

SENATE BILL REPORT

ESHB 1597

As Passed Senate, June 30, 2017

Title: An act relating to increasing revenue to the state wildlife account by increasing commercial fishing license fees and streamlining wholesale fish dealing, buying, and selling requirements.

Brief Description: Increasing revenue to the state wildlife account by increasing commercial fishing license fees and streamlining wholesale fish dealing, buying, and selling requirements.

Sponsors: House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake, Kretz and Doglio; by request of Department of Fish and Wildlife).

Brief History: Passed House: 6/29/17, 92-2.

Committee Activity:

Floor Activity:

Third Special Session: Passed Senate: 6/30/17, 46-3.

Brief Summary of Engrossed Substitute Bill

- Modifies commercial fishery-related license fees and the enhanced food fish excise tax.
- Creates a new licensing structure for buying and selling commercially caught fish.
- Provides enforcement and recordkeeping requirements for the new licensing structure.

Staff: Curt Gavigan (786-7437)

Background: Role of the Department of Fish and Wildlife (DFW). DFW serves as manager of the state's fish and wildlife resources. Among other duties, DFW must protect and manage fish and wildlife, including establishing the time, place, manner, and methods used to harvest or enjoy fish and wildlife.

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.

Commercial Fishery Licensing. DFW manages the commercial harvest of fish and shellfish. Commercial fishers, and fish buyers and dealers, must obtain applicable licenses from DFW. In general, commercial fishing license fees are structured by species and fishing gear. There is a resident and nonresident fee for each license type.

Commercial Fishery Enforcement. The fish and wildlife enforcement code contains civil and criminal penalties for violations of commercial fish and wildlife fishing, licensing, and recordkeeping requirements. Examples include:

- fishing for or delivering fish or shellfish without the appropriate license;
- receiving or delivering fish or shellfish for commercial purposes without appropriately documenting the transaction as required by statute or rule; and
- for a fish dealer, purchasing a quantity of fish or shellfish that cannot be processed within sixty hours of the catch, unless the catch can be stored in good marketable condition.

Enhanced Food Fish Excise Tax. The state's enhanced food fish tax applies to the first commercial possession by an owner of specified species within the state. The tax is measured by the value of the fish when landed. The tax is levied by the state and administered by the Department of Revenue. Receipts for most species are deposited in the state general fund.

Summary of Engrossed Substitute Bill: Modifies commercial fishery-related license fees and the enhanced food fish excise tax. The fee for many commercial fishing licenses are modified. In general, for those that are changed, the resident fee is increased and non-resident fee is adjusted to \$75 more than the resident fee. Examples include:

- salmon charter licenses are increased from \$380 to \$460 for residents and decreased from \$685 to \$535 for non-residents;
- salmon purse seine licenses are increased from \$530 to \$545 for residents and decreased from \$985 to \$620 for non-residents; and
- bottom fish troll and Puget Sound Dungeness crab licenses are increased from \$130 to \$180 for residents and from \$185 to \$255 for non-residents.

A new license is established for crewmembers on board most commercial fishing vessels, with exemptions such as for primary or alternate operators.

Each fiscal year beginning 2018, DFW must report on both total commercial license fee revenue and the portion of commercial license fee revenue attributable to the changes from this bill. The portion attributable to this bill is retained in the Wildlife Account, and the rest is transferred to the state general fund.

The enhanced food fish excise tax for food fish in ocean waters, Columbia river, Willapa bay, and Grays Harbor Chinook, coho, and anadromous game fish is increased by one percent. For chinook, coho, and chum, that additional one percent is deposited in the State Wildlife Account with the remainder deposited in the State General Fund. For anadromous game fish, the entire amount is deposited in the State Wildlife Account.

Creates a new licensing structure for buying and selling commercially caught fish. A new licensing structure is established for buying and selling commercial caught fish. The structure includes licenses for:

- a fish broker, which facilitates the sale or purchase of raw or frozen fish or shellfish on commission without assuming title to the fish or shellfish;
- a fish dealer, which engages in the wholesale selling, buying, or brokering of raw or frozen fish or shellfish or takes possession of fish or shellfish for canning or processing;
- a wholesale fish buyer, which generally takes first possession or ownership of fish or shellfish directly from a commercial fisher or through interstate or foreign commerce; and
- a limited fish seller, which is a licensed commercial fisher who sells the commercially harvested catch at retail directly to consumers.

The maximum bond required for those engaging in commercial fish transactions is increased to \$2,000 for wholesale fisher buyers.

Provides enforcement and recordkeeping requirements for the new licensing structure. Enforcement and recordkeeping provisions are extended to participants in the new licensing system for those involved in commercial fish transactions.

Removes references to fisheries that no longer occur. Makes technical changes.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2018.