
**Rural Development, Agriculture, &
Natural Resources Committee**

HB 1062

Brief Description: Expanding access to commercial fishing opportunities.

Sponsors: Representatives Blake and Walsh.

Brief Summary of Bill

- Removes the prohibition on creating a security interest in a commercial fishing license.
- Provides that the transfer of a commercial fishing license is subject to the approval of the Washington Department of Fish and Wildlife (WDFW) according to rules the WDFW may adopt.
- Provides that the transfer of a commercial fishing license without the written consent of each person holding a security interest in the license is void.

Hearing Date: 1/16/19

Staff: Robert Hatfield (786-7117).

Background:

Commercial Fishing Licenses.

The Department of Fish and Wildlife (WDFW) manages the commercial harvest of food fish, shellfish, and salmon. Commercial fishers must obtain applicable licenses from the WDFW.

No security interest or lien of any kind, including tax liens, may be created or enforced in a commercial fishing license. Transfers of commercial fishing licenses are subject to various requirements, including timing restrictions and the payment of fees.

Although commercial fishing licenses are not personal property, they are treated as analogous to personal property for purposes of inheritance and intestacy. Commercial fishing licenses are

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subject to various state laws, including wills, trusts, and estates, except that commercial fishing licenses are exempt from claims of creditors of the estate and tax liens.

Uniform Commercial Code.

The Uniform Commercial Code (UCC) is a model code drafted by the National Conference of Commissioners on Uniform State Laws for the purpose of providing a consistent and integrated framework of rules to deal with commercial transactions. All 50 states have adopted the UCC. In Washington, the UCC is codified at Title 62A RCW.

Article 9 of the UCC governs the creation and operation of security interests in various types of personal property and fixtures. A security interest is the interest of a creditor in the property of a debtor, used to secure payment of a debt. Article 9 also provides remedies and procedures in the event that a debtor defaults on an obligation.

Summary of Bill:

The prohibition on the creation of a security interest in a commercial fishing license is removed. Commercial fishing licenses are treated as analogous to personal property for the purpose of enforcing security interests pursuant to the Uniform Commercial Code (UCC).

Transfers of a commercial fishing license are subject to the approval of the Washington Department of Fish and Wildlife (WDFW) according to any rules the WDFW may adopt. The transfer of a commercial fishing license without the written consent of each person holding a security interest in the license is void.

Appropriation: None.

Fiscal Note: Available.

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