

**HOUSE BILL NO. 195**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE RUFFRIDGE

Introduced: 5/8/23

Referred: House Special Committee on Fisheries, Resources, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission;**  
2 **relating to administrative areas for regulation of certain commercial set net entry**  
3 **permits; establishing a buy-back program for certain set net entry permits; providing**  
4 **for the termination of state set net tract leases under the buy-back program; closing**  
5 **certain water to commercial fishing; and providing for an effective date."**

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

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

9 SHORT TITLE. This Act may be known as the East Side of Cook Inlet Set Net Fleet  
10 Reduction Act.

11 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 LEGISLATIVE FINDINGS AND INTENT. (a) The Alaska State Legislature finds

1 that it is in the public interest to reduce the number of commercial set net fishers and decrease  
2 the pressure of commercial fishing on the east side of Cook Inlet, to create a more  
3 economically viable and sustainable set net fishery, and to allow more fish for in-river users.

4 (b) It is the intent of the legislature that the program established by this Act will not  
5 have an adverse effect on the state treasury.

6 \* **Sec. 3.** AS 16.43.200 is amended by adding new subsections to read:

7 (c) Notwithstanding (a) and (b) of this section, for the purposes of issuing  
8 entry permits and controlling entry into the commercial set net fishery on the east side  
9 of Cook Inlet, the commission shall establish the area administered on December 31,  
10 2023, identified by the Department of Fish and Game as of January 1, 2023, as  
11 statistical areas 244-21, 244-22, 244-31, 244-32, 244-41, and 244-42 of the Upper  
12 Subdistrict of the Cook Inlet Central District as a distinct administrative area separate  
13 from the Cook Inlet administrative area.

14 (d) An entry permit that entitled a person to set net commercially in the area  
15 that was administered on December 31, 2023, by the commission as the Cook Inlet  
16 administrative area does not entitle that person to set net commercially in the  
17 administrative area established under (c) of this section unless the commission  
18 reassigns the permit to that administrative area.

19 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
20 read:

21 **TRANSITION: REASSIGNMENT OF CERTAIN COOK INLET AREA SET NET**  
22 **ENTRY PERMITS.** (a) On January 1, 2024, an individual holding an entry permit that entitles  
23 the individual to commercially set net in the Cook Inlet administrative area may have the  
24 individual's entry permit renewed as an entry permit for the Cook Inlet set net administrative  
25 area under AS 16.43.150(c), consistent with the boundaries of that administrative area  
26 established under AS 16.43.200, as amended by sec. 3 of this Act, unless the individual  
27 provides proof satisfactory to the Alaska Commercial Fisheries Entry Commission of the  
28 individual's participation in the fishery in the areas identified by the Department of Fish and  
29 Game as of January 1, 2023, as statistical areas 244-21, 244-22, 244-31, 244-32, 244-41, and  
30 244-42 of the Upper Subdistrict of the Cook Inlet Central District within the two years  
31 preceding December 31, 2023. Proof satisfactory of participation under this subsection may

1 include a shore fisheries lease, an area registration, a buoy tag, or previous submission of  
2 fishing statistics for the area.

3 (b) An individual who provides proof satisfactory to the Alaska Commercial Fisheries  
4 Entry Commission of the individual's participation in the fishery in the areas identified by the  
5 Department of Fish and Game as of January 1, 2023, as statistical areas 244-21, 244-22, 244-  
6 31, 244-32, 244-41, and 244-42 of the Upper Subdistrict of the Cook Inlet Central District  
7 under (a) of this section shall be reassigned an entry permit on January 1, 2024, for the new  
8 administrative area established under AS 16.43.200(c), enacted by sec. 3 of this Act.

9 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
10 read:

11 APPEAL OF COMMISSION DECISION NOT TO ASSIGN AN APPLICANT'S  
12 PERMIT TO NEW ADMINISTRATIVE AREA. (a) An individual may appeal a decision by  
13 the Alaska Commercial Fisheries Entry Commission to renew the entry permit held by the  
14 individual that allows the individual to commercially fish in the Cook Inlet administrative  
15 area, as the area's boundaries are amended by AS 16.43.200(c), enacted by sec. 3 of this Act,  
16 instead of issuing the individual an entry permit for the administrative area established by  
17 AS 16.43.200(c), enacted by sec. 3 of this Act. An appeal under this section must be made to  
18 the superior court on or before March 1, 2024.

19 (b) The commission shall provide an individual who is appealing a decision of the  
20 commission under this section

21 (1) a provisional entry permit for the administrative area established by  
22 AS 16.43.200(c), enacted by sec. 3 of this Act; and

23 (2) if the individual's appeal has not been resolved at the time of the election  
24 held under sec. 6 of this Act, a provisional ballot for the election.

25 (c) If an individual's appeal has not been resolved at the time of the election held  
26 under sec. 6 of this Act, the individual may cast a provisional ballot that may be counted as a  
27 vote in the election only if, on appeal, the court determines that the individual's entry permit  
28 must be reassigned to the administrative area established by AS 16.43.200(c), enacted by sec.  
29 3 of this Act.

30 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
31 read:

1 ELECTION FOR COMMERCIAL SET NET FISHING PERMIT BUY-BACK  
2 PROGRAM. (a) On April 1, 2024, the commission, with the cooperation of the Department of  
3 Natural Resources, shall conduct an election among individuals qualified under (b) of this  
4 section on the question of whether to establish an entry permit buy-back program under sec. 7  
5 of this Act.

6 (b) An individual is eligible to vote in the election conducted under (a) of this section  
7 if the individual holds an entry permit, or provisional entry permit issued under sec. 5(b) of  
8 this Act, for set net fishing in the administrative area established under AS 16.43.200(c),  
9 enacted by sec. 3 of this Act.

10 (c) The commission shall conduct the election according to the following procedures:

11 (1) not less than 30 days before the date on which ballots must be postmarked  
12 to be counted in the election, the commission shall hold at least one public meeting to explain  
13 the buy-back program to eligible voters and other interested persons and to explain the  
14 registration and voting procedure to be used in the election; the commission shall provide  
15 notice of the meeting by

16 (A) mailing the notice to each eligible entry permit holder;

17 (B) posting the notice in at least three public places in the voting  
18 region; and

19 (C) publishing the notice in at least one newspaper of general  
20 circulation in the voting region at least once a week for two consecutive weeks before  
21 the meeting;

22 (2) the commission shall mail two ballots to each eligible entry permit holder;  
23 the commission shall mail the first ballot not more than 45 days before the date on which  
24 ballots must be postmarked to be counted in the election; the commission shall mail the  
25 second ballot not less than 15 days before the date on which ballots must be postmarked to be  
26 counted in the election; the commission shall adopt procedures to ensure that only one ballot  
27 from each eligible entry permit holder is counted in the election;

28 (3) the ballot must

29 (A) ask whether the buy-back program established under sec. 7 of this  
30 Act should be implemented;

31 (B) indicate the boundaries of the region in which the buy-back

1 program would apply;

2 (C) clarify the details of the buy-back program, including which set net  
3 entry permit holders are eligible to participate and the entry permit buy-back price to  
4 be offered by the commission under sec. 7 of this Act if the program is approved;

5 (D) provide the effective date for the initiation of the entry permit buy-  
6 back program if the program is approved without reliance on provisional ballots and  
7 how the program's effective date will be determined if approval of the program  
8 depends on counting provisional ballots; and

9 (E) indicate the date on which ballots must be postmarked in order to  
10 be counted;

11 (4) the ballots must be returned by mail and counted by the commission or a  
12 person approved by the commission.

13 (d) If the commission determines that the procedural requirements of (c) of this  
14 section have been satisfied, the commission shall certify the results of the election

15 (1) within 45 days after the date on which ballots must be postmarked; or

16 (2) only after a sufficient number of program applicants' appeals are resolved  
17 under sec. 5 of this Act so that the commission may determine the outcome without counting  
18 provisional ballots.

19 (e) In this section, "commission" means the Alaska Commercial Fisheries Entry  
20 Commission established under AS 16.43.020.

21 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
22 read:

23 **COMMERCIAL SHORE SET NET ENTRY PERMIT BUY-BACK PROGRAM.** (a)  
24 In addition to the buy-back provisions under AS 16.43.310 and 16.43.320, an individual who  
25 is qualified under this section may sell the individual's entry permit to the commission under  
26 the conditions established in this section. Except as provided in sec. 6 of this Act, to  
27 participate, an individual must

28 (1) hold a commercial fishing set net entry permit for the administrative area  
29 established under AS 16.43.200(c), enacted by sec. 3 of this Act;

30 (2) provide a shore fisheries lease, an area registration, a buoy tag, a previous  
31 submission of fishing statistics for the area, or other documentation proving, to the

1 commission's satisfaction, that the individual or an immediate family member of the  
2 individual

3 (A) has held the entry permit that was reassigned from the Cook Inlet  
4 to the administrative area established under AS 16.43.200(c) since January 1, 2020;  
5 and

6 (B) actively participated in the fishery identified by the Department of  
7 Fish and Game as of January 1, 2023, as statistical areas 244-21, 244-22, 244-31, 244-  
8 32, 244-41, and 244-42 of the Upper Subdistrict of the Cook Inlet Central District  
9 within the two years preceding December 31, 2022;

10 (3) provide an affidavit to the commission containing an accurate description  
11 of the specific site used to fish the entry permit; the description must include, if the site is

12 (A) leased under AS 38.05.082, the lease agreement;

13 (B) leased from a municipality, the geographic location and boundaries  
14 of the leased tract; and

15 (C) on unleased public land, a site survey and other related information  
16 that may be required by the commission; and

17 (4) apply to the commission within 30 days after the effective date of this  
18 section.

19 (b) Participation in the buy-back program established under this section is voluntary.  
20 An individual qualified under this section may apply electronically on a form provided by the  
21 commission to have the individual's entry permit purchased under this section. The  
22 commission shall provide each applicant with an electronic receipt evidencing the date and  
23 time the individual's application was received. Subject to appropriation and to (c) of this  
24 section, the commission shall buy back not more than 200 unencumbered entry permits in the  
25 order in which applicant names are drawn by a lottery. If an applicant whose permit has been  
26 selected for purchase is disqualified from participation in the program under (c) of this  
27 section, elects not to participate in the buy-back program, fails to sign the contract of sale  
28 within a period specified by the commission, or fails to provide all of the information required  
29 under (a) of this section, the commission shall, subject to (c) of this section, offer to buy back  
30 the entry permit of the applicant whose name was next selected in the lottery.

31 (c) If an applicant whose name is selected in the lottery under this section has a

1 provisional entry permit provided under sec. 5(b) of this Act, the commission shall set aside  
2 the funds to buy back the permit but may not buy back the permit until a court finds, in a final  
3 judicial determination, that the permit must be reassigned by the commission to the  
4 administrative area established under AS 16.43.200(c), enacted by sec. 3 of this Act. If the  
5 court finds, in a final determination, that the commission's determination not to reassign an  
6 applicant's permit to the administrative area established by AS 16.43.200(c) was correct, the  
7 applicant is not qualified to participate in the buy-back program established by this section.

8 (d) The commission shall cancel an entry permit purchased under this section. The  
9 commission may not reissue a permit or issue another permit in the place of a cancelled  
10 permit.

11 (e) Subject to appropriation and (c) of this section, the commission shall

12 (1) buy back the entry permit of an applicant selected in the lottery under this  
13 section for \$260,000, less administrative costs; and

14 (2) provide each applicant whose entry permit is purchased by the commission  
15 under this section the option of accepting payment in three annual installments.

16 (f) When the commission purchases an entry permit under (b) of this section from an  
17 individual who fishes the individual's entry permit from a site

18 (1) leased under AS 38.05.082, the commission shall provide the Department  
19 of Natural Resources with notice of the sale, the seller's identity, and the description of the  
20 lease provided under (a)(3)(A) of this section;

21 (2) leased from a municipality or from other unleased public or private land,  
22 the commission shall provide the Department of Natural Resources and the Department of  
23 Fish and Game with notice of the sale, the seller's identity, and information concerning the  
24 leased tract provided by the individual under (a)(3)(B) of this section.

25 (g) Upon notice from the commission under (f) of this section, and notwithstanding  
26 AS 38.05.085, the Department of Natural Resources shall

27 (1) without penalty or charge, terminate all land leases held under  
28 AS 38.05.082 used to fish an entry permit purchased by the commission under (b) of this  
29 section; and

30 (2) provide the Department of Fish and Game with the geographic and legal  
31 boundaries of a tract for which a lease is cancelled under (1) of this subsection.

1 (h) Upon receiving from the Department of Natural Resources the information  
 2 required under (g)(2) of this section, or from the commission the information required under  
 3 (f)(2) of this section, the Department of Fish and Game shall, in accordance with AS 44.62  
 4 (Administrative Procedure Act), close to commercial fishing the water that could be  
 5 commercially fished, under the authority of the repurchased set net entry permit, from the  
 6 affected public land, municipal lease, or terminated state lease tract under the regulations of  
 7 the Department of Fish and Game that were in effect at the time the set net entry permit was  
 8 purchased by the commission.

9 (i) When the commission purchases an entry permit from an individual who fished the  
 10 entry permit from land leased from a municipality, the commission shall notify the  
 11 Department of Natural Resources and the municipality of the purchase and of the geographic  
 12 boundaries of the water that will be closed to commercial salmon fishing under (h) of this  
 13 section.

14 (j) The acquisition of an entry permit under this section is not subject to AS 36.30  
 15 (State Procurement Code).

16 (k) In this section,

17 (1) "commission" means the Alaska Commercial Fisheries Entry Commission  
 18 established under AS 16.43.020;

19 (2) "immediate family member" means

20 (A) the spouse of an individual;

21 (B) another individual cohabiting with an individual in a conjugal  
 22 relationship that is not a legal marriage;

23 (C) a child, including a stepchild and an adopted child, of an  
 24 individual;

25 (D) a parent, sibling, grandparent, aunt, or uncle of an individual; and

26 (E) a parent or sibling of an individual's spouse.

27 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
 28 read:

29 REPORT TO LEGISLATURE. The Alaska Commercial Fisheries Entry Commission  
 30 shall provide a written report to the legislature on the status of the entry permit buy-back  
 31 program established under sec. 7 of this Act, including the number of permits purchased. The

1 commission shall deliver the report to the senate secretary and the chief clerk of the house of  
2 representatives not later than January 15, 2030, and notify the legislature that the report is  
3 available.

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

6 NOTIFICATION TO LIEUTENANT GOVERNOR AND REVISOR OF  
7 STATUTES. On the date the Alaska Commercial Fisheries Entry Commission certifies the  
8 outcome of the election under sec. 6 of this Act, the chair of the Alaska Commercial Fisheries  
9 Entry Commission shall provide written notice to the lieutenant governor and revisor of  
10 statutes of the outcome of the election.

11 \* **Sec. 10.** Sections 1, 2, 7, and 8 of this Act are repealed June 30, 2030.

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

14 CONDITIONAL EFFECT. Sections 1, 2, 7, and 8 of this Act take effect only if the  
15 chair of the Alaska Commercial Fisheries Entry Commission certifies that the buy-back  
16 program established under sec. 7 of this Act was approved under sec. 6 of this Act.

17 \* **Sec. 12.** Section 3 of this Act takes effect January 1, 2024.

18 \* **Sec. 13.** If secs. 1, 2, 7, and 8 of this Act take effect, they take effect the day after the date  
19 the chair of the Alaska Commercial Fisheries Entry Commission certifies that the buy-back  
20 program established under sec. 7 of this Act was approved under sec. 6 of this Act.

21 \* **Sec. 14.** Except as provided in secs. 12 and 13 of this Act, this Act takes effect July 1,  
22 2023.