

SENATE BILL REPORT

HB 3237

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 23, 2006
Ways & Means, February 27, 2006

Title: An act relating to a review of the department of natural resources' aquatic program.

Brief Description: Reviewing the funding and management of state aquatic lands.

Sponsors: Representatives Hunter, Eickmeyer, Simpson, Grant, Linville, Hankins and Jarrett.

Brief History: Passed House: 2/13/06, 95-1.

Committee Activity: Natural Resources, Ocean & Recreation: 2/22/06, 2/23/06 [DPA-WM, DNP].

Ways & Means: 2/27/06 [DPA, w/oRec].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

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

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

Minority Report: Do not pass.

Signed by Senators Stevens and Swecker.

Staff: Curt Gavigan (786-7437)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Brandland, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller and Thibaudeau.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member and Schoesler.

Staff: Kirstan Arestad (786-7708)

Background: The Department of Natural Resources (DNR) has the responsibility for managing the state's aquatic lands for the benefit of the public. The DNR manages over two million acres of tidelands, shorelands, and bedlands. This includes the beds of all navigable rivers and lakes, along with the beds below Puget Sound.

The management of aquatic lands must support a balance of goals, including the encouragement of public access, the fostering of water-dependent uses, the utilization of

renewable resources, and the generation of revenue. Revenues generated from the state's aquatic lands are used to support the Aquatic Resources Program and are also used for public benefits, such as shoreline access, environmental protection, and recreational opportunities.

Depending on the source of the revenues, monies received from aquatic lands are deposited, according to statutory rates, in the Aquatic Land Enhancement Account (ALEA) and the Resource Management Cost Account (RMCA). According to the 2005 Annual Report published by the DNR, approximately 58 percent of the monies generated from aquatic lands were deposited in the ALEA, and 42 percent were deposited in the RMCA. The total revenues collected in 2005 for both accounts totaled \$18.4 million, with \$10.7 million deposited in the ALEA and \$7.7 million deposited in the RMCA.

Summary of Ways and Means Amended Bill: The Joint Legislative Audit and Review Committee (JLARC) must conduct a performance audit of the DNR's Aquatic Resources Program (Program) to determine the success of the DNR in meeting the objectives established in statute for managing aquatic lands. JLARC must also review whether harvest levels set by the Department of Fish and Wildlife for aquatic resources are set in accordance with scientific standards. In conducting the review, JLARC must also review the percentage of revenues retained by DNR from the RMCA and the ALEA for the Program to determine if the percentages are appropriate to support the Program. The study language is also revised to provide for a broader set of recommendations from JLARC. The final performance audit and recommendations must be completed by December 15, 2007.

Ways and Means Amended Bill Compared to Natural Resources Amended Bill: The Ways and Means amendment revises the legislative findings/intent language to clarify that geoduck harvest levels are currently set by the Department of Fish and Wildlife. The study language is revised to include a requirement for JLARC to evaluate whether harvest levels set by the DFW for aquatic resources are set in accordance with scientific standards. The study language is also revised to provide for a broader set of recommendations from JLARC, and removes the specific requirement for JLARC to recommend whether the general fund would be a better funding mechanism for management of aquatic lands.

Natural Resources Amended Bill Compared to Original Bill: A legislative finding that "conflicts of interest may exist between the management of state aquatic lands and the generation of revenue to manage those aquatic lands" is removed.

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 (Natural Resources, Ocean & Recreation): DNR finds itself in a difficult position because it must generate revenue to support its management of aquatic lands, but it is also responsible for acting in a manner that protects the environment. A study of DNR's management of aquatic lands and the manner in which the management of such lands is funded would assist the Legislature in setting policy.

Testimony Against (Natural Resources, Ocean & Recreation): None.

Testimony Other (Natural Resources, Ocean & Recreation): DNR is comfortable with a performance audit, but the language of this bill presumes that DNR has a conflict of interest in managing aquatic lands. There is no conflict in that DNR provides money from its revenues back to aquatic-related projects. Additionally, DNR is not responsible for setting geoduck harvest rates and cannot increase its harvest to increase revenues.

Who Testified (Natural Resources, Ocean & Recreation): PRO: Rep. Eickmeyer; Sam Swanson, citizen.

OTHER: Fran McNair, DNR.

Testimony For (Ways & Means): None.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): No one.