

HOUSE BILL REPORT

HB 1323

As Reported by House Committee On:
Agriculture & Natural Resources
Finance

Title: An act relating to the sea cucumber dive fishery.

Brief Description: Regarding the sea cucumber dive fishery.

Sponsors: Representatives Lytton, Morris, Blake and Takko.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/6/13, 2/13/13 [DPS];

Finance: 2/25/13 [DPS(AGNR)].

Brief Summary of Substitute Bill

- Extends the expiration of the fees and taxes used to retire sea cucumber dive fishery licenses until 2016 or until the number of licenses is reduced to 20.
- Requires surcharges collected to be equally divided between remaining permit holders once the number of licenses is reduced to 20.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Blake, Chair; Lytton, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Buys, Dunshee, Orcutt, Schmick, Van De Wege and Warnick.

Staff: Cherlyn Walden (786-7296).

Background:

A closed fishery is a fishery with a set number of licenses held by defined participants. The commercial sea cucumber fisheries have been closed since the year 2000. The Director of the Washington Department of Fish and Wildlife (WDFW) is authorized only to issue sea cucumber dive fishery licenses to individuals who held a license for the fishery in the

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previous year. The issuance of a license to a new applicant is prohibited unless fewer than 20 people are eligible for the license.

Along with closing the sea cucumber commercial fisheries, the WDFW manages a program to buyback, or retire, sea cucumber licenses from qualified participants. The WDFW is required to retire these licenses if the license holder voluntarily agrees to not renew his or her license the following year. The WDFW must retire licenses until the number of fishers participating in the sea cucumber fishery is reduced to 20. When that number is achieved, the money collected from the remaining licenses must be used for management and enforcement in the sea cucumber fishery.

A surcharge of \$100 is assessed for a sea cucumber dive fishery license renewal. A surcharge is also assessed if the license holder transfers his or her license to another or designates an alternate operator to fish under his or her license. The surcharges are deposited into the Sea Cucumber Dive Fishery Account which also receives revenue from specific excise taxes. For sea cucumbers, the commercial fishers are required to pay in tax the value of their harvest multiplied by 4.6 percent, multiplied by the additional tax of 7 percent.

Summary of Substitute Bill:

The sea cucumber dive fishery license's surcharge is extended through 2016 or until the number of licenses is reduced to 20, whichever occurs first. The program was scheduled to expire December 31, 2013.

Once the number of sea cucumber dive fishery licenses are reduced to 20, the surcharges collected and deposited into the sea cucumber dive fishery account will be divided and equally distributed to the remaining licensees.

Substitute Bill Compared to Original Bill:

The sea cucumber dive fishery account receives revenue from license surcharges and a percentage of the excise tax collected on sea cucumbers. Once the number of license holders is reduced to 20, only the surcharges and not the excise tax funds in the sea cucumber dive fishery account will be distributed to the remaining license holders.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The sea cucumber dive fishery started out with 49 licenses. As tribal fisheries got more involved with the sea cucumber resource, the license holders decided that in order to keep the resource viable the number of licenses needed to be reduced. The license holders self imposed surcharges in order to generate money into an account to assist in the buy-out effort which has successfully reduced the number of licenses down to 27. The goal is to reduce the number of licenses down to 20. There is overwhelming support among the remaining license holders to continue the buy-out program, which allows license holders to voluntarily sell back their license to the state to be retired, and allow for the remaining funds in the account to be evenly distributed to the remaining license holders once the 20 license goal is met.

(Opposed) None.

Persons Testifying: Representative Lytton, prime sponsor; Logon Sizemore, Black Hills High School; Christopher Sparks; and Bob Sizemore.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill by Committee on Agriculture & Natural Resources be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Fitzgibbon, Hansen, Lytton, Pollet, Reykdal, Springer and Vick.

Staff: Jeff Olsen (786-7175).

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Agriculture & Natural Resources:

No changes recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) By extending the surcharge, the license buyback program can continue with the goal to reduce the number of licenses to 20. The program helps with the resource and sustains a viable fishery.

(Opposed) None.

Persons Testifying: Representative Lytton, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.