

SENATE BILL REPORT

HB 1958

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, March 28, 2005

Title: An act relating to extending the buyback program for certain limited fisheries that are set to expire at the end of 2005.

Brief Description: Extending certain limited fisheries buyback programs.

Sponsors: Representatives Buck and B. Sullivan.

Brief History: Passed House: 3/04/05, 96-0.

Committee Activity: Natural Resources, Ocean & Recreation: 3/21/05, 3/28/05 [DP-WM].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Jacobsen, Chair; Doumit, Vice Chair; Oke, Ranking Minority Member; Morton, Spanel and Swecker.

Staff: Vic Moon (786-7469)

Background: A closed fishery is a fishery with a set number of licenses held by defined participants. The commercial sea urchin and sea cucumber fisheries have been closed since the year 2000. The Director of the Department of Fish and Wildlife (DFW) is authorized only to issue licenses for these fisheries to individuals who held a license for the fishery in the previous year. The issuance of a license to a new applicant has been prohibited since 2000; therefore, notwithstanding limited exceptions, all holders of a sea urchin or sea cucumber commercial license have held their licenses for at least four consecutive years.

License Buyback. Along with closing the sea urchin and sea cucumber commercial fisheries, the 1999 Legislature also established a program to buyback, or retire, licenses from qualified participants in these fisheries. The DFW is required to use earmarked funds to retire these licenses, if the license holder voluntarily agrees to not renew his or her license the following year. The earmarked funds must be used to retire licenses until the number of fishers participating in either the sea cucumber or sea urchin fishery drops to 25. When that number is achieved, the funds must be used for management and enforcement in the sea urchin or sea cucumber fishery.

Fund Generation. The funds that are earmarked for license retirement are held in the sea urchin dive fishery account and the sea cucumber dive fishery account respectively. Each fishery is assessed a series of fees and taxes that are directed into the appropriate account.

Through the 2005 season, each license renewal for either fishery is assessed a fee of \$100. Since licenses are issued annually, this is in essence an annual fee for the license holders. In addition, a fee of either \$500 or \$2,500 is assessed if the license holder either designates a

different person, known as an alternate operator, to fish under his or her license, or if the license holder transfers the license outright to another person.

The two dive accounts also receive revenue from specific excise taxes. For sea cucumbers and sea urchins, the commercial fishers are required to pay in tax the value of their harvest multiplied by 4.6 percent. Of that percentage, 0.543 percent is earmarked for the retirement account for the appropriate fishery, with the remainder being deposited into the general fund. This earmark is set to expire at the end of 2005, and the excise tax paid by commercial sea cucumber and sea urchin fishers is set to be reduced by the amount currently earmarked for the fishery's retirement accounts.

Summary of Bill: The date when the sea cucumber and sea urchin \$100 licence renewal fee and the portion of the excise tax dedicated to sea cucumber and sea urchin license retirements expires is extended from 2005 until 2010.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The buy-back program is working to help these fisheries to continue and be economically viable, and the license reduction needs to be extended.

Testimony Against: None.

Who Testified: PRO: Representative Jim Buck, prime sponsor.