

HOUSE BILL REPORT

E2SSB 5658

As Passed House:

April 8, 1999

Title: An act relating to sea urchin and sea cucumber dive fishery licenses and revenues.

Brief Description: Changing shellfish provisions.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Spanel, Hargrove and Snyder).

Brief History:

Committee Activity:

Natural Resources: 3/26/99, 4/2/99 [DP].

Floor Activity:

Passed House: 4/8/99, 95-0.

Brief Summary of Engrossed Second Substitute Bill

- Limits the number of sea cucumber and sea urchin licenses that may be issued and provides a surcharge on license renewals.

HOUSE COMMITTEE ON NATURAL RESOURCES

Majority Report: Do pass. Signed by 12 members: Representatives Buck, Republican Co-Chair; Regala, Democratic Co-Chair; Anderson, Democratic Vice Chair; Sump, Republican Vice Chair; G. Chandler; Clements; Doumit; Eickmeyer; Ericksen; Pennington; Rockefeller and Stensen.

Staff: Josh Weiss (786-7129).

Background:

Sea urchins and sea cucumbers have been commercially harvested in Washington since the 1970s. Sea urchins are commercially harvested for their roe, *uni*. Sea cucumbers are commercially harvested for use in Asian restaurants and for use in traditional and alternative medicines.

The number of sea urchins and sea cucumbers harvested has been increasing rapidly since the 1980s. Because little was known about these resources in the 1980s, there was concern that the resources were being over-capitalized. The Department of Fish and Wildlife began limiting sea cucumber harvests in 1987. License limitations for sea urchins and sea cucumbers have been in place since the late 1980s.

Currently, the Department of Fish and Wildlife can issue new licenses for either echinoderm if the number of licenses fall below 45 sea urchin dive fishery licenses or 50 sea cucumber dive fishery licenses. Licensees have a right to renew existing licenses. However, a licensee must harvest and sell 20,000 pounds of sea urchins or 10,000 pounds of sea cucumbers every two years in order to renew a sea urchin or sea cucumber license, respectively. The licenses cost \$130 for Washington residents and \$135 for non-residents. There are currently about 52 resident sea urchin licenses and six non-resident sea urchin licenses. There are currently about 61 resident sea cucumber licenses and seven non-resident licenses.

Sea urchin and sea cucumber dive fishery licenses cannot be transferred, except to a child or spouse upon the divorce or death of the licensee. In practice, however, some licensees have business arrangements allowing alternate operators, such as employees, contractors, or sublicensees, to use their dive fishery licenses.

Since 1995, tribal fishing treaty rights have been extended to shellfish, including sea urchins and sea cucumbers. Tribal fishermen are entitled to 50 percent of each harvest. Tribal fishermen are not subject to licensing requirements.

Harvest quotas are set according to a model developed five years ago. The Department of Fish and Wildlife monitors harvest landings. Last year the Department of Fish and Wildlife decreased the harvest quotas for sea urchins and sea cucumbers by 15 percent out of concern about the health of the resource.

Summary of Bill:

The Department of Fish and Wildlife can issue new sea urchin licenses only if the number of natural persons holding such licenses falls below 25. The Department of Fish and Wildlife can issue new sea cucumber licenses only if the number of natural persons holding such licenses falls below 25. After December 31, 1999, only natural persons may renew licenses. Each natural person is limited to two sea urchin licenses and two sea cucumber licenses.

There is a \$100 surcharge placed on license renewals issued between 2000 and 2005. There is a \$500 surcharge for designation of an alternate operator the first year or each of the first two consecutive years after 1999, and a \$2,500 surcharge placed on each

subsequent designation, whether the subsequent designation occurs in 2000 or thereafter. After 2000, there is a \$500.00 surcharge placed on the first transfer of a license, and a \$2,500 surcharge placed on each subsequent transfer, whether the subsequent transfer occurs in 2000 or thereafter. However, each natural person licensed as of January 1, 2000, has a one-time surcharge exemption for a license transfer to a spouse or child.

If the number of natural persons holding each type of license drops below 25, the Department of Fish and Wildlife can issue new licenses to bring the number back up to 25. The Department of Fish and Wildlife will set procedures and remonstrations for new licenses by rule.

Surcharges from sea urchin dive fishery licenses will go into the sea urchin dive fishery account. Surcharges from sea cucumber dive fishery licenses will go into the sea cucumber dive fishery account. These accounts are subject to allotment, but no appropriation is required for expenditures. These accounts will be used to buy licenses out of the sea urchin and sea cucumber dive fishery business, until the number of natural persons holding each type of license drops to 25. After that, the accounts will be used to manage the resources and for enforcement purposes.

The excise tax on sea urchins and sea cucumbers is raised to 4.6 percent from January 1, 2000, until December 31, 2005. It is returned to the current rate of 2.1 percent thereafter. Twenty-five forty-sixths of receipts from each tax will be paid into the sea urchin and sea cucumber dive fishery accounts, respectively.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Sections 1, 2 and 4 are effective 90 days after adjournment of session in which bill is passed. Section 3 is effective January 1, 2000.

Testimony For: This is a compromise bill struck between the shellfish industry and the state. Current landing requirements encourage over-harvesting. In addition, the industry is over-capitalized. There is no federal money for a buyout program.

Testimony Against: None.

Testified: Senator Harriet Spanel, prime sponsor; and Morris Barker, Washington Department of Fish and Wildlife.