

***Natural Resources Committee***

***HB 1658***

***Brief Description:*** *Establishing a pilot project culturing shellfish on nonproductive oyster reserve land.*

***Sponsors:*** *Representatives Buck, Doumit, Ericksen, Linville, Haigh, G. Chandler, Cooper and Dunshee.*

***Brief Summary of Bill***

- *A pilot program is created to evaluate the feasibility of growing shellfish on non-productive oyster reserve lands in Puget Sound and Willapa Harbor. Revenues from the leases are deposited into the oyster reserve land account.*
- *The authority for DNR to lease first or second class tidelands that were set aside as state oyster reserves is repealed.*
- *The oyster reserve land account is created in the state treasury as an appropriated account. Expenditures from the account must be used for managing oyster reserve lands, new research and development activities at the Pt. Whitney and Nahcotta shellfish laboratories, the state general fund, and the shellfish - on-site sewage grant program.*
- *The Department of Health is directed to establish a shellfish - on-site sewage grant program to improve on-site sewage systems in areas that could adversely affect water quality in commercial and recreational shellfish growing areas.*

***Hearing Date:*** *2/12/01*

***Staff:*** *Bill Lynch (786-7092).*

***Background:***

*The state established oyster reserves in the Puget Sound and Willapa Harbor to furnish shellfish to growers and processors and to stock public beaches. In 1985 the Legislature*

*directed the Department of Fisheries to develop an oyster reserve management plan so that the oyster reserves could be managed on a sustained yield basis. As part of this management plan, the following five management zones were created: native Olympia oyster broodstock reserves, commercial shellfish harvesting zones, commercial shellfish propagation zones designated for long-term leasing to private aquaculturists, public recreational shellfish harvesting zones, and unproductive land.*

*In 1985 the state also authorized the director of the Department of Fisheries to reestablish dike cultivated production of Olympia oysters on a trial basis on the oyster reserves. No intensive pilot project has been attempted to culture shellfish on currently nonproductive oyster reserves.*

*The Department of Natural Resources (DNR) may lease first or second class tidelands that have been set aside as oyster reserves. If DNR receives an application for the lease of such oyster reserves, the director of the Department of Fish and Wildlife (DFW) must cause an inspection of the reserve to determine whether the reserve or any part of the reserve should be retained or vacated. If the director of DFW approves the vacation of any part or the whole of the reserve, and the Fish and Wildlife Commission recommends the disposal or lease, DNR may vacate the and offer the reserve for lease. All moneys received from leasing such land is paid to DNR. Oyster reserves in Eld Inlet, Hammersley Inlet, and Totten Inlet are specifically prohibited from being leased. An area described as Clifton's Oyster Reserve, which had been vacated, is statutorily authorized for lease by the department.*

*Failing on-site septic systems have been identified as a threat to aquatic resources and public health. Although some assistance is available to replace failing systems, it is not great enough to address the need.*

#### **Summary of Bill:**

**Oyster Reserve Pilot Program.** *A pilot program is created to evaluate the feasibility of growing shellfish on non-productive oyster reserve lands in Puget Sound and in Willapa Harbor. The Department of Fish and Wildlife is directed to enter into at least three long-term lease agreements with commercial shellfish growers in each of the two areas. Revenues from the leases are deposited into the oyster reserve land account. The department must submit a brief progress report on the status of the pilot program to the appropriate legislative committees by January 7, 2003.*

*The department is required to form an advisory committee for the Willapa Bay oyster reserve lands and an advisory committee for the Puget Sound oyster reserve lands. Each advisory committee must include an equal representation between shellfish growers that participate in reserve sales and those growers who do not participate in reserve sales.*

*The advisory committees must make recommendations on management practices to conserve, protect, and develop these reserve lands. The advisory committees may also make recommendations regarding the distribution of funds from the oyster reserve land account, ways to increase revenue from these lands by producing high-value shellfish, and managing the oyster reserve lands so that they won't be detrimental to the market for*

*shellfish grown on nonreserve lands.*

***Lease of oyster reserve lands.*** *The authority for DNR to lease first or second class tidelands that were set aside as state oyster reserves is repealed. The oyster reserves in Eld Inlet, Hammersley Inlet, and Totten Inlet are permanently designated as state oyster reserve lands. The specific reference authorizing Clifton's Oyster Reserve as available for lease is deleted.*

***Oyster Reserve Land Account.*** *The oyster reserve land account is created in the state treasury as an appropriated account. Proceeds from the lease of land or sale of shellfish from oyster reserve lands must be deposited into this account. Interest earned from moneys in the account are credited to the account. Expenditures from the account must be used in the following manner: (1) up to 40% of the funds may be used for management expenses by the Department of Fish and Wildlife directly attributable to managing oyster reserve lands and for new research and development activities at the Pt. Whitney and Nahcotta shellfish laboratories; up to 10% of the funds may be deposited into the state general fund; and the remaining funds must be used for the shellfish - on-site sewage grant program.*

***Shellfish - On-site Sewage Grant Program.*** *The Department of Health is directed to establish a shellfish - on-site sewage grant program. The grants must be given to improve on-site sewage systems in areas that could adversely affect water quality in commercial and recreational shellfish growing areas. Grants may not be awarded to anyone with an income greater than 80% of the median income of the county in which the on-site septic system is located. A grant recipient must enter an agreement to maintain the system according to local health jurisdiction requirements.*

*In issuing grants from the shellfish - on-site sewage grant program, the department must work closely with local health jurisdictions and must try to attain geographic equity between Willapa Bay and the Puget Sound areas. Attaining geographic equity- means issuing grants in an area at a level that matches the funds generated from the oyster reserve lands from that area.*

*The department must give first priority in the Puget Sound area to property located within shellfish protection districts or that have been designated as an area of special concern in accordance with state Department of Health rules.*

*The department may recover administrative costs for the grant program not to exceed four percent of the grant program. For the 2001-03 biennium, the department may use up to one-half of the grant program funds for grants to local health jurisdictions to establish areas of special concern where commercial and recreational uses are present.*

***Appropriation:*** *None.*

***Fiscal Note:*** *Requested on January 31, 2001.*

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

