

HOUSE BILL REPORT

SHB 1071

As Passed House:
March 6, 2013

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 Blake and Chandler).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/24/13, 2/7/13 [DPS].

Floor Activity:

Passed House: 3/6/13, 95-0.

Brief Summary of Substitute Bill

- Changes the hatcheries that can be managed under an agreement between the Washington Department of Fish and Wildlife and private sector partners to only those located in the Hood Canal basin.
- Allows private sector hatchery partners operating chum salmon hatcheries to harvest some of the hatchery fish for sale and use any sale proceeds for reinvestment into the hatchery.
- Provides direction to hatchery partners to prioritize the retention of classified employees.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Blake, Chair; Lytton, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Buys, Dunshee, Haigh, Hurst, Kretz, Orcutt, Pettigrew, Schmick, Stanford and Warnick.

Staff: Jason Callahan (786-7117).

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.

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 (WDFW) operates hatcheries throughout the state. Seven salmon hatcheries were proposed for closure in the Governor's 2009-2011 Operating Budget, including: 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 state contracting procedures.

Summary of 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 only to hatcheries that were closed in 2009 or slated for closure in the 2009-2011 biennium is changed. Partnership agreements are limited to hatcheries located within the Hood Canal basin. In addition, 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. All hatchery

partnerships going forward are given direction to prioritize the retention of classified employees and to operate consistently with federally recognized treaty rights.

A legislative report on the hatchery partnership program is assigned to the WDFW.

Appropriation: None.

Fiscal Note: Not requested.

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) Public-private partnerships for hatchery management has proven to be a valuable tool that helps to keep hatcheries open, fisheries productive, and employees from being laid off. The existing system works but can be improved. There are currently several hatchery partnership agreements and they are all viewed as successful.

(With concerns) It is important to keep hatcheries open, but there should be a process to help maximize the value obtained during a hatchery partnership. Overall hatchery management must be addressed to ensure that fisheries are open and the right species are being produced at the right places.

(Opposed) None.

Persons Testifying: (In support) Representative Blake, prime sponsor; Tom Echols and Bob Kehoe, Purse Seine Vessel Operators Association; Matt Zuvich, Washington Federation of State Employees; and Jim Scott, Washington Department of Fish and Wildlife.

(With concerns) Miguel Perez-Gibson, Colville Tribes.

Persons Signed In To Testify But Not Testifying: None.