

HOUSE BILL REPORT

HB 1248

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to funding the department of fish and wildlife.

Brief Description: Redirecting certain moneys for the benefit of department of fish and wildlife programs.

Sponsors: Representatives Linville, B. Sullivan, Blake, VanDeWege and Ericksen.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/22/07, 1/31/07 [DPS].

Brief Summary of Substitute Bill

- Redirects revenue collected by the Department of Fish and Wildlife from the sale of annual resident saltwater licenses and all annual razor clam and shellfish licenses from the General Fund into the Wildlife Account.
- Establishes in statute that \$2 of each license sold to an individual intending to fish for salmon, steelhead, marine fish, or sturgeon must be deposited into the Regional Fisheries Enhancement Group Account.
- Requires the Fish and Wildlife Commission to maintain a six-year financial plan for the Wildlife Account and leave at least a 5 percent ending fund balance in the allotment process.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives B. Sullivan, Chair; Blake, Vice Chair; Kretz, Ranking Minority Member; Warnick, Assistant Ranking Minority Member; Dickerson, Eickmeyer, Grant, Hailey, Kagi, Lantz, McCoy, Newhouse, Orcutt, Strow and VanDeWege.

Staff: Jason Callahan (786-7117).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

Disposition of Revenue Generated by the Department of Fish and Wildlife

The State Wildlife Account (Wildlife Account) receives various revenues collected by the Department of Fish and Wildlife (Department). These revenues include, among other items, the sales of many Department issued licenses and tags, administrative penalties, compensation for damages, advertisement sales, and a game fish excise tax. Monies in the Wildlife Account are used primarily to support Department activities.

Not all revenue generated by the Department is deposited into the Wildlife Account. Sources of Department-generated revenue that do not go into the Wildlife Account include revenue that is generated from the sale of annual resident saltwater licenses and all annual razor clam and shellfish licenses. Revenue from the sale of these licenses is dedicated to the General Fund.

Revenue from recreational license fees that is deposited into the General Fund is required to be appropriated for the management, enhancement, research, and enforcement of the Department's programs that manage saltwater resources.

Regional Fisheries Enhancement Group Account

The Regional Fisheries Enhancement Group (RFEG) Account is an unappropriated account managed by the Department. Funds in the RFEG Account may only be used for projects sponsored by an RFEG.

An RFEG is a local, incorporated, non-profit organization relying primarily on volunteer efforts to enhance salmon resources and develop projects designed to aid the fishery enhancement capability of the Department. Fourteen such groups have been formed and recognized by the Department.

The RFEG Account receives certain dedicated funding. The dedicated funding includes a \$100 surcharge on the sale of salmon licenses and all revenue from the sale of carcasses and eggs recovered from salmon that return to a hatchery run by an RFEG. In addition, the RFEG Account receives a portion of each recreational fishing license fee.

The actual amount of each license fee dedicated to the RFEG Account is not provided in statute and is left to the discretion of the Department. However, the Department must ensure that the portion of the license fee dedicated to the RFEG Account is set at a level that equals the level of participation in the fisheries benefitted from the enhancement programs.

Summary of Substitute Bill:

Changes to the Wildlife Account

Revenue collected by the Department from the sale of annual resident saltwater licenses and all annual razor clam and shellfish licenses is redirected from the General Fund into the Wildlife Account.

The provision requiring recreational license fees to be used for the Department's saltwater resource management programs is repealed. Instead, revenue from these sources redirected from the General Fund and deposited into the Wildlife Account may be used for any of the purposes authorized for Wildlife Account monies.

In the allotment process for the Wildlife Account, there must be at least a 5 percent difference between the proposed expenditures and the projected biennial revenue, and all new employment positions must be specifically authorized by the Office of Financial Management. In addition, the Fish and Wildlife Commission (Commission) must submit and update a six-year financial plan for the Wildlife Account to both the Governor and the Legislature.

Changes to the Regional Fisheries Enhancement Group Account

The Department's discretion to set the portion of a recreational fishing license fee directed to the RFEG Account is removed. Instead, the portion of the fee dedicated to the RFEG Account is established to be \$2 for each license sold to an individual intending to fish for salmon, steelhead, marine fish, or sturgeon.

The Department must rely on annual surveys to determine the percentage of recreational fishing license buyers who intend to fish for salmon, steelhead, marine fish, or sturgeon. The results of the survey must be used to determine how many of the total recreational fishing licenses sold qualify for the \$2 transfer into the RFEG Account.

Substitute Bill Compared to Original Bill:

The original bill did not contain the provisions that require the Commission to retain a buffer between the allotments from the Wildlife Account and the anticipated revenues, require all new personnel positions to be approved by the Office of Financial Management, or require the submission and update of a six-year financial plan for the Wildlife Account.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) Locally-based groups are a cost-effective way to build support for salmon enhancement and help projects to be implemented on the ground. The work of RFEGs has

resulted in more habitat restoration than any state-level project. The RFEGs have proved to be a wise investment in salmon recovery efforts.

The funding source for RFEGs can be made stable and reliable without raising license fees. When RFEGs were a new idea it made sense to give the Commission discretion over their funding. Now that they have proved their worth, that discretion is no longer warranted. Stability in RFEG funding will allow the RFEGs to leverage more federal salmon recovery dollars, conduct monitoring work, and pay the up-front expenses necessary to complete a grant application.

Redirected revenue from the General Fund to the Wildlife Account will allow the Department to run programs that benefit those who pay license fees and help the Department stabilize the account. Additional revenue will also allow the Wildlife Account to operate with more of a reserve.

Persons Testifying: Representative Linville, prime sponsor; Ron McQueen, Washington Department of Fish and Wildlife; and Dick Knight, Regional Fisheries Enhancement Groups Coalition.

Persons Signed In To Testify But Not Testifying: None.