

Can a permit holder transfer a permit to whomever he or she wishes?

The transferee must be qualified under the law to receive the permit. Among other things, the transferee must be physically capable of participating in the fishery and meet the minimum age requirements. In the salmon fisheries, a person can hold two permits in the same fishery, if the second permit is held for the purpose of fleet consolidation. An heir who is not physically able to participate in the fishery may inherit a permit.

Are there any special provisions for transfers between family members or business partners?

All permanent transfers must meet the same requirements. However, recurrent transfers between partners and family members may be more easily explained to the Commission, provided the full terms of any agreements are disclosed to the Commission.

Why would the Commission question the terms of a permit transfer?

The Commission is required to be sure that transfers are in compliance with the law. For example, the Limited Entry Act prohibits leasing of an entry permit, so the Commission would question any transfer that gave the appearance of a lease.

Can a permit be transferred to someone else if the permit holder dies?

Transferable limited entry permits survive the death of the permit holder. Under Alaska law, a permit may be transferred directly to the surviving spouse. Alternatively, the permit holder may file a form designating the person he or she wishes to receive the permit. However, if the spouse is surviving, he or she would take precedence over the designated recipient. If there is no spouse or designated recipient, the permit becomes part of the estate, and the estate representative would have authority to transfer the permit. While the estate is being settled, the estate representative may emergency transfer the permit each year.

What reasons are allowable for emergency transfers?

Limited entry permits may be emergency transferred if the permit holder is prevented from fishing due to illness, death, disability, required military or government service, or other unavoidable hardship of a temporary, unexpected and unforeseen nature. A permit holder simply choosing to work at another job or do something else rather than fish is not entitled to an emergency transfer. If the basis for an initial emergency transfer continues through the following year, the Commission will grant an emergency transfer for the second year. After the second year, the Commission will not grant an emergency transfer unless the holder demonstrates an extraordinary circumstance under our regulations. There are no special provisions in the law authorizing emergency transfer of permits due to old age or chronic medical problems.



This summary information is presented as a courtesy by the CFEC Licensing Section but may not be read to modify or replace the agency's statutory requirements in AS 16.43 or regulatory requirement in Chapter 5, of Title 20, Alaska Administrative Code.

Photos courtesy of the Alaska Division of Tourism and ADF&G

Permit Transfers



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Are there different types of transfers?

The Limited Entry Act provides for two types of permit transfers: permanent and emergency. Permanent transfers change the holder of the permit, while emergency transfers allow the permit to be temporarily fished by someone other than the permit holder. Either type of transfer may be allowed for transferable limited entry permits, but nontransferable limited entry permits can be transferred on an emergency basis only.

Why are some permits nontransferable?

Limited entry permits are issued to applicants whose applications have been classified at the minor economic hardship level. These permits are valid for the holder's lifetime, as long as they are renewed each year, but they cannot be permanently transferred.

How can a buyer be sure the permit is valid and has no liens, and that the transfer will be approved by CFEC?

If the buyer contacts the Commission with the permit number, we will check our records to determine if there are any obvious problems with the transfer of the permit. It is also recommended the buyer contact the IRS to verify there are no federal tax liens outstanding against the permit holder or past holders of the permit.

How can a permit holder permanently transfer a permit to someone else?

The permit holder must first file the form "Notice of Intent to Permanently Transfer" form. There is a 60 day waiting period from the date the Commission receives this form before a permanent transfer may be completed. The permit holder and transferee then must complete the "Request for Permanent Transfer of Entry Permit" form. This form must be signed and notarized by both parties. In addition to the transfer form, a copy of the transfer agreement, bill of sale, partnership agreement, or written statement of terms, and \$50.00 transfer processing fee must be submitted.

What is the purpose of the 60-day waiting period?

The legislature required the 60 day waiting period so that permit holders would have time to carefully consider their long term needs before they permanently transferred away their right to fish.



Is it possible to get the names of permit holders who have filed an "Intent to Transfer"?

The commission maintains a lists of persons who have filed an "Intent to Transfer" by fishery and have asked for their information be made public. It is available on our web site at: www.cfec.state.ak.us

Can the "Request for Permanent Transfer of Entry Permit" form be completed and sent in before the waiting period is over?

The "Request for Permanent Transfer of Entry Permit" may be submitted while the waiting period is still running. The Commission will review the paperwork and notify the parties of any problems. The Commission will hold the paperwork until the 60 day waiting period is over and then complete the transfer.

Is it necessary to have an attorney assist with the transfer paperwork?

Many transfers are fairly simple and can be written by the buyer and seller themselves. However, for complicated transactions which involve installment payments or property other than the permit, such as vessels, gear or sites, it may be advisable to consult an attorney.

Can the Commission provide names of people interested in buying permits?

The Commission does not maintain a list of potential buyers.

What is the best way to locate a buyer or seller for a permit?

Permits are frequently advertised in the various fishing industry journals, newsletters, as well as local newspapers. Permits may also be located through permit brokers who can sometimes assist with financing arrangements, escrow accounts and completion of required paperwork.

How can permit purchases be financed?

There are several options for financing permit purchases. The Limited Entry Act prohibits permits from being pledged, leased, mortgaged, encumbered or transferred with any retained right of repossession. The permit itself cannot be used as collateral for a loan. Two exceptions to this rule are loans financed by the State of Alaska, Department of Commerce, Community and Economic Development (DCCED), Division of Economic Development, and by the Alaska Commercial Fishing and Agriculture Bank (CFAB). Either of these two agencies is authorized to take a limited entry permit as security for a loan they extend.

Can the seller finance the sale of a permit?

The seller cannot place a lien on the permit or retain any right to repossess it. Usually in these instances, the buyer must put some other property up as collateral to secure the loan. Although the buyer is not prohibited from transferring the permit back, the buyer cannot be required to do so even if the buyer fails to make a payment. The Commission would likely question a transfer back to the seller to be assured there was no violation of the Limited Entry Act.

Does the Commission handle the financial transaction as well as the transfer of the permit?

The Commission is not involved in the exchange of funds. It is a good idea for the buyer and seller to set up an escrow account to hold the funds until they are assured that the Commission has approved and completed the transfer. If requested to do so, the Commission will notify the escrow office upon completion of the transfer.