

HOUSE BILL REPORT

ESHB 2650

As Passed House:
February 9, 2012

Title: An act relating to state and private partnerships for managing salmonid hatcheries.

Brief Description: Regarding state and private partnerships for managing salmonid hatcheries.

Sponsors: House Committee on Agriculture & Natural Resources (originally sponsored by Representatives McCune and Blake).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/31/12 [DPS].

Floor Activity:

Passed House: 2/9/12, 96-0.

Brief Summary of Engrossed Substitute Bill

- Removes the limitation on agreements between the Washington Department of Fish and Wildlife and private sector partners to resume or continue a salmon hatchery operation that makes the agreements applicable to only hatcheries that were closed in 2009 or slated for closure in the 2009-2011 biennium.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Blake, Chair; Chandler, Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Dunshee, Finn, Hinkle, Kretz, Lytton, Orcutt, Pettigrew and Van De Wege.

Staff: Jason Callahan (786-7117).

Background:

Fish hatcheries have operated in Washington for more than a century, beginning with one hatchery on the Kalama River in 1895. The Washington Department of 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.

(WDFW) operates hatcheries throughout the state. Seven salmon hatcheries were proposed for closure in the Governor's 2009-2011 State Omnibus Operating Appropriations Act, including the Colville, Omak, Arlington, Mossyrock, McKernan, Bellingham, and Palmer Ponds hatcheries.

The WDFW is authorized to use agreements with private sector partners for the continued operation and management of state-owned salmon hatcheries that were closed as of 2009 or scheduled for closure during the 2009-2011 biennium. The WDFW must accept and review applications from potential partners to manage and operate selected salmon hatcheries. The application process must be accelerated for any hatchery currently in operation to ensure ongoing salmon production.

The WDFW must apply criteria identifying the appropriateness of a potential partner. The criteria must attempt to ensure that the partner has a long-range business plan, which may include the sale of hatchery surplus salmon, including eggs and carcasses, to ensure the long-range future solvency of the partnership. Partners must be: (1) qualified under section 501(c)(3) of the Internal Revenue Code; (2) a for-profit private entity; or (3) a federally-recognized tribe.

All partnership agreements must be consistent with existing state laws, agency rules, collective bargaining agreements, hatchery management policy involving species listed under the federal Endangered Species Act, or, in the case of a tribal partner, any applicable tribal hatchery management policy or recreational and commercial harvest policy. In addition, all partnership agreements must require that partners conducting hatchery operations maintain staff with comparable qualifications to those identified in the class specifications for the WDFW's fish hatchery personnel. Finally, all partnership agreements must contain a provision requiring the partner to hold the WDFW and the state harmless from any civil liability arising from the partner's participation in the agreement.

All partnership agreements must identify any maintenance or improvements to be made to the hatchery facility, as well as the source of funding for such maintenance or improvements. If the funding is derived from state funds or revenue sources previously received by the WDFW, the work must be performed either by employees in the classified service or in compliance with the state contracting procedures.

Summary of Engrossed Substitute Bill:

The limitation on agreements between the Washington Department of Fish and Wildlife (WDFW) and private sector partners to resume or continue a salmon hatchery operation that makes the agreements applicable to only hatcheries that were closed in 2009 or slated for closure in the 2009-2011 biennium is removed. Private sector hatchery partners operating chum salmon hatcheries may, under permit from the WDFW, harvest some of the hatchery fish for sale. Any sale proceeds must be reinvested into the hatchery.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Alaskan hatcheries are funded and operated by local fisherman through a cost sharing arrangement. This bill introduces that concept in Washington. The bill provides a tool that may be used by the state to keep hatcheries open, but the state is not required to use the tool.

The initial legislation on this topic was passed in 2009 and was inspired by the potential closure of one important hatchery. Since that time a handful of agreements have been formalized and significant funds have been raised to keep hatcheries open. The problem moving forward is that in the later years of the agreement, fund raising and contributions have dropped off. Allowing the partner to a hatchery operation agreement special access to hatchery fish is a way to counteract the human tendency to reduce charitable giving to an effort over time.

(In support with concerns) The current partnership agreement program should be modified before expanded. It currently does not adequately address tribal co-management consultation and appropriate bidding mechanisms.

(With concerns) The initial 2009 legislation focused on commercial chum salmon production. Opening that door wider to all salmon hatcheries could allow private interests control over fish runs that are shared with recreational and tribal fishers. Private partnership agreements should be limited to hatcheries designed to exclusively or primarily serve the commercial fishing industry. It is a laudable goal to not rely on the General Fund for hatchery funding, but it is important to not upset a decades-old state hatchery policy that favors fish for the recreational fisheries. A loss of recreational fishing opportunities will result in a significant reduction in the economic contributions made by recreational fishers.

(Opposed) None.

Persons Testifying: (In support) Representative McCune, prime sponsor; Bob Kehoe, Purse Seine Vessel Owners Association; Ed Owens, Coalition of Coastal Fisheries; Ray Honea, Washington Department of Agriculture Salmon Commission; and Heather Bartlett, Washington Department of Fish and Wildlife.

(In support with concerns) Steve Robinson, Puget Sound Salmon Enhancement and Harvest Association and the Tulalip Tribes.

(With concerns) Scott Sigmon, Coastal Conservation Association; Carl Burke, Puget Sound Anglers, Northwest Sport Fishing Industry Association, and Fish Northwest; and Matt Zuvich, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: None.