

SENATE BILL NO. 199

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY SENATOR GIESSEL

Introduced: 1/21/26

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act repealing the Alaska Commercial Fisheries Limited Entry Commission and**
2 **transferring its duties to the Department of Fish and Game and the office of**
3 **administrative hearings."**

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

5 * **Section 1.** AS 16.05.050(a) is amended to read:

6 (a) The commissioner has, but not by way of limitation, the following powers
7 and duties:

8 (1) through the appropriate state agency and under the provisions of
9 AS 36.30 (State Procurement Code), to acquire by gift, purchase, or lease, or other
10 lawful means, land, buildings, water, rights-of-way, or other necessary or proper real
11 or personal property when the acquisition is in the interest of furthering an objective or
12 purpose of the department and the state;

13 (2) under the provisions of AS 36.30, to design and construct
14 hatcheries, pipelines, rearing ponds, fishways, and other projects beneficial for the fish

1 and game resources of the state;

2 (3) to accept money from any person under conditions requiring the
3 use of the money for specific purposes in the furtherance of the protection,
4 rehabilitation, propagation, preservation, or investigation of the fish and game
5 resources of the state or in settlement of claims for damages to fish or game resources;

6 (4) to collect, classify, and disseminate statistics, data and information
7 that, in the commissioner's discretion, will tend to promote the purposes of this title
8 except AS 16.51 and AS 16.52;

9 (5) to take, capture, propagate, transport, buy, sell, or exchange fish or
10 game or eggs for propagating, scientific, public safety, or stocking purposes;

11 (6) under the provisions of AS 36.30, to provide public facilities where
12 necessary or proper to facilitate the taking of fish or game, and to enter into
13 cooperative agreements with any person to effect them;

14 (7) to exercise administrative, budgeting, and fiscal powers;

15 (8) under the provisions of AS 36.30, to construct, operate, supervise,
16 and maintain vessels used by the department;

17 (9) to authorize the holder of an interim-use permit under AS 16.43 to
18 engage on an experimental basis in commercial taking of a fishery resource with
19 vessel, gear, and techniques not presently qualifying for licensing under this chapter in
20 conformity with standards established by the **department under AS 16.43** [ALASKA
21 COMMERCIAL FISHERIES ENTRY COMMISSION];

22 (10) not later than January 31 of each year, to provide to the
23 commissioner of revenue the names of those fish and shellfish species that the
24 commissioner of fish and game designates as developing commercial fish species for
25 that calendar year; a fish or shellfish species is a developing commercial fish species
26 if, within a specified geographical region,

27 (A) the optimum yield from the harvest of the species has not
28 been reached;

29 (B) a substantial portion of the allowable harvest of the species
30 has been allocated to fishing vessels of a foreign nation; or

31 (C) a commercial harvest of the fish species has recently

1 developed;

2 (11) to initiate or conduct research necessary or advisable to carry out
3 the purposes of this title except AS 16.51 and AS 16.52;

4 (12) to enter into cooperative agreements with agencies of the federal
5 government, educational institutions, or other agencies or organizations, when in the
6 public interest, to carry out the purposes of this title except AS 16.51 and AS 16.52;

7 (13) to implement an on-board observer program authorized by the
8 Board of Fisheries under AS 16.05.251(a)(13); implementation

9 (A) must be as unintrusive to vessel operations as practicable;

10 and

11 (B) must make scheduling and scope of observers' activities as
12 predictable as practicable;

13 (14) to sell fish caught during commercial fisheries test fishing
14 operations;

15 (15) to establish and charge fees equal to the cost of services provided
16 by the department, including provision of public shooting ranges, broodstock and eggs
17 for private nonprofit hatcheries, department publications, and other direct services, and
18 reasonable fees for the use of state facilities managed by the department; fees
19 established under this paragraph for tours of hatchery facilities, commercial use of
20 sport fishing access sites, and for operation of state hatchery facilities by private
21 aquaculture associations are not subject to the cost limit under AS 37.10.050(a);

22 (16) to permit and regulate aquatic farming in the state in a manner
23 that ensures the protection of the state's fish and game resources and improves the
24 economy, health, and well-being of the citizens of the state;

25 (17) to operate state housing and facilities for employees, contractors,
26 and others in support of the department's responsibilities and to charge rent that is
27 consistent with applicable collective bargaining agreements, or, if no collective
28 bargaining agreement is applicable, competitive with market conditions; rent received
29 from tenants shall be deposited in the general fund;

30 (18) [TO PETITION THE ALASKA COMMERCIAL FISHERIES
31 ENTRY COMMISSION, UNLESS THE BOARD OF FISHERIES DISAPPROVES

1 THE PETITION UNDER AS 16.05.251(g),] to establish a moratorium on new
 2 entrants into commercial fisheries, **unless the Board of Fisheries disapproves the**
 3 **request under AS 16.05.251(g),**

4 (A) that have experienced recent increases in fishing effort that
 5 are beyond a low, sporadic level of effort;

6 (B) that have achieved a level of harvest that may be
 7 approaching or exceeding the maximum sustainable level for the fishery; and

8 (C) for which there is insufficient biological and resource
 9 management information necessary to promote the conservation and sustained
 10 yield management of the fishery;

11 (19) to promote fishing, hunting, and trapping and preserve the
 12 heritage of fishing, hunting, and trapping in the state;

13 **(20) under the provisions of AS 16.43, to regulate and control**
 14 **entry of participants and vessels into the commercial fisheries in the public**
 15 **interest and without unjust discrimination.**

16 * **Sec. 2.** AS 16.05.251(g) is amended to read:

17 (g) **Upon request of the commissioner, the** [THE] Board of Fisheries shall
 18 consider **the department's proposal to impose** [A REQUEST OF THE
 19 COMMISSIONER FOR APPROVAL OF A PETITION TO THE ALASKA
 20 COMMERCIAL FISHERIES ENTRY COMMISSION TO ESTABLISH] a
 21 moratorium on new entrants into a commercial fishery under AS 16.43.225 at the
 22 board's next regular or special meeting that follows the **board's** receipt [BY THE
 23 BOARD] of the request [FOR APPROVAL OF THE PETITION] and that allows time
 24 for the notice required under this subsection. The board may consider the request of
 25 the commissioner [FOR APPROVAL OF THE PETITION] only after 15 days' public
 26 notice of the board's intention to consider **the request** [APPROVAL OF THE
 27 PETITION]. The board shall consider whether the commissioner, in support of the
 28 request [FOR APPROVAL OF THE PETITION], has adequately shown that the
 29 fishery meets requirements for a moratorium on new entrants under AS 16.05.050.
 30 The board **shall,** by a majority vote of its members at the meeting when the **request**
 31 [PETITION] must be considered, [SHALL] approve or disapprove the **request**

1 [PETITION].

2 * **Sec. 3.** AS 16.05.270 is amended to read:

3 **Sec. 16.05.270. Delegation of authority to commissioner.** For the purpose of
 4 administering AS 16.05.251(a) – (f), (h), and (i) [AS 16.05.251] and 16.05.255, each
 5 board may delegate authority to the commissioner to act in its behalf. If there is a
 6 conflict between the board and the commissioner on proposed regulations, public
 7 hearings shall be held concerning the issues in question. If, after the public hearings,
 8 the board and the commissioner continue to disagree, the issue shall be certified in
 9 writing by the board and the commissioner to the governor who shall make a decision.
 10 The decision of the governor is final.

11 * **Sec. 4.** AS 16.05.450(b) is amended to read:

12 (b) The department [ALASKA COMMERCIAL FISHERIES ENTRY
 13 COMMISSION] shall issue a vessel license under AS 16.05.490 to each qualified
 14 vessel for which a written application has been filed, at a place in the state designated
 15 by the department [COMMISSION], containing the reasonable information required
 16 by the department [COMMISSION] together with the required fee. The application
 17 shall be simple in form and shall be executed by the applicant under the penalty of
 18 unsworn falsification in the second degree.

19 * **Sec. 5.** AS 16.05.480(d) is amended to read:

20 (d) Upon request, the department [OR THE ALASKA COMMERCIAL
 21 FISHERIES ENTRY COMMISSION] shall provide a social security number provided
 22 by an applicant for a license under this section to the child support services agency
 23 created in AS 25.27.010, or the child support agency of another state, for child support
 24 purposes authorized under law.

25 * **Sec. 6.** AS 16.05.520 is amended to read:

26 **Sec. 16.05.520. Number plate.** (a) The vessel license includes a permanent
 27 number plate. The number plate shall be accompanied by a tab affixed to the number
 28 plate designating the year to be fished. A number plate is not transferable, and the
 29 number plate shall be considered a permanent fixture on [UPON] the vessel on
 30 [UPON] which the number plate is originally placed. The number plate shall be
 31 securely fastened well forward on the port side in plain sight. On a vessel with a

1 superstructure, the number plate shall be fastened on the port side of the
 2 superstructure. A number plate remains the property of the state. The **department**
 3 [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] may establish by
 4 regulation a reasonable fee for the initial issuance of a permanent number plate. If a
 5 permanent number plate is accidentally defaced, mutilated, destroyed, or lost, the
 6 person owning or operating the vessel shall immediately apply for and may obtain a
 7 duplicate upon furnishing the **department** [ALASKA COMMERCIAL FISHERIES
 8 ENTRY COMMISSION] with the pertinent facts and a payment of a reasonable fee
 9 established by the **department** [COMMISSION] by regulation that is not less than \$2.

10 (b) If a vessel carrying a number plate is lost, destroyed, or sold, the owner
 11 shall immediately report the loss, destruction, or sale to the **department** [ALASKA
 12 COMMERCIAL FISHERIES ENTRY COMMISSION].

13 * **Sec. 7.** AS 16.05.530(a) is amended to read:

14 (a) Upon payment of the vessel license fee and filing of the name and address
 15 of the owner of the vessel or the owner's authorized agent, the name and number of the
 16 vessel, a description of the vessel, the vessel license number, if any, the area to be
 17 fished, and other reasonable information required by the **department** [ALASKA
 18 COMMERCIAL FISHERIES ENTRY COMMISSION], the **department**
 19 [COMMISSION] shall issue a permanent number plate and a vessel license. If the
 20 vessel has a permanent number plate, the **department** [COMMISSION] shall issue a
 21 vessel license and tab designating the year the license is valid. The tab shall be placed
 22 in the space provided on the permanent number plate.

23 * **Sec. 8.** AS 16.05.675(a) is amended to read:

24 (a) A person who does not hold a limited entry permit or interim-use permit
 25 issued under AS 16.43 or a fish transporter permit issued under AS 16.05.671 may not
 26 deliver or land fish in the state unless the person

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

29 (2) has been issued a landing permit by the **department** [ALASKA
 30 COMMERCIAL FISHERIES ENTRY COMMISSION].

31 * **Sec. 9.** AS 16.05.675(c) is amended to read:

1 (c) The department [COMMISSIONER] may authorize [THE ALASKA
2 COMMERCIAL FISHERIES ENTRY COMMISSION TO ISSUE] landing permits
3 for a fishery if the commissioner has made a written finding that the issuance of
4 landing permits for that fishery is consistent with state resource conservation and
5 management goals.

6 * **Sec. 10.** AS 16.05.815(a) is amended to read:

7 (a) Except as provided in (b) and (c) of this section, records required by
8 regulations of the department concerning the landings of fish, shellfish, or fishery
9 products, and annual statistical reports of fishermen, buyers, and processors required
10 by regulation of the department are confidential and may not be released by the
11 department [OR BY THE ALASKA COMMERCIAL FISHERIES ENTRY
12 COMMISSION] except as set out in this subsection. The department may release the
13 records and reports set out in this subsection to the [ALASKA COMMERCIAL
14 FISHERIES ENTRY COMMISSION. THE DEPARTMENT AND THE ALASKA
15 COMMERCIAL FISHERIES ENTRY COMMISSION MAY RELEASE THE
16 RECORDS AND REPORTS SET OUT IN THIS SUBSECTION TO THE] recipients
17 identified in this subsection if the recipient, other than a recipient under (6) - (10) of
18 this subsection, agrees to maintain the confidentiality of the records and reports. The
19 department [AND THE ALASKA COMMERCIAL FISHERIES ENTRY
20 COMMISSION] may release

21 (1) any of the records and reports to the National Marine Fisheries
22 Service and the professional staff of the North Pacific Fishery Management Council as
23 required for preparation and implementation of the fishery management plans of the
24 North Pacific Fishery Management Council within the exclusive economic zone;

25 (2) any of the records and reports to the professional staff of the
26 Pacific States Marine Fisheries Commission who are employed in the Alaska Fisheries
27 Information Network project for the purpose of exchanging information with users
28 authorized by the department;

29 (3) any of the records and reports to the Department of Revenue to
30 assist the department in carrying out its statutory responsibilities;

31 (4) records or reports of the total value purchased by each buyer to a

1 municipality that levies and collects a tax on fish, shellfish, or fishery products if the
2 municipality requires records of the landings of fish, shellfish, or fishery products to
3 be submitted to it for purposes of verification of taxes payable;

4 (5) records or reports of guided sport fishing activities filed by a guide
5 to a municipality that levies a tax on those activities if the

6 (A) municipality requests the records for the purpose of
7 verifying taxes payable; and

8 (B) activities occurred within the four calendar years preceding
9 the date of the request;

10 (6) such records and reports as necessary to be in conformity with a
11 court order;

12 (7) on request, the report of a person to the person whose fishing
13 activity is the subject of the report, or to a designee of the person whose fishing
14 activity is the subject of the report;

15 (8) on request, annual statistical reports of a fisherman, buyer, or
16 processor to the fisherman, buyer, or processor whose activity is the subject of the
17 report, or to a designee of the fisherman, buyer, or processor whose activity is the
18 subject of the report;

19 (9) any of the records and reports to the Department of Public Safety
20 for law enforcement purposes;

21 (10) fish tickets, fish ticket information, records required of sport
22 fishing guides, and annual statistical reports of fishermen, buyers, and processors and
23 information in those reports to the law enforcement personnel of the National Marine
24 Fisheries Service and the National Oceanic and Atmospheric Administration for the
25 purpose of enforcing fishery laws in waters of this state and in waters of the exclusive
26 economic zone adjacent to this state;

27 (11) fish tickets, fish ticket information, and records required of sport
28 fishing guides regarding halibut to the International Pacific Halibut Commission;

29 (12) any of the records and reports to the child support services agency
30 created in AS 25.27.010, or the child support enforcement agency of another state, for
31 child support purposes authorized under law;

1 (13) any of the records and reports to the Department of Natural
 2 Resources to assist the department in carrying out its statutory responsibilities in
 3 regard to sport fishing operations and sport fishing guides within the Kenai River
 4 Special Management Area under AS 41.21.500 - 41.21.514; and

5 (14) fish ticket information and records or reports of the total value
 6 purchased by each fisherman, buyer, or processor to the National Marine Fisheries
 7 Service for the purpose of enforcing the industry fee system of a fishing capacity
 8 reduction program under 16 U.S.C. 1861a (Magnuson-Stevens Fishery Conservation
 9 and Management Act).

10 * **Sec. 11.** AS 16.10.333(a) is amended to read:

11 (a) Loans under AS 16.10.310(a) may be made to an individual commercial
 12 fisherman for the purchase of a limited entry permit upon certification by the
 13 **Department of Fish and Game** [COMMISSION] that the fisherman is a person who
 14 qualifies as a transferee for the permit under AS 16.43 and the regulations adopted
 15 **under AS 16.43** [BY THE COMMISSION].

16 * **Sec. 12.** AS 16.10.333(d) is amended to read:

17 (d) Upon satisfaction of the note by the debtor, the commissioner shall certify
 18 to the **Department of Fish and Game** [COMMISSION] that the note has been
 19 satisfied.

20 * **Sec. 13.** AS 16.10.333(e) is amended to read:

21 (e) Upon certification as provided in (d) of this section, the **Department of**
 22 **Fish and Game** [COMMISSION] shall amend the permit certificate to list the debtor
 23 as the legal owner.

24 * **Sec. 14.** AS 16.10.335(a) is amended to read:

25 (a) If the debtor defaults upon a note for which a limited entry permit has been
 26 pledged as security under AS 16.10.333 or 16.10.338, the commissioner shall provide
 27 the debtor, by both certified and first class mail sent to the debtor's last known address
 28 on file with the commissioner, with a notice of default that includes

29 (1) a description of the security given for the note including the
 30 number assigned to the pledged permit by the **Department of Fish and Game**
 31 [COMMISSION];

1 (2) the date upon which the default occurred;

2 (3) the amount of the debtor's outstanding principal and interest as of
3 the date of the default notice, the total amount remaining on the note less unearned
4 interest, and the amount of daily interest;

5 (4) a statement that the debtor may, within 15 days after the postmark
6 date of the notice, request a hearing to submit evidence showing the debtor has not
7 defaulted;

8 (5) a statement that the note may be reinstated if it is brought current
9 within 120 days after the postmark date of the notice;

10 (6) a statement that, under AS 16.10.310(a)(4), the debtor may
11 reinstate the note by submitting to the commissioner a plan of repayment if the
12 commissioner accepts the debtor's plan of repayment;

13 (7) the place where reinstatement of the note or payment in full may be
14 made; and

15 (8) a notice in at least 10-point bold type stating: IMPORTANT:
16 YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE
17 SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE
18 PERMIT AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED
19 AGAINST YOU.

20 * **Sec. 15.** AS 16.10.337(a) is amended to read:

21 (a) Upon a foreclosure on an entry permit as provided in AS 16.10.335 or the
22 termination of a debtor's interest in an entry permit under AS 16.10.335(g), the
23 commissioner shall offer the **Department of Fish and Game** [COMMISSION] a
24 right of first refusal if the permit is subject to a buy-back program under AS 16.43.290
25 - 16.43.330 at a price equal to the amount outstanding on the note plus any costs the
26 department directly incurred in administering the loan.

27 * **Sec. 16.** AS 16.10.337(b) is amended to read:

28 (b) If the **Department of Fish and Game** [COMMISSION] does not exercise
29 its right of first refusal within 30 days after it receives the offer, or if the permit is not
30 subject to a buy-back program under AS 16.43.290 - 16.43.330, the department shall
31 advertise and sell the permit. If the proceeds of the sale of a permit exceed the amount

1 necessary to pay the note in full, plus penalties, costs of administration of the note,
 2 attorney fees, and child support liens of which the department has notice, the excess
 3 shall be transferred by the commissioner to the debtor. At any time until the permit has
 4 been sold under this subsection, the debtor may repurchase the permit by paying the
 5 department the amount necessary to pay the note in full, plus penalties, costs of
 6 administration of the note, and attorney fees, as determined by the commissioner.

7 * **Sec. 17.** AS 16.40.250 is amended to read:

8 **Sec. 16.40.250. Salmon fishery associations.** The commissioner may assist in
 9 and encourage the formation of qualified salmon fishery associations for the purpose
 10 of promoting the consolidation of the fishing fleet in a salmon fishery for which the
 11 **department** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] has
 12 issued commercial fishing entry permits under AS 16.43. A salmon fishery association
 13 is qualified if the commissioner determines that the regional association

14 (1) is incorporated as a nonprofit corporation under AS 10.20;

15 (2) is **made up** [COMPRISED] of interim-use permit and entry permit
 16 holders in the salmon fishery for which the association is established; and

17 (3) has a board of directors that is **made up** [COMPRISED] of
 18 interim-use permit and entry permit holders in the salmon fishery.

19 * **Sec. 18.** AS 16.43 is amended by adding a new section to read:

20 **Sec. 16.43.015. Commercial fisheries office.** The commercial fisheries office
 21 is established as a regulatory and quasi-judicial office in the office of the
 22 commissioner of fish and game.

23 * **Sec. 19.** AS 16.43.100 is amended to read:

24 **Sec. 16.43.100. Duties and general powers.** (a) To accomplish the purposes
 25 set out in AS 16.43.010, the **department** [COMMISSION] shall

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

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

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

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

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

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

7 (7) issue entry permits to qualified applicants;

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

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

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

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

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

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

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

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

26 (16) establish reasonable user fees for services;

27 (17) [ISSUE LANDING PERMITS UNDER AS 16.05.675 AND
28 REGULATIONS ADOPTED UNDER THAT SECTION;

29 (18)] establish and collect annual fees for the issuance of landing
30 permits that reasonably reflect the costs incurred in the administration and
31 enforcement of provisions of law related to landing permits;

1 [(19) ESTABLISH A MORATORIUM ON ENTRY INTO
2 COMMERCIAL FISHERIES AS PROVIDED IN AS 16.43.225;] and

3 **(18)** [(20)] when requested by a regional development organization
4 formed under former AS 44.33.895, provide to the organization, without charge,
5 public information contained in the **department's** [COMMISSION'S] data with
6 respect to relevant fisheries, including limited fisheries, fishery participants, and
7 limited entry permit holders' harvests and earnings.

8 [(21) REPEALED.]

9 (b) The **department** [COMMISSION] may do all things necessary to the
10 exercise of **the commissioner's** [ITS] powers under this chapter, whether or not
11 specifically designated in this chapter.

12 * **Sec. 20.** AS 16.43.110 is repealed and reenacted to read:

13 **Sec. 16.43.110. Regulations and hearing procedures.** (a) The department
14 may adopt regulations, consistent with law, necessary or proper in the exercise of its
15 powers or for the performance of its duties under this chapter.

16 (b) The department shall adopt regulations, consistent with due process of law,
17 that govern practice and procedure and the conduct of all investigations, hearings, and
18 proceedings. Adjudicatory proceedings required under this chapter shall be conducted
19 by the office of administrative hearings (AS 44.64).

20 (c) The Alaska Rules of Evidence apply to investigations, hearings, and
21 proceedings before the department or the office of administrative hearings under this
22 chapter, except when the department determines that their application is not required
23 in order to ensure fair treatment of all parties and that the evidence is relevant and of
24 the sort on which responsible persons are accustomed to rely in the conduct of serious
25 matters.

26 (d) The department, the office of administrative hearings, or an employee
27 authorized by the department or the office of administrative hearings may administer
28 oaths, certify to all official acts, and issue subpoenas and other process to compel the
29 attendance of witnesses and the production of testimony, records, papers, accounts,
30 and documents in an inquiry, investigation, hearing, or proceeding before the
31 department under this chapter in any part of the state. The department or office of

1 administrative hearings may petition a court to enforce its subpoenas or other process
2 under this chapter.

3 (e) The department shall adopt regulations to provide for the correction of
4 administrative error under this chapter.

5 * **Sec. 21.** AS 16.43.120 is amended to read:

6 **Sec. 16.43.120. Application of Administrative Procedure Act.** (a) The
7 administrative adjudication procedures of AS 44.62 (Administrative Procedure Act)
8 do not apply to adjudicatory proceedings of the **office of administrative hearings**
9 **(AS 44.64) held under this chapter** [COMMISSION] except that final administrative
10 determinations by the **office of administrative hearings or the commissioner under**
11 **this chapter** [COMMISSION] are subject to judicial review as provided in
12 AS 44.62.560 - 44.62.570.

13 (b) AS 44.62.010 - 44.62.319 and 44.62.640 apply to regulations adopted by
14 the **department under this chapter** [COMMISSION].

15 * **Sec. 22.** AS 16.43.140(a) is amended to read:

16 (a) A person may not operate gear in the commercial taking of fishery
17 resources without a valid entry permit or a valid interim-use permit issued by the
18 **department** [COMMISSION].

19 * **Sec. 23.** AS 16.43.140(c) is amended to read:

20 (c) A person may hold more than one interim-use or entry permit issued or
21 transferred under this chapter only for the following purposes:

22 (1) fishing more than one type of gear;

23 (2) fishing in more than one administrative area;

24 (3) harvesting particular species for which separate interim-use or
25 entry permits are issued;

26 (4) if authorized by regulations **adopted by the department** [OF THE
27 COMMISSION], fishing an entire unit of gear in a fishery in which the **department**
28 [COMMISSION] has issued entry permits for less than a unit of gear under
29 AS 16.43.270(d); under this paragraph, a person may not hold more than two entry
30 permits for a fishery; however, the person may not

31 (A) fish more than one unit of gear in the fishery; or

1 (B) acquire a second entry permit for the fishery after the
 2 person has acquired an entry permit that authorizes the use of an entire unit of
 3 gear in the fishery;

4 (5) consolidation of the fishing fleet for a salmon fishery; however, a
 5 person may hold not more than two entry permits for a salmon fishery under this
 6 paragraph, but the person who holds two entry permits for a salmon fishery may not
 7 engage in fishing under the second entry permit.

8 * **Sec. 24.** AS 16.43.150(d) is amended to read:

9 (d) Failure to renew an entry permit for a period of two years from the year of
 10 last renewal results in a forfeiture of the entry permit to the **department**
 11 [COMMISSION], except as waived by the **department** [COMMISSION] for good
 12 cause. An entry permit may not be renewed until the fees for each preceding year
 13 during which the entry permit was not renewed are paid. However, failure to renew an
 14 entry permit in a year in which there is an administrative closure for the entire season
 15 for a specific fishery is good cause not to renew the entry permit. The **department**
 16 [COMMISSION] shall waive the payment of fees for that year.

17 * **Sec. 25.** AS 16.43.150(h) is amended to read:

18 (h) Unless an entry permit holder has expressed a contrary intent in a will that
 19 is probated, the **department** [COMMISSION] shall, upon the death of the permit
 20 holder, transfer the permanent permit by right of survivorship directly to the surviving
 21 spouse or, if no spouse survives, to a natural person designated by the permit holder on
 22 a form provided by the **department** [COMMISSION]. If no spouse survives and if the
 23 person designated on the form, if any, does not survive, the permit passes as part of the
 24 permit holder's estate. A designation under this subsection must be acknowledged
 25 before a person authorized to administer an oath under AS 09.63.010 or must be
 26 witnessed by two persons who are qualified under AS 13.12.505 to witness the will of
 27 the permit holder. Except as provided in AS 16.10.333 - 16.10.337, AS 44.81.215, and
 28 44.81.231 - 44.81.250, the permit is exempt from the claims of creditors of the estate.

29 * **Sec. 26.** AS 16.43.150(i) is amended to read:

30 (i) The holder of a transferable or nontransferable entry permit or of an
 31 interim-use permit may voluntarily relinquish the permit to the **department**

1 [COMMISSION].

2 * **Sec. 27.** AS 16.43.160(a) is amended to read:

3 (a) Except as specifically provided in this section, the **department**
4 [COMMISSION] shall establish annual fees for the issuance and annual renewal of
5 entry permits or interim-use permits.

6 * **Sec. 28.** AS 16.43.160(b) is amended to read:

7 (b) The **department** [COMMISSION] may charge interest at a rate not to
8 exceed the legal rate of interest established in AS 45.45.010 on fees more than 60 days
9 overdue.

10 * **Sec. 29.** AS 16.43.160(c) is amended to read:

11 (c) The annual base fee for issuance or renewal of an entry permit or an
12 interim-use permit may not be less than \$30 or more than \$3,000. The annual base fee
13 must reasonably reflect the different rates of economic return for different fisheries. In
14 addition to the annual base fee established by the **department** [COMMISSION] under
15 this subsection, a nonresident shall pay an annual nonresident surcharge for the
16 issuance or renewal of one or more entry permits or interim-use permits. The
17 **department** [COMMISSION] shall establish the annual nonresident surcharge by
18 regulation at an amount that is as close as is practicable to the maximum allowed by
19 law.

20 * **Sec. 30.** AS 16.43.170(a) is amended to read:

21 (a) Except as provided in AS 16.10.333 - 16.10.338 and in AS 44.81.231 -
22 44.81.250, entry permits and interim-use permits are transferable only through the
23 **department** [COMMISSION] as provided in this section and AS 16.43.180 and under
24 regulations adopted by the **department** [COMMISSION]. An involuntary transfer of
25 an entry permit in a manner inconsistent with the statutes of this state and the
26 regulations of the **department** [COMMISSION] is void.

27 * **Sec. 31.** AS 16.43.170(b) is amended to read:

28 (b) Except as provided in (e) of this section, the holder of an entry permit may
29 transfer the permit to another person or to the **department** [COMMISSION] upon 60
30 **days'** [DAYS] notice of intent to transfer under regulations adopted by the
31 **department. Not** [COMMISSION. NO] sooner than 60 days nor later than 12 months

1 from the date of notice to the **department** [COMMISSION], the holder of an entry
 2 permit may transfer the permit. If the proposed transferee, other than the **department**
 3 [COMMISSION], can demonstrate the present ability to participate actively in the
 4 fishery and the transfer does not violate any provision of this chapter or regulations
 5 adopted under this chapter, and if a certificate for the permit under AS 16.10.333(b)(1)
 6 - (2), 16.10.338, or AS 44.81.231(a) is not in effect, the **department** [COMMISSION]
 7 shall approve the transfer and reissue the entry permit to the transferee **if** [PROVIDED
 8 THAT] neither party is prohibited by law from participating in the transfer.

9 * **Sec. 32.** AS 16.43.170(g) is amended to read:

10 (g) A person may request the **department** [COMMISSION] to transfer an
 11 entry permit due to an execution on a permit holder's interest in that permit if the
 12 execution is to enforce a lien recorded with the **department** [COMMISSION] under
 13 AS 25.27.230(c). The request shall be made in the form and manner provided in this
 14 chapter and regulations adopted under this chapter. The **department** [COMMISSION]
 15 may deny a request for transfer of an entry permit due to an execution of a holder's
 16 interest in that permit if

17 (1) the execution does not comply with legal requirements or otherwise
 18 is not valid;

19 (2) the transfer violates this chapter or regulations adopted under this
 20 chapter;

21 (3) the proposed transferee or other party to the transfer is prohibited
 22 by law from participating in the transaction;

23 (4) a certificate for the permit under AS 16.10.333(b)(1) - (2),
 24 16.10.338, or AS 44.81.231(a) is in effect at the time of the proposed transfer;

25 (5) the proposed transferee of the entry permit, other than the
 26 **department** [COMMISSION], cannot demonstrate the present ability to actively
 27 participate in the fishery; or

28 (6) the holder of the entry permit as shown by the records of the
 29 **department** [COMMISSION] demonstrates, under regulations adopted by the
 30 **department** [COMMISSION], that the entry permit is a necessary means of support
 31 for the holder and those dependent **on** [UPON] the holder.

1 * **Sec. 33.** AS 16.43.170(h) is amended to read:

2 (h) Notwithstanding (g) of this section, the **department** [COMMISSION]
3 may not approve a request for transfer of an entry permit after an execution sale unless
4 the parties to the transfer offer the **department** [COMMISSION] a right to purchase
5 the permit at the same price and on the same terms as those of that execution sale. If
6 the **department** [COMMISSION] exercises its right to purchase the permit, the permit
7 then shall be transferred to the **department** [COMMISSION].

8 * **Sec. 34.** AS 16.43.180 is amended to read:

9 **Sec. 16.43.180. Emergency transfers.** (a) The **department** [COMMISSION]
10 shall adopt regulations providing for the temporary emergency transfer of entry
11 permits and interim-use permits when illness, disability, death, required military or
12 government service, or other unavoidable hardship prevents the permit holder from
13 participating in the fishery. To alleviate hardship pending a final determination of the
14 permit holder's eligibility for an entry permit, the **department** [COMMISSION] shall
15 adopt regulations providing for the temporary emergency transfer of an interim-use
16 permit issued under AS 16.43.210(b) or 16.43.225.

17 (b) The **department** [COMMISSION] shall adopt regulations providing for
18 the temporary transfer of an entry permit upon the death of the permittee pending final
19 disposition of the permit as a part of the permittee's estate.

20 * **Sec. 35.** AS 16.43.200 is amended to read:

21 **Sec. 16.43.200. Administrative areas.** (a) The **department** [COMMISSION]
22 shall establish administrative areas suitable for regulating and controlling entry into
23 the commercial fisheries. The **department** [COMMISSION] shall make the
24 administrative areas reasonably compatible with the geographic areas for which
25 specific commercial fishing regulations are adopted by the Board of Fisheries.

26 (b) The **department** [COMMISSION] may modify or change the boundaries
27 of administrative areas when necessary and consistent with the purposes of this
28 chapter.

29 * **Sec. 36.** AS 16.43.210(a) is amended to read:

30 (a) For each fishery that is not subject to a maximum number of entry permits
31 under AS 16.43.240 and not subject to a moratorium under AS 16.43.225, the

1 **department** [COMMISSION] shall issue interim-use permits under regulations
 2 adopted by the **department** [COMMISSION] to all applicants who can establish their
 3 present ability to participate actively in the fishery for which they are making
 4 application.

5 * **Sec. 37.** AS 16.43.210(b) is amended to read:

6 (b) Before the issuance of the maximum number of entry permits for a given
 7 fishery, the **department** [COMMISSION] may issue an interim-use permit to an
 8 applicant who may later become eligible for an entry permit under AS 16.43.270.

9 * **Sec. 38.** AS 16.43.210(c) is amended to read:

10 (c) **The** [TO THE EXTENT THAT THE] commissioner [OF FISH AND
 11 GAME AUTHORIZES IT UNDER AS 16.05.050(a)(9), THE COMMISSION] may
 12 grant an interim-use permit **under AS 16.05.050(a)(9)** to a person to engage in the
 13 commercial taking from a fishery on an experimental basis.

14 * **Sec. 39.** AS 16.43.220(a) is amended to read:

15 (a) The **department** [COMMISSION] shall adopt regulations specifying the
 16 dates and places of application, the procedures to be followed in renewal of the
 17 interim-use permit including the time, place of its renewal, and for any other purpose
 18 incident to the administration of interim-use permits for that fishery. An interim-use
 19 permit shall expire upon the final determination of the holder's eligibility for an entry
 20 permit.

21 * **Sec. 40.** AS 16.43.225 is amended to read:

22 **Sec. 16.43.225. Moratorium on new entrants into certain fisheries.** (a)
 23 Subject to (b) of this section, the **department** [COMMISSION] may establish a
 24 moratorium on new entrants into a fishery

25 (1) that has experienced recent increases in fishing effort that are
 26 beyond a low, sporadic level of effort;

27 (2) that has achieved a level of harvest that may be approaching or
 28 exceeding the maximum sustainable level for the fishery; and

29 (3) for which there is insufficient biological and resource management
 30 information necessary to promote the conservation and sustained yield management of
 31 the fishery.

1 (b) The **department** [COMMISSION] may establish a moratorium on new
2 entrants into a fishery described in (a) of this section if

3 (1) the commissioner [OF FISH AND GAME], subject to
4 AS 16.05.251(g), **imposes** [PETITIONS THE COMMISSION UNDER AS 44.62.220
5 TO ESTABLISH] a moratorium on new entrants into the fishery; and

6 (2) the **department** [COMMISSION] finds that

7 (A) the fishery has reached a level of participation that may
8 threaten the conservation and the sustained yield management of the fishery
9 resource and the economic health and stability of commercial fishing; and

10 (B) the **department** [COMMISSION] has insufficient
11 information to conclude that the establishment of a maximum number of entry
12 permits under AS 16.43.240 would further the purposes of this chapter.

13 (c) The **department** [COMMISSION] may establish a moratorium under this
14 section for a continuous period of up to four years. A fishery that has been subject to a
15 moratorium under this section may not be subjected to a subsequent moratorium under
16 this section unless five years have elapsed since the previous moratorium expired.

17 (d) While a moratorium is in effect, the **department** [COMMISSION] shall
18 conduct investigations to determine whether a maximum number of entry permits
19 should be established under AS 16.43.240 by

20 (1) conducting research into conditions in the fishery;

21 (2) consulting with the [DEPARTMENT OF FISH AND GAME AND
22 THE] Board of Fisheries; and

23 (3) consulting with participants in the fishery.

24 (e) The **department** [COMMISSION] shall establish by regulation the
25 qualifications for applicants for an interim-use permit for a fishery subject to a
26 moratorium under this section. The qualifications must include the minimum
27 requirements for past or present participation and harvest in the fishery. The
28 **department** [COMMISSION] may not issue an interim-use permit for a fishery
29 subject to a moratorium under this section unless the applicant can satisfy the
30 qualifications established under this subsection and establish the present ability and
31 intent to participate actively in the fishery.

1 * **Sec. 41.** AS 16.43.227(a) is amended to read:

2 (a) The **department** [COMMISSION] may establish a moratorium on new
3 entrants into the southeast Alaska Dungeness crab fishery for a continuous period of
4 up to four years without complying with AS 16.43.225(a) - (c). While the moratorium
5 is in effect, the **department** [COMMISSION] shall

6 (1) conduct the investigation required under AS 16.43.225(d);

7 (2) establish by regulation the qualifications for an interim-use permit
8 for the fishery, including minimum requirements for past or present participation and
9 harvest in the fishery; and

10 (3) issue interim-use permits for the fishery to applicants who satisfy
11 the qualifications established under (2) of this subsection and who establish the
12 present ability and intent to participate actively in the fishery.

13 * **Sec. 42.** AS 16.43.228(g) is amended to read:

14 (g) The **department** [COMMISSION] may not consider participation in a
15 fishery, subject to a moratorium on entry under this section, that occurs during the
16 period of the moratorium in determining eligibility for an entry permit that may be
17 issued for the fishery after termination of the moratorium.

18 * **Sec. 43.** AS 16.43.230 is amended to read:

19 **Sec. 16.43.230. Designation of distressed fisheries.** Pending the
20 determination of maximum numbers of entry permits under AS 16.43.240 and before
21 the initial issue of entry permits under AS 16.43.270, the **department**
22 [COMMISSION] shall designate as distressed fisheries those for which it estimates
23 that the optimum number of entry permits will be less than the highest number of units
24 of gear fished in that fishery during any one of the four years immediately preceding
25 January 1, 1973.

26 * **Sec. 44.** AS 16.43.240(b) is amended to read:

27 (b) When the **department** [COMMISSION] finds that a fishery, not
28 designated as a distressed fishery under AS 16.43.230 or not subject to a moratorium
29 under AS 16.43.225, has reached levels of participation that require the limitation of
30 entry under AS 16.43.140 - 16.43.330 in order to achieve the purposes of this chapter,
31 the **department** [COMMISSION] shall establish the maximum number of entry

1 permits for that fishery.

2 * **Sec. 45.** AS 16.43.240(c) is amended to read:

3 (c) When the **department** [COMMISSION] finds that a fishery subject to a
4 moratorium under AS 16.43.225 has reached levels of participation that require the
5 limitation of entry under AS 16.43.140 - 16.43.330 in order to achieve the purposes of
6 this chapter, the **department** [COMMISSION] shall establish the maximum number
7 of entry permits for that fishery.

8 * **Sec. 46.** AS 16.43.250 is amended to read:

9 **Sec. 16.43.250. Standards for initial issue of entry permits.** (a) Following
10 the establishment of the maximum number of units of gear for a particular fishery
11 under AS 16.43.240, the **department** [COMMISSION] shall adopt regulations
12 establishing qualifications for ranking applicants for entry permits according to the
13 degree of hardship that they would suffer by exclusion from the fishery. The
14 regulations shall define priority classifications of similarly situated applicants based
15 **on** [UPON] a reasonable balance of the following hardship standards:

16 (1) degree of economic dependence **on** [UPON] the fishery, including,
17 when reasonable for the fishery, the percentage of income derived from the fishery,
18 reliance on alternative occupations, availability of alternative occupations, **and**
19 investment in vessels and gear;

20 (2) extent of past participation in the fishery, including, when
21 reasonable for the fishery, the number of years of participation in the fishery, and the
22 consistency of participation during each year.

23 (b) The **department** [COMMISSION] shall designate in the regulations those
24 priority classifications of applicants who would suffer significant economic hardship
25 by exclusion from the fishery.

26 (c) The **department** [COMMISSION] shall designate in the regulations those
27 priority classifications of applicants who would suffer only minor economic hardship
28 by exclusion from the fishery.

29 (d) If an individual eligible to apply under AS 16.43.260(a) has applied during
30 application periods established under AS 16.43.260(b) for two or more entry permits
31 under AS 16.43.260(d) or (e) for the same specific fishery resource and the same

1 specific type of gear in different administrative areas, but has failed to qualify for an
2 entry permit for that type of fishery resource and gear, the individual's cumulative
3 qualifications may be credited to the fishery for which the individual is most qualified.
4 The **department** [COMMISSION] shall issue an entry permit to the individual for the
5 fishery if the individual's cumulative qualifications result in placing the individual in a
6 category designated in (b) of this section. The qualifications credited to a fishery under
7 this subsection may not be considered for the purpose of ranking the applicant under
8 (a)-(c) of this section for any other fishery. The **department** [COMMISSION] may
9 not revoke any permit previously issued notwithstanding the issuance of permits in
10 excess of the maximum number established under AS 16.43.230 - 16.43.240 as a
11 result of this subsection. In this subsection, "fishery" includes all salmon fisheries of
12 the state for which a maximum number of entry permits has been established by the
13 **department** [COMMISSION] under AS 16.43.240(b).

14 (e) If the cumulative qualifications of an individual under (d) of this section
15 include points granted by the **department** [COMMISSION] under (a) of this section
16 for more than one fishery and the number of points required to place an applicant in
17 the priority classification under (b) of this section is not the same for each of the
18 fisheries, the **department** [COMMISSION] shall obtain a quotient for the individual
19 by dividing the number of points the individual has been granted for each fishery by
20 the number of points needed to place an applicant in a priority classification under (b)
21 of this section for that fishery. If the sum of the quotients obtained under this
22 subsection equals or exceeds 1.00, the individual is entitled to a permit under (d) of
23 this section.

24 * **Sec. 47.** AS 16.43.260(a) is amended to read:

25 (a) The **department** [COMMISSION] shall accept applications for entry
26 permits only from applicants who have harvested fishery resources commercially
27 while participating in the fishery as holders of gear licenses issued under former
28 AS 16.05.536 - 16.05.670 or interim-use permits under AS 16.43.210(a) or 16.43.225
29 before the qualification date established in (d), (e), or (f) of this section. The
30 **department** [COMMISSION] may specify by regulation the calendar years of
31 participation that will be considered for eligibility purposes.

1 * **Sec. 48.** AS 16.43.260(b) is amended to read:

2 (b) The **department** [COMMISSION] shall establish the opening and closing
3 dates, places, and form of application for entry permits for each fishery. The
4 **department** [COMMISSION] may require the submission of specific verified
5 evidence establishing the applicant's qualifications under the regulations adopted
6 under AS 16.43.250.

7 * **Sec. 49.** AS 16.43.260(c) is amended to read:

8 (c) When an applicant is unable to establish qualifications for an entry permit
9 by submitting the specific verified evidence required in the application by the
10 **department** [COMMISSION], the applicant may request and obtain an administrative
11 adjudication of the application according to the procedures established in
12 AS 16.43.110(b). At the hearing the applicant may present alternative evidence of
13 qualifications for an entry permit.

14 * **Sec. 50.** AS 16.43.260(e) is amended to read:

15 (e) Except as provided in (f) of this section, when the **department**
16 [COMMISSION] establishes the maximum number of entry permits for a particular
17 fishery under AS 16.43.240 [AFTER JANUARY 1, 1975], an applicant shall be
18 assigned to a priority classification based solely **on** [UPON] the applicant's
19 qualifications as of January 1 of the year during which the **department**
20 [COMMISSION] establishes the maximum number of entry permits for the fishery for
21 which application is made.

22 * **Sec. 51.** AS 16.43.260(f) is amended to read:

23 (f) When the **department** [COMMISSION] establishes the maximum number
24 of entry permits under AS 16.43.240 for a fishery that is subject to a moratorium under
25 AS 16.43.225, an applicant for an entry permit for the fishery shall be assigned to a
26 priority classification based solely **on** [UPON] the applicant's qualifications as of the
27 effective date of the statute or regulation establishing the moratorium.

28 * **Sec. 52.** AS 16.43.270(a) is amended to read:

29 (a) The **department** [COMMISSION] shall issue entry permits, for each
30 fishery, first to all qualified applicants in the priority classifications designated under
31 AS 16.43.250(b) and then to qualified applicants in order of descending priority

1 classification, until the number of entry permits issued equals the maximum number of
2 entry permits established under AS 16.43.230 and 16.43.240 for each fishery, except
3 that a person within a priority classification specified under AS 16.43.250(b) may not
4 be denied an entry permit.

5 * **Sec. 53.** AS 16.43.270(b) is amended to read:

6 (b) If, within the lowest priority classification of qualified applicants to which
7 some entry permits may be issued, there are more applicants than there are entry
8 permits to be issued, then the allocation of entry permits within that priority
9 classification shall be by lottery. However, the **department** [COMMISSION] shall
10 issue entry permits to all qualified applicants in that priority classification if the total
11 number of permits issued for the fishery does not exceed the maximum number of
12 entry permits established under AS 16.43.240 for that fishery by more than five
13 percent or 10 permits, whichever is greater.

14 * **Sec. 54.** AS 16.43.270(d) is amended to read:

15 (d) The **department** [COMMISSION] may restrict the fishing capacity
16 employed under an entry permit if, before the initial issuance of entry permits for a
17 fishery, the **department** [COMMISSION] determines that the fishing capacity in the
18 fishery must be limited to achieve the purposes of this chapter, establishes criteria for
19 determining the fishing capacity that is allowed under an entry permit, and establishes
20 how fishing capacity will be measured. The maximum fishing capacity allowed under
21 an entry permit must be based **on** [UPON] past participation in the fishery by the
22 initial recipient of the entry permit during a period, specified by the **department**
23 [COMMISSION], preceding the qualification date established under AS 16.43.260.
24 The **department** [COMMISSION] may define fishing capacity in terms of quantity of
25 fishing gear, a proportion of the maximum amount of gear that can be utilized in the
26 fishery under regulations of the Board of Fisheries, fishing vessel size or other
27 characteristics, or other factors determined by the **department** [COMMISSION] to
28 affect the amount of fishing effort in the fishery. The recipient or transferee of an entry
29 permit issued subject to this subsection may not exceed the fishing capacity allowed
30 under the entry permit.

31 * **Sec. 55.** AS 16.43.290 is amended to read:

1 **Sec. 16.43.290. Optimum number of entry permits.** Following the issuance
 2 of entry permits under AS 16.43.270, the **department** [COMMISSION] shall
 3 establish the optimum number of entry permits for each fishery based **on** [UPON] a
 4 reasonable balance of the following general standards:

5 (1) the number of entry permits sufficient to maintain an economically
 6 healthy fishery that will result in a reasonable average rate of economic return to the
 7 fishermen participating in that fishery, considering time fished and necessary
 8 investments in vessels and gear;

9 (2) the number of entry permits necessary to harvest the allowable
 10 commercial take of the fishery resource during all years in an orderly, efficient
 11 manner, and consistent with sound fishery management techniques;

12 (3) the number of entry permits sufficient to avoid serious economic
 13 hardship to those currently engaged in the fishery, considering other economic
 14 opportunities reasonably available to them.

15 * **Sec. 56.** AS 16.43.300 is amended to read:

16 **Sec. 16.43.300. Revisions of optimum number of entry permits.** (a) The
 17 **department** [COMMISSION] may increase or decrease the optimum number of entry
 18 permits for a fishery when one or more of the following conditions makes a change
 19 desirable considering the purposes of this chapter:

20 (1) an established long-term change in the biological condition of the
 21 fishery has occurred that substantially alters the optimum number of entry permits
 22 permissible applying the standards set out in AS 16.43.290;

23 (2) an established long-term change in market conditions has occurred,
 24 directly affecting the fishery, that substantially alters the optimum number of entry
 25 permits permissible under the standards set out in AS 16.43.290.

26 (b) If the **department** [COMMISSION] decreases the optimum number of
 27 entry permits for a fishery, the number of entry permits may be reduced only under the
 28 voluntary buy-back provisions set out in AS 16.43.310 and 16.43.320.

29 * **Sec. 57.** AS 16.43.310 is amended to read:

30 **Sec. 16.43.310. Establishment of buy-back funds and permit buy-back**
 31 **assessments.** (a) When the optimum number of entry permits is less than the number

1 of entry permits outstanding in a fishery, the department [COMMISSION] may
 2 establish a buy-back program, a buy-back plan, and a buy-back fund for that fishery.

3 (b) The department [COMMISSION] may establish by regulation a permit
 4 buy-back assessment for each fishery for which the department [COMMISSION] has
 5 established a buy-back fund under (a) of this section. The amount of the assessment
 6 may not exceed seven percent of the value, as defined in AS 43.75.290, of fish that a
 7 permit holder in the fishery subject to the assessment removes from the state or
 8 transfers to a buyer in the state. The Department of Revenue shall collect an
 9 assessment established under this subsection.

10 (c) The department [COMMISSION] shall expend money appropriated to a
 11 buy-back fund for the purpose of reducing the number of entry permits in the fishery
 12 to the optimum number, at a rate to be established by the department
 13 [COMMISSION]. The legislature may appropriate interest accrued on the money in a
 14 buy-back fund to that fund. Except as provided in AS 16.43.320, money appropriated
 15 to a buy-back fund does not lapse.

16 * **Sec. 58.** AS 16.43.320 is amended to read:

17 **Sec. 16.43.320. Administration of the buy-back program.** The department
 18 [COMMISSION] shall adopt regulations providing for the purchase of transferable
 19 entry permits with money in the buy-back fund for each fishery. The department
 20 [COMMISSION] shall cease purchases of entry permits in a fishery when the number
 21 of entry permits in the fishery has been reduced to the optimum number. The
 22 department [COMMISSION] shall terminate a buy-back assessment established for a
 23 fishery under AS 16.43.310(b) when the department [COMMISSION] determines
 24 that the amount of revenue collected through the assessment is sufficient to purchase
 25 the number of entry permits necessary to achieve the optimum number of entry
 26 permits in the fishery and to offset the reasonable costs of the buy-back program for
 27 the fishery, including repayment of any debt the department [COMMISSION] was
 28 authorized to incur to capitalize the buy-back fund for the fishery. The unexpended
 29 balance of appropriations made to a buy-back fund for a fishery shall lapse back into
 30 the fund from which the money was appropriated at the end of the fiscal year in which
 31 the buy-back program is terminated.

1 * **Sec. 59.** AS 16.43.330(a) is amended to read:

2 (a) When the number of outstanding entry permits for a fishery is less than the
3 optimum number established under AS 16.43.290, the **department** [COMMISSION]
4 shall issue new entry permits to applicants who are presently able to engage actively in
5 the fishery until the optimum number is reached.

6 * **Sec. 60.** AS 16.43.330(b) is amended to read:

7 (b) The **department** [COMMISSION] shall determine equitable methods of
8 issuance, as appropriate, under (a) of this section that assure the receipt of fair market
9 value for the permits issued.

10 * **Sec. 61.** AS 16.43.340(a) is amended to read:

11 (a) In addition to entry permits and interim-use permits, the **department**
12 [COMMISSION] may issue educational entry permits to public, private, or
13 denominational educational institutions accredited by the Department of Education
14 and Early Development or accredited institutions, career, or vocational programs
15 approved by the Alaska Commission on Postsecondary Education, or full-time
16 nonprofit residential child care facilities licensed by the Department of Health,
17 division of social services, if

18 (1) the program is offered to students at the junior high school level or
19 above;

20 (2) the issuance of an educational entry permit is reasonably necessary
21 to the instruction of students under courses offered by the applicant for the educational
22 entry permit;

23 (3) the program is offered by an institution that is located in the state
24 and has been in operation for at least two years; and

25 (4) the institution offering the program is not a correspondence
26 institution.

27 * **Sec. 62.** AS 16.43.340(c) is amended to read:

28 (c) The **department** [COMMISSION] may issue educational entry permits
29 notwithstanding the establishment of maximum or optimum numbers under
30 AS 16.43.240 and 16.43.290.

31 * **Sec. 63.** AS 16.43.351(b) is amended to read:

1 (b) A recipient may be issued an educational entry permit valid for designated
 2 fisheries in the administrative area the **department** [COMMISSION] determines to be
 3 appropriate, considering the nature of the educational program and the location of the
 4 educational or vocational institution. The recipient of an educational entry permit may
 5 not be issued an educational entry permit in more than one administrative area except
 6 as issued by the **department** [COMMISSION] in its discretion upon good cause
 7 shown.

8 * **Sec. 64.** AS 16.43.351(d) is amended to read:

9 (d) Annual fees for educational entry permits shall be as specified by
 10 **department** [COMMISSION] regulation under the authority of AS 16.43.160.

11 * **Sec. 65.** AS 16.43.371 is amended to read:

12 **Sec. 16.43.371. Accounting of harvest.** The recipient of an educational entry
 13 permit shall report to the **department** [COMMISSION] costs and earnings, amount of
 14 harvest, and other information the **department** [COMMISSION] requires to monitor
 15 training programs of recipients of educational entry permits.

16 * **Sec. 66.** AS 16.43.381(b) is amended to read:

17 (b) The **department** [COMMISSION] shall adopt regulations relating to the
 18 issuance of educational entry permits, establishing eligibility criteria for recipients of
 19 the permits, and [SUCH] other matters as are reasonably necessary to implement
 20 AS 16.43.340 - 16.43.390.

21 * **Sec. 67.** AS 16.43.400 is amended to read:

22 **Sec. 16.43.400. Special harvest area entry permits.** (a) In addition to entry
 23 permits, interim-use permits, and educational permits, the **department**
 24 [COMMISSION] may issue special harvest area entry permits to

25 (1) holders of private, nonprofit hatchery permits issued [BY THE
 26 DEPARTMENT OF FISH AND GAME] under AS 16.10.400 - 16.10.475 for salmon;
 27 and

28 (2) nonprofit organizations holding a permit under AS 16.12 for a
 29 shellfish enhancement project.

30 (b) The **department** [COMMISSION] may issue special harvest area entry
 31 permits notwithstanding the establishment of maximum or optimum numbers under

1 AS 16.43.240 and 16.43.290.

2 * **Sec. 68.** AS 16.43.410(b) is amended to read:

3 (b) A special harvest area entry permit may only be issued for the applicable
4 area designated by the **department** [DEPARTMENT OF FISH AND GAME] as a
5 special harvest area.

6 * **Sec. 69.** AS 16.43.410(c) is amended to read:

7 (c) The annual fee for a special harvest area entry permit shall be specified by
8 **department** [COMMISSION] regulation under the authority of AS 16.43.160.

9 * **Sec. 70.** AS 16.43.440(b) is amended to read:

10 (b) The **department** [COMMISSION, AFTER CONSULTATION WITH
11 THE DEPARTMENT OF FISH AND GAME,] shall adopt regulations that are
12 reasonably necessary to implement AS 16.43.400 - 16.43.440.

13 * **Sec. 71.** AS 16.43.850(a) is amended to read:

14 (a) For the purpose of identifying frequent violators of commercial fishing
15 laws in salmon fisheries, the **department** [COMMISSION] shall adopt regulations
16 establishing a uniform system for the suspension of commercial salmon fishing
17 privileges by assigning demerit points for convictions for violations of commercial
18 fishing laws in salmon fisheries that are reported to the **department** [COMMISSION]
19 under AS 16.43.880. The **department** [COMMISSION] shall assess demerit points
20 against a permit holder for each violation of commercial fishing laws in a salmon
21 fishery in accordance with (b) and (c) of this section. The **department**
22 [COMMISSION] shall assess points against a permit holder for the salmon fishery in
23 which the violation of commercial fishing laws occurred.

24 * **Sec. 72.** AS 16.43.850(b) is amended to read:

25 (b) The **department** [COMMISSION] shall assess demerit points against a
26 permit holder for a conviction of a violation of commercial fishing laws in a salmon
27 fishery under AS 16.05.722, 16.05.723, 16.05.831; AS 16.10.055, 16.10.070 -
28 16.10.090, 16.10.100, 16.10.110, 16.10.120, 16.10.200 - 16.10.220, and 16.10.760 -
29 16.10.790 for the following violations in accordance with this schedule:

30 (1) fishing in closed waters 6 points;

31 (2) fishing during closed season or period 6 points;

- 1 (3) fishing with more than the legal amount of gear 4 points;
 2 (4) fishing with gear not allowed in fishery 6 points;
 3 (5) fishing before expiration of transfer period 6 points;
 4 (6) interfering with commercial fishing gear 4 points;
 5 (7) fishing with more than the legal amount of gear on vessel 4 points;
 6 (8) improper operation of fishing gear 4 points;
 7 (9) permit holder not present when required 4 points;
 8 (10) fishing with underlength or overlength vessel 6 points;
 9 (11) wanton waste of fishery resources 4 points.

10 * **Sec. 73.** AS 16.43.850(d) is amended to read:

11 (d) The **department** [COMMISSION] shall suspend a permit holder's
 12 commercial salmon fishing privileges for a salmon fishery for a period of

13 (1) one year if the permit holder accumulates 12 or more points during
 14 any consecutive 36-month period as a result of convictions for violations of
 15 commercial fishing laws in the salmon fishery;

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

19 (3) three years if the permit holder accumulates 18 or more points
 20 during any consecutive 36-month period as a result of convictions for violations of
 21 commercial fishing laws in the salmon fishery.

22 * **Sec. 74.** AS 16.43.855(c) is amended to read:

23 (c) The assessment of points against a permit holder by the **department**
 24 [COMMISSION] under AS 16.43.850 - 16.43.895 is in addition to, and not in
 25 substitution for, other provisions of this title and is not a substitute for any penalty
 26 imposed by a court.

27 * **Sec. 75.** AS 16.43.855(d) is amended to read:

28 (d) If points are assessed against a permit holder who holds a commercial
 29 fishing permit for a salmon fishery under an emergency transfer approved by the
 30 **department** [COMMISSION] under AS 16.43.180, the same number of points shall
 31 also be assessed against the transferor of the permit. Points assessed against the

1 transferor of the permit under this subsection shall be included in calculations made
2 under AS 16.43.850(d).

3 * **Sec. 76.** AS 16.43.860(a) is amended to read:

4 (a) A permit holder whose commercial salmon fishing privileges for a salmon
5 fishery are suspended under AS 16.43.850 - 16.43.895 may not obtain an entry permit
6 or interim-use permit for that salmon fishery during the period of the suspension of the
7 privileges. During the period for which the permit holder's privilege to obtain an entry
8 permit or interim-use permit for a salmon fishery is suspended under this section, the
9 **department** [COMMISSION] may not issue a permit card to the permit holder for
10 that fishery.

11 * **Sec. 77.** AS 16.43.860(c) is amended to read:

12 (c) If, during the period for which a permit holder's commercial fishing
13 privileges for a salmon fishery are suspended, the **department** [COMMISSION]
14 establishes a limited entry system for the salmon fishery, the permit holder shall be
15 eligible to obtain an entry permit for that fishery to the extent that the permit holder
16 qualifies for the entry permit under regulations adopted by the **department**
17 [COMMISSION]. If the permit holder qualifies for an entry permit for the fishery, the
18 **department** [COMMISSION] shall withhold issuance of the entry permit until the
19 period of the suspension imposed under AS 16.43.850 - 16.43.895 has expired.

20 * **Sec. 78.** AS 16.43.860(d) is amended to read:

21 (d) The **department** [COMMISSION] may not transfer a commercial fishing
22 permit for a salmon fishery under an emergency transfer under AS 16.43.180 if, at the
23 time of the application for the emergency transfer, the permit holder's commercial
24 salmon fishing privileges for the salmon fishery have been suspended.

25 * **Sec. 79.** AS 16.43.870 is amended to read:

26 **Sec. 16.43.870. Notice and appeal.** The **department** [COMMISSION] shall
27 provide notice of determinations of the **department** [COMMISSION] under
28 AS 16.43.850 - 16.43.895. Respondents may request a hearing under regulations
29 adopted by the **department** [COMMISSION] under AS 16.43.110.

30 * **Sec. 80.** AS 16.43.880(a) is amended to read:

31 (a) A court that convicts a person of a violation of commercial fishing laws

1 under this title or under a regulation adopted under this title in a salmon fishery shall
2 forward a record of the conviction to the **department** [COMMISSION] on a weekly
3 basis.

4 * **Sec. 81.** AS 16.43.955 is amended to read:

5 **Sec. 16.43.955. Hearings in proximity to Board of Fisheries meetings.**

6 When practicable, a **department** [COMMISSION] hearing that deals with the subject
7 of limiting entry to a fishery shall be held on the same dates on which, and in the same
8 building or in a building adjacent to the building in which, a Board of Fisheries
9 meeting is being held.

10 * **Sec. 82.** AS 16.43.960(a) is amended to read:

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

24 * **Sec. 83.** AS 16.43.960(b) is amended to read:

25 (b) The **department** [COMMISSION] shall serve the respondent personally
26 or by certified or registered mail with a notice to show cause why the proposed action
27 should not take place. The notice to show cause must

28 (1) be supported by an affidavit, which may be made on information or
29 belief, setting out the facts that are the basis of the proposed actions;

30 (2) provide for a least 30 days' notice of the place, date, and time of the
31 hearing where the respondent may present evidence in opposition to the proposed

1 action; unless waived in writing by the respondent, the hearing shall be held within the
 2 judicial district in which the respondent resides if the respondent resides in the state;
 3 the hearing place shall be at the discretion of the **department** [COMMISSION] for
 4 those respondents residing outside the state;

5 (3) specify the statutes or regulations violated;

6 (4) state with particularity the action proposed to be taken;

7 (5) indicate to the respondent that the respondent's ability to
 8 permanently transfer the permits that are the subject of the show cause proceedings
 9 has been suspended as of the date of the notice and will continue to be suspended until
 10 the exhaustion of all administrative and judicial remedies; and

11 (6) provide other information the **department** [COMMISSION]
 12 considers proper.

13 * **Sec. 84.** AS 16.43.960(d) is amended to read:

14 (d) A [EXCEPT WHEN THERE IS A VACANCY AS PROVIDED IN
 15 AS 16.43.030(c), THE] show cause hearing shall be [CONDUCTED BEFORE A
 16 QUORUM OF COMMISSIONERS AND SHALL BE] presided over by a hearing
 17 officer appointed by the **office of administrative hearings** [COMMISSION] who
 18 shall rule on the presentation of evidence and other procedural matters. Hearings shall
 19 be conducted in accordance with regulations adopted under AS 16.43.110(b).

20 * **Sec. 85.** AS 16.43.960(e) is amended to read:

21 (e) The failure of a respondent properly served under (b) of this section to
 22 appear at the hearing is not grounds for setting aside any [COMMISSION] action
 23 taken **by the office of administrative hearings**. However, the **office of**
 24 **administrative hearings** [COMMISSION] may in its discretion order a continuance
 25 or second hearing.

26 * **Sec. 86.** AS 16.43.960(g) is amended to read:

27 (g) The provisions of this section [APPLY TO CONDUCT OCCURRING
 28 AFTER JANUARY 1, 1973, BUT] do not affect a permit held by a person who is a
 29 bona fide purchaser. Failure to correct false information is a continuing offense.

30 * **Sec. 87.** AS 16.43.960(h) is amended to read:

31 (h) Judicial review of [COMMISSION] determinations **made by the**

1 **department** under this section is in accordance with AS 44.62.560 - 44.62.570;
2 however, if a hearing de novo is granted under AS 44.62.570(d), the hearing may, in
3 the discretion of the court, be had with a jury sitting if application for the jury hearing
4 is filed with the court **not** [NO] later than 10 days after service of the notice of appeal.

5 * **Sec. 88.** AS 16.43.960(i) is amended to read:

6 (i) An entry permit revoked by the **department** [COMMISSION] under this
7 section that is pledged as security for a loan under AS 16.10.333 or AS 44.81.231 shall
8 be reassigned or sold as provided in AS 16.10.337 or AS 44.81.250.

9 * **Sec. 89.** AS 16.43.960(j) is amended to read:

10 (j) The **department** [COMMISSION] shall immediately cancel a limited
11 entry permit card issued to a debtor under a loan made under AS 16.10.300 -
12 16.10.370 when the **department** [COMMISSION] receives a certificate of loan
13 termination containing a copy of the

14 (1) notice required by AS 16.10.335(a); or

15 (2) notice that, if the debtor has filed bankruptcy, the automatic stay
16 issued is no longer in effect and the debtor has not reaffirmed the debt.

17 * **Sec. 90.** AS 16.43.970(a) is amended to read:

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

29 * **Sec. 91.** AS 16.43.970(b) is amended to read:

30 (b) A person who knowingly makes a false statement to the **department**
31 [COMMISSION] for the purpose of obtaining a benefit, including the issuance,

1 renewal, duplication, or transfer of an entry or interim-use permit or vessel license or a
2 person who assists another by knowingly making a false statement to the **department**
3 [COMMISSION] for the purpose of obtaining a benefit for another, is guilty of the
4 crime of unsworn falsification in the second degree as set out in AS 11.56.210. Upon
5 conviction, the person is also subject to suspension of commercial fishing privileges
6 and revocation of commercial fishing permits under (i) of this section.

7 * **Sec. 92.** AS 16.43.970(e) is amended to read:

8 (e) Notwithstanding any other provision of this section, an interim-use or entry
9 permit may not be transferred while under suspension, without the consent of the
10 **department** [COMMISSION].

11 * **Sec. 93.** AS 16.43.970(i) is amended to read:

12 (i) Upon the conviction of a person for an offense described under (a), (b), or
13 (g) of this section, the court shall immediately notify the **department**
14 [COMMISSION] of the conviction. The notice provided by the court shall be
15 accompanied by an order suspending commercial fishing privileges and revoking
16 commercial fishing permits under (a) of this section, as appropriate. The **department**
17 [COMMISSION] shall, upon receipt of

18 (1) an order from the court under (a) of this section, suspend the
19 commercial fishing privileges of a person for the period set by the court and revoke
20 commercial fishing permits held by the person as directed by the court;

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

25 (3) a notice from the court that a person has been convicted of a
26 violation described under (b) of this section, suspend all commercial fishing privileges
27 of the person for a period of three years from the date of conviction and revoke all
28 commercial fishing permits held by the person;

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

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

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

7 * **Sec. 94.** AS 16.43.975 is amended to read:

8 **Sec. 16.43.975. Public disclosure of certain documents prohibited.**

9 Documents submitted to the department [COMMISSION] containing information
 10 relating to an individual's personal finances and information supplied by individuals
 11 for research purposes, produced in response to requests by the department
 12 [COMMISSION], are not subject to public disclosure.

13 * **Sec. 95.** AS 16.43.980(a) is amended to read:

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

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

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

21 * **Sec. 96.** AS 16.43.990 is amended by adding a new paragraph to read:

22 (12) "commissioner" means the commissioner of fish and game;

23 * **Sec. 97.** AS 16.43.990(4) is amended to read:

24 (4) "fishery" means the commercial taking of a specific fishery
 25 resource in a specific administrative area with a specific type of gear; however, the
 26 department [COMMISSION] may designate a fishery to include more than one
 27 specific administrative area, gear type, or fishery resource;

28 * **Sec. 98.** AS 16.43.990 is amended by adding a new paragraph to read:

29 (12) "department" means the Department of Fish and Game unless
 30 specifically provided otherwise.

31 * **Sec. 99.** AS 25.27.230(c) is amended to read:

1 (c) The lien shall attach to all real and personal property of the obligor and be
 2 effective on the date of recording of the lien with the recorder of the recording district
 3 in which the property attached is located. A lien against earnings shall attach and be
 4 effective upon filing with the recorder of the recording district in which the employer
 5 does business or maintains an office or agent for the purpose of doing business. A lien
 6 filed at an office [THE OFFICES] of the Department of Fish and Game
 7 [COMMERCIAL FISHERIES ENTRY COMMISSION IN JUNEAU] against a
 8 limited entry permit issued under AS 16.43 is considered to have been filed against the
 9 permit in all recording districts in which the permit holder uses the permit.

10 * **Sec. 100.** AS 37.05.146(c)(28) is amended to read:

11 (28) Department of Fish and Game [ALASKA COMMERCIAL
 12 FISHERIES ENTRY COMMISSION] under AS 16.05.490, 16.05.530, and AS 16.43;

13 * **Sec. 101.** AS 43.76.015(f) is amended to read:

14 (f) In this section, "eligible interim-use permit and entry permit holder" means
 15 an individual who, 90 days before the date ballots must be postmarked to be counted
 16 in an election under this section, is listed in the records of the Department of Fish
 17 and Game [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] as the
 18 legal owner of an interim-use permit or an entry permit that [WHICH] authorizes the
 19 individual to fish commercially in an administrative area established [BY THE
 20 ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] under
 21 AS 16.43.200, which is included, in whole or in part, in the region in which the
 22 election is held.

23 * **Sec. 102.** AS 43.76.160(g) is amended to read:

24 (g) 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 Department of Fish
 27 and Game [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] as the
 28 legal holder of an interim-use permit for dive gear or an entry permit for dive gear that
 29 authorizes the individual to fish commercially in the administrative area for the
 30 species of fishery resource for which the dive fishery management assessment is to be
 31 approved, amended, or terminated.

1 * **Sec. 103.** AS 43.76.210(1) is amended to read:

2 (1) "administrative area" means an area established by the
3 **Department of Fish and Game** [ALASKA COMMERCIAL FISHERIES ENTRY
4 COMMISSION] under AS 16.43.200 for regulating and controlling entry into
5 fisheries using dive gear;

6 * **Sec. 104.** AS 43.76.230(g) is amended to read:

7 (g) In this section, "eligible interim-use permit and entry permit holder" means
8 an individual who, 90 days before the date ballots must be postmarked to be counted
9 in an election under this section, is listed in the records of the **Department of Fish**
10 **and Game** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] as the
11 legal holder of an interim-use permit for salmon fishing gear or an entry permit for
12 salmon fishing gear that authorizes the individual to fish commercially in the salmon
13 fishery for which the salmon fishery assessment is to be approved, amended, or
14 terminated.

15 * **Sec. 105.** AS 43.76.280(1) is amended to read:

16 (1) "administrative area" means an area established by the
17 **Department of Fish and Game** [ALASKA COMMERCIAL FISHERIES ENTRY
18 COMMISSION] under AS 16.43.200 for regulating and controlling entry into salmon
19 fisheries;

20 * **Sec. 106.** AS 43.76.300 is amended to read:

21 **Sec. 43.76.300. Permit buy-back assessment.** A person holding a limited
22 entry permit or interim-use permit under AS 16.43 for a fishery subject to a permit
23 buy-back assessment established by the **Department of Fish and Game** [ALASKA
24 COMMERCIAL FISHERIES ENTRY COMMISSION] under AS 16.43.310 shall pay
25 the permit buy-back assessment at the rate established by the **Department of Fish and**
26 **Game** [COMMISSION] on the value, as defined in AS 43.75.290, of fish that the
27 person removes from the state or transfers to a buyer in the state under the authority
28 conferred by the limited entry permit or interim-use permit. The buyer shall collect the
29 permit buy-back assessment at the time the fish is acquired by the buyer.

30 * **Sec. 107.** AS 43.76.370(i) is amended to read:

31 (i) In this section, "eligible interim-use permit and entry permit holder" means

1 an individual who, 90 days before the date ballots must be postmarked to be counted
 2 in an election under this section, is listed in the records of the **Department of Fish**
 3 **and Game** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION] as the
 4 legal owner of an interim-use permit or an entry permit that authorizes the individual
 5 to operate commercial fishing gear in the fishery that is or will be subject to the
 6 seafood development tax that is the subject of the election.

7 * **Sec. 108.** AS 44.64.030(a) is amended by adding a new paragraph to read:

8 (52) AS 16.43 (entry and participation in commercial fisheries by the
 9 Department of Fish and Game).

10 * **Sec. 109.** AS 44.81.231(d) is amended to read:

11 (d) Upon payment of the loan, the bank shall certify to the **Department of**
 12 **Fish and Game** [ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION]
 13 that the loan has been repaid, and the **Department of Fish and Game**
 14 [COMMISSION] shall amend the permit certificate to list the equitable owner as the
 15 holder, and the legal interest of the bank shall terminate.

16 * **Sec. 110.** AS 44.81.241 is amended to read:

17 **Sec. 44.81.241. Initial notice of default.** If there is a default on a loan secured
 18 by a permit pledged under AS 44.81.231, the bank shall notify the borrowers and
 19 guarantors on the loan of the default and of the right to cure the default by sending a
 20 notice by certified mail to their last known address or addresses on file with the bank.
 21 The notice must include

- 22 (1) the date of the notice;
- 23 (2) a description of the security given for the loan, including the
 24 number assigned by the **Department of Fish and Game** [COMMISSION] and the
 25 name of the equitable owner of each permit pledged to secure the loan;
- 26 (3) the date and nature of the default;
- 27 (4) the amount of arrearages as of the date of the notice;
- 28 (5) the total indebtedness, including interest, penalties, and costs of
 29 collection, remaining owing on the loan as of the date of the notice;
- 30 (6) the amount of daily interest to accrue from the date of the notice;
- 31 (7) a statement that the costs of collection of the loan incurred by the

1 bank after the date of the notice will be added to the total amount of the indebtedness
2 owing on the loan;

3 (8) a statement that the default may be cured within 60 days from the
4 date of the notice or within an extended time period that is specified in an extension
5 notice provided by the bank within the 60-day period under AS 44.81.249;

6 (9) the place where payment of arrearages or other cure may be made;
7 and

8 (10) a statement in at least 10 point bold type stating:

9 "IMPORTANT: UNLESS YOU CURE THE LOAN DEFAULT
10 WITHIN THE TIME SPECIFIED BY THIS NOTICE, THE TOTAL
11 INDEBTEDNESS OWING ON THE LOAN SHALL BE IMMEDIATELY
12 DUE AND PAYABLE TO THE BANK WITHOUT FURTHER NOTICE TO
13 YOU. ALSO, THE BANK SHALL THEN BE ENTITLED TO TAKE ANY
14 LEGAL ACTION AGAINST YOU TO COLLECT THE LOAN,
15 INCLUDING THE INSTITUTION OF LAWSUITS AND THE
16 FORECLOSURE OF THE PLEDGE OF ANY PERMIT PLEDGED TO
17 SECURE THIS LOAN."

18 * **Sec. 111.** AS 44.81.245 is amended to read:

19 **Sec. 44.81.245. Foreclosure.** The bank may foreclose on a permit pledge that
20 secures a loan by sending to the equitable owner of the permit pledged and any other
21 borrowers and guarantors on the loan a notice of foreclosure. The notice shall be sent
22 by certified mail to their last known address or addresses on file with the bank and
23 must include

24 (1) the date of the notice;

25 (2) a statement that the total indebtedness owing on the loan became
26 due and payable to the bank because the loan default was not cured within the time
27 specified in the notice of default and right to cure provided under AS 44.81.241, and
28 that as a result the bank is entitled to take legal action to collect the loan, including the
29 forfeiture of a permit pledge that secures the loan and the institution of legal action;

30 (3) a description of the permit pledge that is being foreclosed by the
31 notice, including an identification of the permit by the number assigned by the

1 **Department of Fish and Game** [COMMISSION] and the name of the equitable
2 owner;

3 (4) the amount of the total indebtedness owing as of the date of the
4 notice;

5 (5) the amount of daily interest that accrues from the date of the notice;

6 (6) a statement that the costs of collection of the loan incurred by the
7 bank after the date of the notice will be added to the total amount of the indebtedness
8 due on the loan;

9 (7) a statement that to avoid forfeiture of all rights of the equitable
10 owner of the permit identified in the notice, the loan must be paid in full within 60
11 days from the date of the notice or within an extended time period that is specified in
12 an extension notice provided by the bank within the 60-day period under
13 AS 44.81.249;

14 (8) a statement that once a forfeiture of all rights of the equitable
15 owner of a permit described in the notice occurs, the permit may not be redeemed;

16 (9) a statement of the right of the equitable owner to nominate a person
17 to assume the loan under AS 44.81.250(c);

18 (10) the place where payment in full may be made; and

19 (11) a notice in at least 10 point bold type stating:

20 "IMPORTANT: IF THE LOAN IS NOT PAID IN FULL BY THE
21 DATE SPECIFIED, ALL RIGHTS OF THE EQUITABLE OWNER TO THE
22 PERMIT IDENTIFIED IN THIS NOTICE WILL BE FORFEITED
23 WITHOUT FURTHER NOTICE TO YOU. IN THAT EVENT, THERE
24 WILL NOT BE A RIGHT OF REDEMPTION OF THE PERMIT. IN
25 ADDITION, THE BANK MAY NOW TAKE OTHER ACTION TO
26 COLLECT THE LOAN, INCLUDING THE INSTITUTION OF LEGAL
27 ACTION AGAINST YOU AND THE FORECLOSURE OF OTHER
28 PERMIT PLEDGES THAT SECURE THE LOAN."

29 * **Sec. 112.** AS 44.81.247(a) is amended to read:

30 (a) If a loan is not paid in full within the time specified by the notice provided
31 for the loan under AS 44.81.245, the equitable interest in the permit identified in the

1 notice terminates by operation of law without further notice. The **Department of Fish**
 2 **and Game** [COMMISSION] shall cancel an entry permit card issued to the equitable
 3 owner of the permit immediately upon receipt by the **Department of Fish and Game**
 4 [COMMISSION] of a certificate of termination containing a copy of the notices
 5 required by AS 44.81.241 and 44.81.245.

6 * **Sec. 113.** AS 44.81.250(a) is amended to read:

7 (a) Upon foreclosure of a pledge of an entry permit under AS 44.81.241 -
 8 44.81.249 or the termination of a debtor's interest in an entry permit under
 9 AS 44.81.247(b), the bank shall determine if the permit is subject to a buy-back
 10 program under AS 16.43.290 - 16.43.330 and, if it is subject to a buy-back program,
 11 shall offer the permit to the **Department of Fish and Game** [COMMISSION] at a
 12 price equal to the outstanding indebtedness on the loan.

13 * **Sec. 114.** AS 44.81.250(b) is amended to read:

14 (b) If the permit is not subject to a buy-back program, or if the **Department of**
 15 **Fish and Game** [COMMISSION] fails to buy back the permit within 30 days after the
 16 **Department of Fish and Game** [COMMISSION] receives the offer, the bank shall
 17 sell the permit to a person who qualifies as a transferee of an entry permit under
 18 AS 16.43 and the regulations adopted by the **Department of Fish and Game**
 19 [COMMISSION]. The bank shall give preference to an offer to purchase a permit
 20 made by a state resident if the price offered is equal to or greater than the price offered
 21 by a nonresident. If the proceeds of the sale of a permit exceed the amount necessary
 22 to pay the indebtedness in full, the bank shall remit the excess to the borrower.

23 * **Sec. 115.** AS 16.10.360(1); AS 16.43.020, 16.43.030, 16.43.040, 16.43.050, 16.43.060,
 24 16.43.070, 16.43.080, 16.43.990(1); AS 39.25.110(11)(D); AS 39.50.200(b)(10); and
 25 AS 44.81.350(3) are repealed.

26 * **Sec. 116.** The uncodified law of the State of Alaska is amended by adding a new section
 27 to read:

28 TRANSITION. Litigation, hearings, investigations, and other proceedings pending
 29 under a law amended or repealed by this Act, or in connection with functions transferred by
 30 this Act, continue in effect and may be continued and completed notwithstanding a transfer or
 31 amendment or repeal provided for in this Act. Certificates, orders, and regulations issued or

1 adopted by the Alaska Commercial Fisheries Entry Commission under authority of a law
2 amended or repealed by this Act remain in effect for the term issued or until revoked, vacated,
3 or otherwise modified under the provisions of this Act. Contracts, rights, liabilities, and
4 obligations created by or under a law amended or repealed by this Act, and in effect on the
5 effective date of this Act, remain in effect notwithstanding this Act's taking effect. Records,
6 equipment, appropriations, and other property of the Alaska Commercial Fisheries Entry
7 Commission shall be transferred to the Department of Fish and Game to implement the
8 provisions of this Act.

9 * **Sec. 117.** The uncodified law of the State of Alaska is amended by adding a new section
10 to read:

11 EMPLOYEES. Employees of the Alaska Commercial Fisheries Entry Commission
12 become employees of the Department of Fish and Game on the effective date of this Act.