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**SUBSTITUTE HOUSE BILL 1323**

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**State of Washington**

**63rd Legislature**

**2013 Regular Session**

**By** House Agriculture & Natural Resources (originally sponsored by Representatives Lytton, Morris, Blake, and Takko)

READ FIRST TIME 02/15/13.

1 AN ACT Relating to the sea cucumber dive fishery; and amending RCW  
2 77.70.190, 82.27.020, and 82.27.070.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 77.70.190 and 2011 c 339 s 33 are each amended to read  
5 as follows:

6 (1) A sea cucumber dive fishery license is required to take sea  
7 cucumbers for commercial purposes. A sea cucumber dive fishery license  
8 authorizes the use of only one diver in the water at any time during  
9 sea cucumber harvest operations. If the same vessel has been  
10 designated on two sea cucumber dive fishery licenses, two divers may be  
11 in the water. A natural person may not hold more than two sea cucumber  
12 dive fishery licenses.

13 (2) Except as provided in subsection (6) of this section, the  
14 director shall issue no new sea cucumber dive fishery licenses. For  
15 licenses issued for the year 2000 and thereafter, the director shall  
16 renew existing licenses only to a natural person who held the license  
17 at the end of the previous year. If a sea cucumber dive fishery  
18 license is not held by a natural person as of December 31, 1999, it is  
19 not renewable. However, if the license is not held because of

1 revocation or suspension of licensing privileges, the director shall  
2 renew the license in the name of a natural person at the end of the  
3 revocation or suspension if the license holder applies for renewal of  
4 the license before the end of the year in which the revocation or  
5 suspension ends.

6 (3) Where a licensee failed to obtain the license during either of  
7 the previous two years because of a license suspension by the director  
8 or the court, the licensee may qualify for a license by establishing  
9 that the person held such a license during the last year in which the  
10 person was eligible.

11 (4) Surcharges as provided for in this section shall be collected  
12 and deposited into the sea cucumber dive fishery account hereby created  
13 in the custody of the state treasurer. The collections and deposits  
14 must continue, as set forth in (a) and (b) of this subsection, through  
15 license year ((2013)) 2016, or until the number of licenses is reduced  
16 to twenty, whichever occurs first. Only the director or the director's  
17 designee may authorize expenditures from the account. The sea cucumber  
18 dive fishery account is subject to allotment procedures under chapter  
19 43.88 RCW, but no appropriation is required for expenditures.  
20 Expenditures from the account shall only be used to retire sea cucumber  
21 licenses until the number of licenses is reduced to twenty, and  
22 thereafter the remaining account funds, excluding excise tax revenue  
23 deposited into the account under RCW 82.27.020, shall ((only)) be  
24 ((used for sea cucumber management and enforcement)) equally divided  
25 and returned to the remaining permit holders. The director or the  
26 director's designee shall notify the department of revenue within  
27 thirty days when the number of licenses is reduced to twenty.

28 (a) A surcharge of one hundred dollars shall be charged with each  
29 sea cucumber dive fishery license renewal for licenses issued in 2000  
30 through ((2013)) 2016, or until the number of licenses is reduced to  
31 twenty, whichever occurs first.

32 (b) For licenses issued for license years 2000 through ((2013))  
33 2016, or until the number of licenses is reduced to twenty, whichever  
34 occurs first, a surcharge shall be charged on the sea cucumber dive  
35 fishery license for designating an alternate operator. The surcharge  
36 shall be as follows: Five hundred dollars for the first year or each  
37 of the first two consecutive years after 1999 that any alternate

1 operator is designated and two thousand five hundred dollars each year  
2 thereafter that any alternate operator is designated.

3 (5) Sea cucumber dive fishery licenses are transferable. For  
4 licenses issued for license years 2000 through ((2013)) 2016, or  
5 whenever the number of licenses is reduced to twenty, whichever occurs  
6 first, there is a surcharge to transfer a sea cucumber dive fishery  
7 license. The surcharge is five hundred dollars for the first transfer  
8 of a license valid for license year 2000 and two thousand five hundred  
9 dollars for any subsequent transfer, occurring in the license years  
10 2000 through ((2013)) 2016, or whenever the number of licenses is  
11 reduced to twenty, whichever occurs first. The application fee to  
12 transfer a sea cucumber dive fishery license is one hundred five  
13 dollars. Notwithstanding this subsection, a one-time transfer exempt  
14 from surcharge applies for a transfer from the natural person licensed  
15 on January 1, 2000, to that person's spouse or child.

16 (6) If fewer than twenty persons are eligible for sea cucumber dive  
17 fishery licenses, the director may accept applications for new  
18 licenses. The additional licenses may not cause more than twenty  
19 natural persons to be eligible for a sea cucumber dive fishery license.  
20 New licenses issued under this section shall be distributed according  
21 to rules of the department that recover the value of such licensed  
22 privilege.

23 **Sec. 2.** RCW 82.27.020 and 2010 c 193 s 16 are each amended to read  
24 as follows:

25 (1) In addition to all other taxes, licenses, or fees provided by  
26 law there is established an excise tax on the commercial possession of  
27 enhanced food fish as provided in this chapter. The tax is levied upon  
28 and shall be collected from the owner of the enhanced food fish whose  
29 possession constitutes the taxable event. The taxable event is the  
30 first possession in Washington by an owner after the enhanced food fish  
31 has been landed. Processing and handling of enhanced food fish by a  
32 person who is not the owner is not a taxable event to the processor or  
33 handler.

34 (2) A person in possession of enhanced food fish and liable to this  
35 tax may deduct from the price paid to the person from which the  
36 enhanced food fish (except oysters) are purchased an amount equal to a  
37 tax at one-half the rate levied in this section upon these products.

1 (3) The measure of the tax is the value of the enhanced food fish  
2 at the point of landing.

3 (4) The tax shall be equal to the measure of the tax multiplied by  
4 the rates for enhanced food fish as follows:

5 (a) Chinook, coho, and chum salmon and anadromous game fish: Five  
6 and twenty-five one-hundredths percent;

7 (b) Pink and sockeye salmon: Three and fifteen one-hundredths  
8 percent;

9 (c) Other food fish and shellfish, except oysters, sea urchins, and  
10 sea cucumbers: Two and one-tenth percent;

11 (d) Oysters: Eight one-hundredths of one percent;

12 (e) Sea urchins: Four and six-tenths percent through December 31,  
13 2013, or until the department of fish and wildlife notifies the  
14 department that the number of sea urchin licenses has been reduced to  
15 twenty licenses, whichever occurs first, and two and one-tenth percent  
16 thereafter; and

17 (f) Sea cucumbers: Four and six-tenths percent through December  
18 31, ((2013)) 2016, or until the department of fish and wildlife  
19 notifies the department that the number of sea cucumber licenses has  
20 been reduced to twenty licenses, whichever occurs first, and two and  
21 one-tenth percent thereafter.

22 (5) An additional tax is imposed equal to the rate specified in RCW  
23 82.02.030 multiplied by the tax payable under subsection (4) of this  
24 section.

25 **Sec. 3.** RCW 82.27.070 and 2010 c 193 s 17 are each amended to read  
26 as follows:

27 All taxes collected by the department of revenue under this chapter  
28 shall be deposited in the state general fund except for the excise tax  
29 on anadromous game fish, which shall be deposited in the state wildlife  
30 account. From January 1, 2000, to December 31, ((2013)) 2016, or until  
31 the department of fish and wildlife notifies the department that the  
32 license reduction goals of the sea urchin or sea cucumber fishery have  
33 been met, whichever occurs first, twenty-five forty-sixths of the  
34 revenues derived from the excise tax on sea urchins collected under RCW  
35 82.27.020 shall be deposited into the sea urchin dive fishery account  
36 created in RCW 77.70.150, and twenty-five forty-sixths of the revenues

1 derived from the excise tax on sea cucumbers collected under RCW  
2 82.27.020 shall be deposited into the sea cucumber dive fishery account  
3 created in RCW 77.70.190.

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