

SENATE BILL REPORT

SB 5488

As Reported by Senate Committee On:
Agriculture, Water, Natural Resources & Parks, May 16, 2023

Title: An act relating to dedicating the enhanced food fish excise tax revenue to the fish, wildlife, and conservation account for the purpose of maintaining fishing, hunting, and recreational opportunities.

Brief Description: Dedicating the enhanced food fish excise tax revenue to the fish, wildlife, and conservation account for the purpose of maintaining fishing, hunting, and recreational opportunities.

Sponsors: Senators Wilson, L. and Holy.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/30/23, 5/16/23.

Brief Summary of Bill

- Redirects excise taxes collected on enhanced food fish from the state general fund to the Fish, Wildlife, and Conservation Account to support the activities of the Department of Fish and Wildlife.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff:

Background: The Fish, Wildlife, and Conservation Account (FWCA) receives funding from a variety of sources to support the activities of the Department of Fish and Wildlife (DFW). Revenue sources to the FWCA include:

- certain portions of the sale of fish and wildlife licenses, permits, tags, stamps, endorsements, and application fees;
- excise taxes on anadromous game fish, and a portion of the excise tax on chinook,

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coho, and chum salmon in ocean waters, Columbia River, Willapa Bay, and Grays Harbor;

- the sale of property, rentals, or concessions of DFW; and
- certain administrative penalties, donations, and other sources.

The state's enhanced food fish excise tax applies to the first commercial possession by an owner of specified species within the state. The measure of the tax is the value of the enhanced food fish at the point of landing. The tax is levied by the state and administered by the Department of Revenue. There are various rates of tax by species including:

- Puget Sound Chinook, coho, and chum salmon, and anadromous game fish—5.62 percent;
- ocean waters, Columbia river, Willapa Bay, and Grays Harbor Chinook, coho, and chum salmon, and anadromous game fish—6.69 percent;
- pink and sockeye salmon—3.37 percent;
- other food fish and shellfish, except oysters, sea urchins, and sea cucumbers—2.25 percent; and
- oysters—0.09 percent.

The majority of the enhanced food fish tax collections are distributed to the state general fund. However, the fish taxes from anadromous game fish and 1 percent of the excise tax from salmon in ocean waters, Columbia River, Willapa Bay, and Grays Harbors are deposited in the Fish, Wildlife, and Conservation Account.

Summary of Bill: Certain proceeds from collection of the excise tax on the commercial possession of enhanced food fish are redirected from the state general fund to the FWCA to support the activities of the DFW.

Appropriation: None.

Fiscal Note: Requested on January 25, 2023.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Agriculture, Water, Natural Resources & Parks): PRO: The FWCA has had shortfalls in revenue and required \$15 million in funding from the general fund. Costs grow over time and fees are capped, resulting in deficits. By directing revenues from the excise tax on fish and seafood to the FWCA, there is a strong nexus between the fish and seafood caught and the activities supported at the DFW. The DFW participated in a performance audit back in 2017 and requested that the excise tax on enhanced food fish be deposited in the FWCA. This transfer would help to address structural deficits in the FWCA and send revenues to support fish and wildlife activities.

Persons Testifying (Agriculture, Water, Natural Resources & Parks): PRO: Senator Lynda Wilson, Prime Sponsor; Morgan Stinson, WDFW.

Persons Signed In To Testify But Not Testifying (Agriculture, Water, Natural Resources & Parks): No one.

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