

SENATE BILL REPORT

SB 5385

As of April 14, 2011

Title: An act relating to increasing revenue to the state wildlife account.

Brief Description: Increasing revenue to the state wildlife account.

Sponsors: Senators Regala, Ranker, Rockefeller and Fraser; by request of Department of Fish and Wildlife.

Brief History:

Committee Activity: Ways & Means: 2/10/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Chris Godwin (786-7441)

Background: The State Wildlife Account is an appropriated account under the jurisdiction of the Department of Fish and Wildlife and accounts for 25 - 30 percent of the agency's budget. Monies in the Wildlife Account come from various sources and include department-issued licenses and tags, sale of department property, administrative penalties, compensation for damage to property, and the Game and Fish Excise tax. The Wildlife Account does not receive revenue from the sale of annual saltwater, razor clam, and shellfish licenses. The Wildlife Account also does not receive any revenue from the sale of commercial fish-landing taxes. These revenues are deposited into the General Fund.

The Wildlife Account has historically been in revenue shortfall. In previous biennia, the shortfall was backfilled with General Fund monies. In 2009 the Legislature approved a 10 percent surcharge on hunting and fishing licenses to increase revenue to the Wildlife Account. That increase is set to expire on July 1, 2011. Licenses are purchased through the department's automated system both online and at over 600 vendors throughout the state. There is a \$2 dealer fee for any recreational or commercial license issued.

Funds in the Wildlife Account are used to support department activities. The interest generated by the Wildlife Account is transferred to the General Fund.

Summary of Bill: Revenue to the state Wildlife Account is increased by:

- changing fees for recreational hunting and fishing licenses;
- moving all recreational hunting and fishing license revenue to the General Fund;

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- creating a new administrative surcharge for commercial hunting and fishing licenses; and
- allowing the Wildlife Account to retain interest from the account.

License Fee Changes. The 10 percent surcharge on hunting and fishing licenses expires on September 1, 2011, when the new fees take effect. The price of most hunting and fishing licenses are increased. About 40 percent of licenses either decrease in price or are discontinued.

The fee changes for individual fees vary significantly. Examples of some of the fee changes include:

1. Fishing:
 - a. Freshwater Fishing License: from \$26.00 to \$29.50;
 - b. Puget Sound Crab Enhancement: from \$3.00 to \$8.75;
 - c. Freshwater, Saltwater, Shellfish with Rockfish: from \$48.20 to \$54.25;
 - d. Columbia River Salmon and Steelhead: from \$8.00 to no change.
2. Hunting:
 - a. Deer: from \$45.20 to \$44.90;
 - b. Deer, Elk, Bear, Cougar: from \$81.20 to \$95.50;
 - c. Small Game with a Big Game License: from \$21.20 to \$24.00;
 - d. Migratory Bird Permit: from \$12.50 to \$17.00.

Each license has a variable structure; a different amount is charged for residents, non-residents, youth, and disabled persons or veterans. The average change in fee, including both increases and decreases, by category of user is:

- resident: 16 percent increase;
- non-resident: 12 percent increase;
- youth: 2 percent increase; and
- disabled persons or veterans: 4 percent decrease.

The recreational fee increases net revenue to the Wildlife Account by approximately \$14.6 million per biennium. Much of this revenue is used to replace the revenue that is no longer collected from the 10 percent surcharge. The revenue generated from fees is increased by more than 20 percent.

Moving Revenue from General Fund to Wildlife Account. Revenue from hunting and fishing license fees is moved from the General Fund to the Wildlife Account. The estimated revenue is approximately \$3 million per biennium. The revenue collected from saltwater, razor clam, and shellfish licenses is expended for management, enhancement, research, and enforcement of shellfish and saltwater programs.

New Administrative Fees. Administrative fees for commercial fishing licenses are established. The administrative fees are either \$70 or \$105 per license issued. The revenue generated by the fees goes toward paying for the cost of administering the program. The variability in price depends on the complexity of issuing the license. The administrative fees increase revenue by over \$1 million per biennium. There is a discount for administrative fees that are collected online.

Interest. Interest from the fund balance in the Wildlife Account remains in the Wildlife Account and is not transferred to the General Fund.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony: PRO: The purpose of the bill is continuing the mandate of the organization. The impetus is the expected sunset of a temporary increase in fees. The agency met with stakeholders over the last six months. The agency wanted to align the fees with costs, compete with neighboring states, increase fees for non-resident purchasers, and maintain family recreation.

The commercial fee is supported as well. It is an administrative fee to guarantee that the permits are processed quickly and effectively and will help the fishers better be prepared for the fishing seasons.

The agency could and should continue to work on dedicating funding for enforcement and derelict crab gear removal.

Persons Testifying: PRO: David Giglio, Department of Fish and Wildlife; Ed Owens, Coalition of Coastal Fisheries; Scott Sigman, Coastal Conservation Association; Bryan Quinton.