 is amended to read:

6 **Sec. 16.43.860. Suspension.** (a) A permit holder **or individual to whom a**
7 **permit is temporarily transferred under AS 16.43.180 or 16.43.190** whose
8 commercial salmon fishing privileges for a salmon fishery are suspended under
9 AS 16.43.850 - 16.43.895 may not obtain an entry permit or interim-use permit for
10 that salmon fishery during the period of the suspension of the privileges. During the
11 period for which the permit holder's **or temporary transferee's** privilege to obtain an
12 entry permit or interim-use permit for a salmon fishery is suspended under this
13 section, the commission may not issue a permit card to the permit holder **or**
14 **temporary transferee** for that fishery.

15 (b) A permit holder **or individual to whom a permit is temporarily**
16 **transferred under AS 16.43.180 or 16.43.190** whose privilege of obtaining a
17 commercial fishing permit for a salmon fishery is suspended under AS 16.43.850 -
18 16.43.895 may not

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

20 (2) **be a temporary transferee for the salmon fishery under**
21 **AS 16.43.180 or 16.43.190; or**

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

25 (c) If, during the period for which **the commission has suspended the** [A
26 PERMIT HOLDER'S] commercial fishing privileges **of a permit holder or**
27 **individual to whom a permit is temporarily transferred under AS 16.43.180 or**
28 **16.43.190** for a salmon fishery [ARE SUSPENDED], the commission establishes a
29 limited entry system for the salmon fishery, the permit holder **or temporary**
30 **transferee** shall be eligible to obtain an entry permit for that fishery to the extent that
31 the permit holder **or temporary transferee** qualifies for the entry permit under

1 regulations adopted by the commission. If the permit holder **or temporary transferee**
 2 qualifies for an entry permit for the fishery, the commission shall withhold issuance of
 3 the entry permit until the period of the suspension imposed under AS 16.43.850 -
 4 16.43.895 has expired.

5 (d) The commission may not transfer a commercial fishing permit for a
 6 salmon fishery under an emergency transfer under AS 16.43.180 if, at the time of the
 7 application for the emergency transfer, the [PERMIT HOLDER'S] commercial salmon
 8 fishing privileges **of the permit holder or temporary transferee** for the salmon
 9 fishery have been suspended.

10 * **Sec. 38.** AS 16.43.960(a) is amended to read:

11 (a) **Except as provided in (k) of this section, the** [THE] commission may
 12 revoke, suspend, or transfer all entry or interim-use permits, vessel entry permits, or
 13 vessel interim-use permits held by a person or entity who knowingly provides or
 14 assists in providing false information, or fails to correct false information provided to
 15 the commission for the purpose of obtaining a benefit for self or another, including the
 16 issuance, renewal, duplication, [OR] transfer, **or temporary transfer under**
 17 **AS 16.43.180 or 16.43.190** of an entry or interim-use permit, vessel license, vessel
 18 entry permit, or vessel interim-use permit. **The commission may also revoke the**
 19 **temporary transfer of a permit under AS 16.43.190 to an individual who**
 20 **knowingly provides or assists in providing false information, or fails to correct**
 21 **false information provided, to the commission for the purpose of obtaining a**
 22 **benefit for self or another.** The commission may suspend, as appropriate, that
 23 person's, [OR] entity's, **or temporary transferee's** eligibility to hold **or receive a**
 24 **temporary transfer of** an entry or interim-use permit, vessel entry permit, or vessel
 25 interim-use permit for a period not to exceed three years, and may impose an
 26 administrative fine of not more than \$5,000 on the person or entity whose officers,
 27 employees, representatives, or agents knowingly provide or assist in providing false
 28 information, or fail to correct false information provided, to the commission for the
 29 purpose of obtaining a benefit.

30 * **Sec. 39.** AS 16.43.960 is amended by adding new subsections to read:

31 (k) An entry permit held by a regional fisheries trust

1 (1) shall revert to the commission and be made available for reissuance
2 if the regional fisheries trust that holds the permit is dissolved under AS 16.44.010(d);

3 (2) may not be revoked or transferred away from the regional fisheries
4 trust solely because of the actions of an individual to whom the permit is temporarily
5 transferred under AS 16.43.190.

6 (l) If the commercial fishing privileges of an individual who is a temporary
7 transferee under AS 16.43.190 are suspended for a period

8 (1) longer than the remaining period of the individual's temporary
9 transfer term provided to the commission under AS 16.43.190(b)(3), the regional
10 fisheries trust that holds the permit may request that the commission revoke the
11 temporary transfer; or

12 (2) shorter than the remaining period of the individual's temporary
13 transfer term provided to the commission under AS 16.43.190(b)(3), the regional
14 fisheries trust that holds the permit may request that the commission revoke the
15 temporary transfer only if requested by the temporary transferee.

16 * **Sec. 40.** AS 16.43.990(3) is amended to read:

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

20 * **Sec. 41.** AS 16 is amended by adding a new chapter to read:

21 **Chapter 44. Regional Fisheries Trusts.**

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

23 The department may authorize a municipality or municipalities to establish a regional
24 fisheries trust if there is not already a fisheries trust established in that region and at
25 least two-thirds of the municipalities within the fisheries trust region, acting jointly,
26 apply to the department with a business plan and bylaws for the proposed fisheries
27 trust that comply with the requirements of this chapter. The department may not
28 authorize more than three regional fisheries trusts. If there are more applicants to form
29 regional fisheries trusts than available authorizations, the department shall authorize
30 eligible trusts in the order in which the applications were received.

31 (b) The purposes of a regional fisheries trust established under (a) of this

1 section are to

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

4 (2) improve access to state fisheries by creating opportunities for those
5 persons with limited alternative economic options and sources of income;

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

7 (4) promote resource conservation.

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

11 (d) Each fisheries trust established under (a) of this section is a public
12 corporation and instrumentality of the state within the Department of Commerce,
13 Community, and Economic Development. The exercise by a fisheries trust of the
14 powers conferred under this chapter is considered to be for a public purpose. For
15 administrative purposes, the fisheries trusts are in the department, but each fisheries
16 trust has a separate and independent legal existence from the state and shall be
17 governed by a board established under AS 16.44.020. Upon the dissolution of a
18 fisheries trust, the rights and property of the fisheries trust, other than a limited entry
19 permit held by the fisheries trust, pass to the state. A limited entry permit held by a
20 fisheries trust at the time of the fisheries trust's dissolution reverts to the commission
21 and may be reissued under AS 16.43.100(a)(25).

22 (e) The department may dissolve a fisheries trust if the fisheries trust becomes
23 insolvent. However, nothing in this subsection precludes municipalities in that region
24 from establishing another fisheries trust under (a) of this section.

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

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

1 provided by each municipality.

2 (c) If municipalities request in an application submitted under
3 AS 16.44.010(a), or a board votes under AS 16.44.050(a)(2), that the board of
4 directors for that region's fisheries trust include directors from each unincorporated
5 community within the fisheries trust region, the governor shall appoint one individual
6 from each unincorporated community wholly or partially within the fisheries trust
7 region to serve as a member of the board of directors of the regional fisheries trust. In
8 each unincorporated community wholly or partially within the fisheries trust region, a
9 single entity or village council eligible to receive a community assistance payment
10 under AS 29.60.865 shall provide the list of nominees from which the governor shall
11 appoint an individual to serve as a member of a regional fisheries trust board of
12 directors.

13 (d) The governor shall appoint individuals to the board of a fisheries trust
14 under (b) and (c) of this section who have a diversity of experience relevant to the
15 operations of a fisheries trust established under this chapter, including, for each board,
16 at least two individuals who have experience in the commercial fishing industry. Each
17 appointed individual must be a resident of the municipality or unincorporated
18 community from which the individual was appointed.

19 (e) Except as provided under AS 16.44.050(a)(2), a member of a board of a
20 regional fisheries trust shall serve for a term of three years. A member shall hold
21 office for the term of the appointment and until a successor has been appointed and
22 qualified. A member is eligible for reappointment. A vacancy on a board occurring
23 other than by expiration of term shall be filled in the same manner as the original
24 appointment but for the unexpired term only. Terms must be staggered so that one-
25 third, or as close to one-third as practicable, of the terms expire each year. A member
26 may not serve more than 12 cumulative years on the board.

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

30 (g) A member of a board may not be a temporary transferee of an entry permit
31 held by a fisheries trust.

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

5 (i) The board of each fisheries trust may hire staff qualified to assist the board
 6 in carrying out the provisions of this chapter. If staff is hired, staff compensation may
 7 not exceed compensation provided to state employees with comparable duties.

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

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

19 **Sec. 16.44.030. Administrative expenses, compensation, and fees due the**
 20 **department.** (a) A member of a fisheries trust board may be provided reasonable
 21 compensation. However, the compensation may not exceed the median rate of
 22 compensation provided to the elected members of the municipal governments of the
 23 three most populated municipalities within the fisheries trust region. For the purposes
 24 of this subsection, "compensation" does not include reasonable per diem and travel
 25 expenses for necessary fisheries trust business purposes.

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

29 (c) The commissioner shall assess fisheries trust fees for the department's
 30 actual expenses necessarily incurred by the department in connection with its duties
 31 under this chapter relating to the fisheries trust.

1 **Sec. 16.44.040. Exemption from taxation.** (a) Except for permit-related fees
 2 levied under AS 16.43.160, the real and personal property of a fisheries trust
 3 organized under this chapter and its assets, income, and receipts are declared to be
 4 devoted to an essential public and governmental function and purpose, and the
 5 property, assets, income, receipts, and other interests of the fisheries trust are exempt
 6 from taxes and special assessments of the state or a political subdivision of the state,
 7 including municipalities, school districts, public utility districts, and other
 8 governmental units.

9 (b) Nothing in this section relieves an individual who has a temporarily
 10 transferred entry permit held by a fisheries trust from applicable fees, taxes, or
 11 assessments.

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

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

18 (2) if two-thirds of the board members appointed from the
 19 municipalities in the region under AS 16.44.020(b) affirmatively vote to approve the
 20 action, expand or reduce the membership of the fisheries trust board of directors by
 21 allowing or prohibiting individuals from unincorporated communities in the region to
 22 serve as directors;

23 (3) subject to AS 16.44.060(e), borrow funds;

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

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

1 (6) subject to AS 16.43.190 and AS 16.44.070, temporarily transfer an
2 entry permit held by the fisheries trust to an individual qualified under AS 16.44.080;

3 (7) request that the commission revoke the temporary transfer of a
4 permit under AS 16.43.190(d); and

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

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

9 (1) subject to the commission's approval under AS 16.43.190, select
10 individuals qualified under (d) of this section and AS 16.44.080 by competitive bid to
11 receive temporary transfers of entry permits held by the fisheries trust;

12 (2) establish criteria for the temporary transfer of entry permits
13 acquired by the fisheries trust that ensure the solvency and financial strength of the
14 fisheries trust;

15 (3) temporarily transfer entry permits held by the fisheries trust in
16 accordance with criteria established by the fisheries trust under (2) of this subsection;

17 (4) upon the commission's revocation of a temporary transfer under
18 AS 16.43.190, cancel the temporary transfer of the permit to the individual; and

19 (5) make public the criteria for the temporary transfer of entry permits
20 established under (2) of this subsection and provide copies to the department and the
21 commission.

22 (c) Subject to criteria adopted under (b)(2) of this section, a fisheries trust may
23 prioritize bids for the temporary transfer of entry permits under (b)(1) of this section
24 based on an individual's

25 (1) history of participation in the fishery for which the temporarily
26 transferred entry permit would apply;

27 (2) access to economic opportunities other than commercial fishing;

28 (3) record of participation in commercial fishing organizations and
29 fisheries management; or

30 (4) expected economic contribution to the fisheries trust region if the
31 bidder is awarded a temporarily transferred entry permit under this chapter.

1 (d) Subject to criteria applicable to all bidders, a fisheries trust may elect not
2 to temporarily transfer permits to individuals who

- 3 (1) hold limited entry permits;
4 (2) have had a temporary transfer revoked by the commission; or
5 (3) have had their commercial fishing privileges suspended under this
6 title.

7 (e) A fisheries trust may not hold a quota share for a federally managed
8 fishery or an interim-use or vessel permit issued under AS 16.43.

9 (f) In this section, "quota share" has the meaning given in AS 16.10.360.

10 **Sec. 16.44.055. Disposition of proceeds.** Fees associated with the temporary
11 transfer of an entry permit held by a fisheries trust and other fisheries trust revenue,
12 less any fees due the department under AS 16.44.030(c), may be appropriated to a
13 fisheries trust to be used

- 14 (1) to pay for the fisheries trust's operations;
15 (2) to finance the acquisition of additional permits; and
16 (3) subject to AS 16.44.050(a), to support programs and projects that
17 benefit commercial fishermen within the fisheries trust region.

18 **Sec. 16.44.060. Acquisition, holding, and transfer of entry permits.** (a)
19 Subject to (b) of this section, a fisheries trust may only acquire an entry permit for a
20 fishery that is conducted in the fisheries trust region. A fisheries trust may not

- 21 (1) acquire or hold a limited entry permit for a fishery for which the
22 commission has issued 40 or fewer total transferrable entry permits; or
23 (2) hold more than two and one-half percent of the total number of
24 transferrable entry permits issued for a fishery in the fisheries trust region, rounded to
25 the nearest whole number.

26 (b) For the purposes of (a) of this section, a fishery is conducted in a fisheries
27 trust region if the boundaries of that fishery's administrative area include an area
28 inside the fisheries trust region. However, for a fishery that is conducted in more than
29 one fisheries trust region, only the fisheries trust in the fisheries trust region with the
30 greatest number of resident permit holders for the fishery may acquire and temporarily
31 transfer a permit for the fishery.

1 (c) Subject to (a) of this section, and to the extent reasonably possible, a
 2 fisheries trust shall hold limited entry permits of each type issued within its region as
 3 necessary to offer the opportunity for individuals to participate in all fisheries
 4 conducted in the fisheries trust region.

5 (d) The commission shall ensure that a fisheries trust complies with the
 6 requirements of this section. A fisheries trust may not transfer, or receive by transfer,
 7 an entry permit if the commission finds that the transfer violates the requirements of
 8 this section.

9 (e) An entry permit held by a fisheries trust and temporarily transferred under
 10 this chapter may not be leased, pledged, mortgaged, or encumbered in any way.

11 (f) A fisheries trust may not transfer an entry permit unless the fisheries trust
 12 receives fair market value for the permit.

13 **Sec. 16.44.070. Terms for the temporary transfer of entry permits held by**
 14 **a regional fisheries trust.** (a) A fisheries trust shall establish terms for the temporary
 15 transfer of entry permits held by the fisheries trust in a manner that is consistent with
 16 the purposes provided by AS 16.44.010(b).

17 (b) The period for the temporary transfer of an entry permit held by a fisheries
 18 trust may not exceed six years, and an individual may not receive a temporarily
 19 transferred entry permit or permits for a cumulative period of more than six years,
 20 regardless of whether the years are consecutive.

21 (c) An entry permit held by a fisheries trust may be fished only by a temporary
 22 transferee approved by the commission under AS 16.43.180(c) or 16.43.190.

23 (d) A fisheries trust may not impose terms that limit a temporary transferee's
 24 time, place, manner, or method of fishing or selling fish.

25 (e) Terms for the temporary transfer of an entry permit under this section must
 26 provide that the fisheries trust shall pay the fees required under AS 16.43.160 and that
 27 the temporary transferee shall pay all taxes and assessments relating to the entry
 28 permit and the use of that permit.

29 (f) A fisheries trust may request that the commission revoke the temporary
 30 transfer of an entry permit under this chapter only as provided by AS 16.43.190(d) and
 31 16.43.960(l).

1 **Sec. 16.44.080. Qualified temporary transferees.** (a) A fisheries trust may
2 not temporarily transfer a permit to an individual who

3 (1) already holds a limited entry or interim-use permit for the fishery
4 for which the temporarily transferred permit would apply;

5 (2) is employed by a fisheries trust under AS 16.44.020(i) or of another
6 entity that shares resources with the fisheries trust under AS 16.44.020(j);

7 (3) is not able to demonstrate an ability to participate actively and
8 safely in the fishery for which the temporarily transferred permit would apply; or

9 (4) is a member of a board of a regional fisheries trust established
10 under AS 16.44.020.

11 (b) A fisheries trust shall make reasonable efforts to verify an individual's
12 qualifications under this section. Reasonable efforts under this subsection may include
13 requiring an applicant to provide evidence of the ability to participate actively, safely,
14 and successfully in the fishery, which may include an applicant's

15 (1) possession of a suitable vessel and appropriate gear;

16 (2) ability to procure appropriate insurance coverage;

17 (3) arrangement with a buyer to purchase fish caught commercially by
18 the individual; and

19 (4) relationship with an experienced fisherman who has agreed to act
20 as the applicant's mentor.

21 (c) If proceedings are pending to suspend an individual's commercial fishing
22 privileges, the individual may not receive a temporarily transferred entry permit under
23 this chapter.

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

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

26 (2) "commission" means the Alaska Commercial Fisheries Entry
27 Commission;

28 (3) "commissioner" means the commissioner of commerce,
29 community, and economic development;

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

1 (5) "entry permit" or "permit" means a commercial fishing entry
2 permit issued under AS 16.43;

3 (6) "fisheries trust" means a regional fisheries trust established under
4 AS 16.44.010;

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

6 * **Sec. 42.** AS 39.25.110(11) is amended to read:

7 (11) the officers and employees of the following boards, commissions,
8 and authorities:

9 (A) [REPEALED

10 (B)] Alaska Permanent Fund Corporation;

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

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

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

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

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

16 (H)] Alaska Gasline Development Corporation and subsidiaries
17 of the Alaska Gasline Development Corporation;

18 **(G) a regional fisheries trust established under**

19 **AS 16.44.010;**

20 * **Sec. 43.** AS 43.76.015(f) is amended to read:

21 (f) In this section, "eligible interim-use permit and entry permit holder" means
22 an individual who, 90 days before the date ballots must be postmarked to be counted
23 in an election under this section, is listed in the records of the Alaska Commercial
24 Fisheries Entry Commission as the legal owner of an interim-use permit or an entry
25 permit **that** [WHICH] authorizes the individual to fish commercially in an
26 administrative area established by the Alaska Commercial Fisheries Entry
27 Commission under AS 16.43.200, which is included, in whole or in part, in the region
28 in which the election is held. **An individual to whom an entry permit is**
29 **temporarily transferred under AS 16.43.190 is not eligible to vote in an election**
30 **under AS 43.76.001 - 43.76.040.**

31 * **Sec. 44.** AS 43.76.020 is amended by adding a new subsection to read:

1 (c) In this section, "eligible interim-use permit and entry permit holders" has
2 the meaning given in AS 43.76.015.

3 * **Sec. 45.** AS 43.76.040 is amended to read:

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

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

10 **(2)** "**person holding a limited entry permit under AS 16.43**"
11 **includes an individual to whom a limited entry permit is temporarily transferred**
12 **under AS 16.43.190, but does not include a regional fisheries trust established**
13 **under AS 16.44.010.**

14 * **Sec. 46.** AS 43.76.160(g) is amended to read:

15 (g) In this section, "eligible interim-use permit and entry permit holder" means
16 an individual who, 90 days before the date ballots must be postmarked to be counted
17 in an election under this section, is listed in the records of the Alaska Commercial
18 Fisheries Entry Commission as the legal holder of an interim-use permit for dive gear
19 or an entry permit for dive gear that authorizes the individual to fish commercially in
20 the administrative area for the species of fishery resource for which the dive fishery
21 management assessment is to be approved, amended, or terminated. **An individual to**
22 **whom an entry permit is temporarily transferred under AS 16.43.190 for dive**
23 **gear that authorizes the individual to fish commercially in the administrative**
24 **area for the species of fishery resource for which the dive fishery management**
25 **assessment is to be approved, amended, or terminated is subject to the**
26 **assessment, but is not eligible to vote in an election under AS 43.76.150 -**
27 **43.76.210.**

28 * **Sec. 47.** AS 43.76.210 is amended by adding a new paragraph to read:

29 (6) "person holding a limited entry permit for dive gear or an interim-
30 use permit for dive gear issued under AS 16.43" includes an individual to whom a
31 limited entry permit is temporarily transferred under AS 16.43.190, but does not

1 include a regional fisheries trust established under AS 16.44.010.

2 * **Sec. 48.** AS 43.76.230(g) is amended to read:

3 (g) In this section, "eligible interim-use permit and entry permit holder" means
 4 an individual who, 90 days before the date ballots must be postmarked to be counted
 5 in an election under this section, is listed in the records of the Alaska Commercial
 6 Fisheries Entry Commission as the legal holder of an interim-use permit for salmon
 7 fishing gear or an entry permit for salmon fishing gear that authorizes the individual to
 8 fish commercially in the salmon fishery for which the salmon fishery assessment is to
 9 be approved, amended, or terminated. **An individual to whom an entry permit is**
 10 **temporarily transferred under AS 16.43.190 for salmon fishing gear that**
 11 **authorizes the individual to fish commercially in the administrative area for**
 12 **which the salmon fishery assessment is to be approved, amended, or terminated**
 13 **is not eligible to vote in an election under AS 43.76.220 - 43.76.280.**

14 * **Sec. 49.** AS 43.76.280(6) is amended to read:

15 (6) "sold" means the transfer of ownership of salmon from an interim-
 16 use permit **holder**, [OR] entry permit holder, **or individual to whom an entry permit**
 17 **is temporarily transferred under AS 16.43.190** to a buyer at the first point of sale;

18 * **Sec. 50.** AS 43.76.300 is amended by adding a new subsection to read:

19 (b) In this section, "person holding a limited entry permit or interim-use
 20 permit under AS 16.43" includes an individual to whom a limited entry permit is
 21 temporarily transferred under AS 16.43.190, but does not include a regional fisheries
 22 trust established under AS 16.44.010.

23 * **Sec. 51.** AS 43.76.370(i) is amended to read:

24 (i) In this section, "eligible interim-use permit and entry permit holder" means
 25 an individual who, 90 days before the date ballots must be postmarked to be counted
 26 in an election under this section, is listed in the records of the Alaska Commercial
 27 Fisheries Entry Commission as the legal owner of an interim-use permit or an entry
 28 permit that authorizes the individual to operate commercial fishing gear in the fishery
 29 that is or will be subject to the seafood development tax that is the subject of the
 30 election. **An individual to whom an entry permit is temporarily transferred under**
 31 **AS 16.43.190 for a fishery that is or will be subject to a seafood development tax**

1 **subject to an election under AS 43.76.350 - 43.76.399 is subject to a seafood**
 2 **development tax levied under AS 43.76.350 - 43.76.399 but is not eligible to vote**
 3 **in an election under this section.**

4 * **Sec. 52.** AS 43.76.399 is amended by adding a new paragraph to read:

5 (5) "person holding a limited entry permit or interim-use permit under
 6 AS 16.43" includes an individual to whom a limited entry permit is temporarily
 7 transferred under AS 16.43.190, but does not include a regional fisheries trust
 8 established under AS 16.44.010.

9 * **Sec. 53.** AS 44.33.020(a) is amended by adding a new paragraph to read:

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

11 * **Sec. 54.** The uncodified law of the State of Alaska is amended by adding a new section to
 12 read:

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

18 * **Sec. 55.** The uncodified law of the State of Alaska is amended by adding a new section to
 19 read:

20 INITIAL DIRECTORS OF REGIONAL FISHERIES TRUSTS. Subject to
 21 AS 16.44.020(e), added by sec. 41 of this Act, the term of office of each initial director of a
 22 regional fisheries trust shall be determined by lot.

23 * **Sec. 56.** The uncodified law of the State of Alaska is amended by adding a new section to
 24 read:

25 INITIAL ESTABLISHMENT OF FISHERIES TRUST REGIONS. (a) The
 26 Department of Commerce, Community, and Economic Development shall, in consultation
 27 with the Department of Fish and Game, divide the state into separate fisheries trust regions to
 28 serve as the initial fisheries trust regions under AS 16.44.010(c), added by sec. 41 of this Act,
 29 that the Department of Commerce, Community, and Economic Development determines are
 30 socially, economically, and politically cohesive, using, to the extent practicable,

31 (1) the boundaries of the administrative areas established for the commercial

1 fishing of salmon by the Alaska Commercial Fisheries Entry Commission under
2 AS 16.43.200, as those boundaries were described in regulation on January 1, 2018; and

3 (2) the designation of state communities as local or nonlocal to particular
4 fisheries made in the report by the Alaska Commercial Fisheries Entry Commission titled
5 "Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975 - 2016."

6 (b) In establishing the initial fisheries trust regional boundaries under (a) of this
7 section, the Department of Commerce, Community, and Economic Development

8 (1) shall, to the extent practicable,

9 (A) clearly delineate which communities are in each region; and

10 (B) ensure that a community is not split between regions; and

11 (2) may not create a fisheries trust region with less than five communities
12 inside its boundaries.

13 * **Sec. 57.** The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 INITIAL ESTABLISHMENT AND AUTHORIZATION OF REGIONAL
16 FISHERIES TRUSTS. A fisheries trust may not be established before July 1, 2019. However,
17 after January 1, 2019, applications to establish a trust under AS 16.44.010(a), added by sec.
18 41 of this Act, may be filed with the Department of Commerce, Community, and Economic
19 Development. Notwithstanding AS 16.44.010(a), added by sec. 41 of this Act, if, after
20 January 1, 2019, and before April 1, 2019, applicants from more than three fisheries trust
21 regions apply to the Department of Commerce, Community, and Economic Development to
22 establish fisheries trusts for the applicant's respective regions, the commissioner of commerce,
23 community, and economic development shall, in consultation with the commissioner of fish
24 and game, select three of the proposed fisheries trusts to be established based on the

25 (1) degree to which the communities in a fisheries trust region where the
26 establishment of a fisheries trust is proposed have experienced a decline in the number of
27 commercial fishing entry permits issued under AS 16.43 since 1980; and

28 (2) likelihood, as determined by the commissioner of commerce, community,
29 and economic development, on the basis of the submitted business plans and bylaws for the
30 proposed fisheries trusts, that a proposed fisheries trust will achieve the purposes for
31 establishing a fisheries trust under AS 16.44.010(b), added by sec. 41 of this Act.

1 * **Sec. 58.** Sections 54, 56, and 57 of this Act take effect immediately under
2 AS 01.10.070(c).

3 * **Sec. 59.** Except as provided by sec. 58 of this Act, this Act takes effect July 1, 2019.