

SENATE BILL REPORT

SB 5531

As of February 12, 2015

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

Brief Description: Increasing revenue to the state wildlife account.

Sponsors: Senators Hatfield and Chase.

Brief History:

Committee Activity: Natural Resources & Parks: 2/12/15.

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Staff: Bonnie Kim (786-7316)

Background: The State Wildlife Account. Generally, the state wildlife account consists of monies received from the following:

- rentals or concessions of the Washington Department of Fish and Wildlife (WDFW);
- sale of real or personal property held for WDFW purposes;
- assessment of administrative penalties;
- sale of licenses, permits, tags, stamps, and application fees;
- fees for informational materials published by WDFW;
- fees for personalized vehicle license plates;
- articles or wildlife sold by the director;
- compensation for damage to WDFW property or wildlife losses, or contributions, gifts, or grants;
- excise tax on game fish;
- WDFW's share of revenues from auctions and raffles;
- sale of watchable wildlife decals;
- monies received from the recreation access pass account; and
- donations received by the director.

Commercial Fishing License. Generally, a person must have a license or permit issued by the director to engage in any of the following activities:

- commercially fish for or take food fish or shellfish;
- deliver from a commercial fishing vessel food fish or shellfish taken for commercial purposes in offshore waters;
- operate a charter boat or commercial fishing vessel engaged in a fishery;

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- engage in processing or wholesaling food fish or shellfish; or
- act as a food fish guide for personal use in freshwater rivers and streams, except that a charter boat license is required to operate a vessel from which a person may, for a fee, fish for food fish in certain state waters.

Commercial Fishing Without a License. A person is guilty of commercial fishing without a license in the second degree – a gross misdemeanor – if the person fishes for, takes, or delivers food fish, shellfish, or game fish while acting for commercial purposes and either:

- does not hold a fishery license or delivery license for the food fish or shellfish; or
- is not a licensed operator designated as an alternate operator on a fishery or delivery license for the food fish or shellfish.

A person is guilty of commercial fishing without a license in the first degree – a class C felony – if the person commits the acts described for commercial fishing without a license in the second degree and the violation involves taking, delivery, or possession of food fish or shellfish:

- with a value of \$250 or more; or
- from an area that was closed to the taking of such food fish or shellfish by any statute or rule.

Excise Tax. An excise tax is levied on the commercial possession of enhanced food fish. The taxable event is the first possession in the state by an owner after the enhanced food fish has been landed. The measure of the tax is the value of the enhanced food fish at the point of landing.

Summary of Bill: Anadromous Surcharge. An anadromous surcharge is added to the commercial fishing, harvest, sale, purchase, or processing of any anadromous species. The surcharge must be deposited into the state wildlife account. Monies received from the surcharge must be appropriated to support commercial fisheries. Specifically, the following anadromous surcharges are added:

- \$310 - salmon charter license;
- \$120 - salmon charter license renewal;
- \$80 - salmon roe license;
- \$290 - salmon gill net, reef net, and troll licenses;
- \$365 - salmon purse seine license;
- \$100 - salmon gill net, reef net, troll, and purse seine license renewals;
- \$290 - salmon delivery license renewal;
- \$165 - nontransferable emergency salmon delivery license;
- \$175 - wholesale dealer license;
- \$100 - fish buyer's license;
- \$110 - food fish guide license;
- \$125 - game fish guide license; and
- \$75 - direct retail endorsement.

Crewmember License. A crewmember license is required for each individual who works on any commercial vessel while operating in a commercial fishery regulated by the state. This does not apply to the individual on a vessel designated as the primary or alternate operator on

the commercial fishing license or an individual aboard a licensed vessel who does not participate in the operation of the vessel, the harvest, or catch-processing activity.

A crewmember license purchased by an individual working as a crewmember may be used aboard any commercial fishing vessel but may not be transferred to another individual. A commercial fishing license holder may purchase crewmember licenses for each member of the holder's crew. Such licenses may be used for different individuals during different trips.

The crewmember license fee is \$100 for both residents and nonresidents. A five consecutive-day crewmember license may be purchased for \$25. Monies received from the sale of a crewmember license must be deposited into the state wildlife account and be appropriated to support commercial fisheries.

Commercial Fishing License. Unless a person holds a crewmember license, a commercial fishing license is required to work as a crewmember on any commercial vessel operating in a commercial fishery regulated by the state, including crews of tenders, processors, catcher processors, or other floating craft while used in catching or transporting fish or shellfish.

Commercial Fishing Without a License in the Second Degree. A person may be found guilty of commercial fishing without a license in the second degree if the person fishes for, takes, or delivers food fish, shellfish, or game fish while acting for commercial purposes and does not hold a crewmember license when required.

Excise Tax. The following changes are made to the excise tax rates levied on enhanced food fish:

- chinook, coho, and chum salmon and anadromous game fish: from 5.25 to 8.4 percent;
- pink and sockeye salmon: from 3.15 to 5.04 percent;
- sea urchins: from 4.6 percent or until there are only 20 licenses, to 2.1 percent; and
- sea cucumbers: from 4.6 percent or until there are only 20 licenses, to 2.1 percent.

The enhanced food fish excise taxes collected by the Department of Revenue are diverted from the state general fund to the state wildlife account. The revenue must be appropriated to support commercial fisheries.

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 an emergency clause and takes effect on July 1, 2015.

Staff Summary of Public Testimony: PRO: All commercial fees and excise taxes go to the state general fund. Hatcheries and other operations have suffered because of the Governor's mandate to reduce the budget by 15 percent. This language will need amendments. The increased revenue should go to support WDFW. Commercial fishermen need to contribute to

the conservation and preservation of the fisheries. WDFW's top priority is to restore fishing opportunities. WDFW is facing rising costs. Without increased funding, WDFW will be forced to shut down six to eight more hatcheries. Fish license fee increases were allocated between recreational and commercial use of hatchery resources. The funds set aside to support commercial hatcheries is not a supplement to the Governor's 15 percent budget reduction.

OTHER: Commercial fish guides and charter boat operators are considered retailers and pay sales tax rather than excise tax. We understand the need to increase revenue for the agency but it is difficult to continue to support fee increases when we suffer reduced opportunities with more and more waterway closures. We would like to see a reasonable combination license created for food fish guide, game fish guide, and charter boat licenses.

Persons Testifying: PRO: Tom Echols, Coalition of Coastal Fisheries; David Giglio, James Scott, Owen Rowe, WDFW; Bob Franks; citizen.

OTHER: Sean Orr, NW Olympic Peninsula Sportfishing Coalition; Chuck Wicken, Sportfishing Guides of WA; Lyle Cabe, Coastal Conservation Assn.