

HOUSE BILL REPORT

HB 1387

As Reported by House Committee On:
General Government Appropriations & Oversight
Ways & Means

Title: An act relating to increasing revenue to the state wildlife account.

Brief Description: Increasing revenue to the state wildlife account.

Sponsors: Representatives Blake and Chandler; by request of Department of Fish and Wildlife.

Brief History:

Committee Activity:

General Government Appropriations & Oversight: 1/27/11, 2/1/11 [DP];
Ways & Means: 2/16/11, 3/21/11 [DPS].

Brief Summary of Substitute Bill

- Increases the license fee for certain recreational licenses issued by the Washington Department of Fish and Wildlife.
- Establishes an application fee for certain commercial licenses issued by the Washington Department of Fish and Wildlife.
- Authorizes the State Wildlife Account to retain the interest created by its balance.
- Realigns the various packages available under a big game license.

HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS & OVERSIGHT

Majority Report: Do pass. Signed by 8 members: Representatives Hudgins, Chair; Miloscia, Vice Chair; Blake, Fitzgibbon, Ladenburg, Moscoso, Pedersen and Van De Wege.

Minority Report: Do not pass. Signed by 4 members: Representatives McCune, Ranking Minority Member; Taylor, Assistant Ranking Minority Member; Ahern and Wilcox.

Staff: Jason Callahan (786-7117) and Owen Rowe (786-7391).

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:

The State Wildlife Account (Wildlife Account) receives various revenues collected by the Washington Department of Fish and Wildlife (WDFW). This revenue includes, among many items, the sales of many WDFW-issued licenses and tags, administrative penalties, compensation for damages, advertisement sales, and a game fish excise tax.

The WDFW offers a number of license packages that enable the purchaser to hunt or fish. Within fisheries management, there are separate licensing systems for commercial fishing and recreational (or personal use) fishing. The hunting or fishing license is the standard document issued; however, some activities require the purchase of a tag, stamp, permit, or other form of WDFW-issued permission.

The fee for most licenses is set by statute. During the 2009-11 biennium, the WDFW is directed to collect an additional 10 percent surcharge above the purchase price on all recreational licenses. Applicants for recreational licenses can purchase a license through an automated system available at retail locations. In addition to the purchase price of the license, a fee for the use of the automated system must be paid.

The Wildlife Account does not receive revenue from the sale of annual saltwater, razor clam, or shellfish licenses, nor does it receive revenue from the commercial fish landing taxes. These revenues are dedicated to the General Fund. However, the money deposited into the General Fund from the WDFW activities is directed to be appropriated for the management, enhancement, research, and enforcement of shellfish and saltwater programs.

Monies in the Wildlife Account are used primarily to support the activities of the WDFW. The interest generated by the Wildlife Account is transferred to the General Fund.

Summary of Bill:**License Fee Increases.**

The expiration of the current 10 percent surcharge on all recreational licenses is extended from July 1, 2011, until September 1, 2011. On September 1, 2011, a permanent increase in the cost of certain recreational licenses takes effect.

The fee for the following licenses is increased by the following amounts:

- The duplicate catch record card is increased from \$10 to \$11.
- The dungeness crab endorsement is increased from \$3 to \$7.50.
- All packages of the resident big-game hunting license are increased from between \$36 and \$56 to between \$39 and \$75, depending on the package purchased.
- All packages of the non-resident big-game hunting license are increased from between \$360 and \$660 to between \$396 and \$780, depending on the package purchased.

- The special hunt permit for goat, sheep, moose, or other big game not in a big-game license package is increased from \$100 to \$300 (resident) and \$1,000 to \$1,500 (non-resident).
- The multiple-season big-game license is increased from \$150 to \$165.
- The small game hunting license is increased from \$30 to \$35 (resident) and \$50 to \$65 (non-resident).
- The combination recreational fishing license is increased from \$36 to \$45 (resident) and \$72 to \$90 (non-resident).
- The saltwater recreational fishing license is increased from \$18 to \$25 (resident) and \$36 to \$50 (non-resident).
- The freshwater recreational fishing license is increased from \$20 to \$25 (resident) and \$40 to \$50 (non-resident).
- The temporary recreational fishing license is increased from between \$7 to \$8 (resident) and \$14 to \$16 (non-resident) and from \$13 to \$15 (resident) and \$26 to \$30 (non-resident), depending on length of temporary license purchased.
- The charter stamp is increased from \$7 to \$8.
- The recreational shellfish and seaweed license is increased between \$7 to \$10 for resident youth and \$15 to \$18 for non-residents.
- The Columbia River salmon and steelhead stamp is decreased from \$7.50 to \$6 for youth and seniors only.

Application Fees.

Application fees of either \$70 or \$105 are established for commercial licenses, permits, and other documents issued by the WDFW that are not purchased through the automatic licensing system. All application fees are dedicated to the Wildlife Account and are in addition to any licensing fees.

Other Provisions.

Two new sources of revenue are created for the Wildlife Account. The Wildlife Account is added to the list of state accounts that retain its own interest. The Wildlife Account is also listed as the recipient account for saltwater, razor clam, and shellfish licenses. These revenue sources are redirected from the General Fund.

Limitations and specifications regarding the allocation of unanticipated receipts that affect how the WDFW can spend money received from gifts and damage settlements is removed.

Various packages under the big game license are realigned and a new cougar-only package and an elk-only package are created.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on September 1, 2011, except for section 5, relating to the extension of the 10 percent surcharge, which contains an emergency clause and takes effect on June 30, 2011.

Staff Summary of Public Testimony:

(In support) Investments in fish and wildlife management are sound investments because they pay dividends in terms of jobs and economic development in both rural and urban areas. The WDFW has continued to provide services despite large budget reductions, but has been forced to reduce activities within programs such as hatchery production, public education, and habitat protection. Additional funding is critical for the WDFW's health and welfare.

This proposal does not just make across-the-board increases in licenses. Instead, the WDFW underwent a careful review and stakeholder process to examine the fees charged, compare them with neighboring states, and ensure that increases are consistent with maintained family values. Some fees are increased, while others are reduced.

User groups are supportive and understand the need for adjusted licensing fees. Many jobs rely on recreational and commercial fishing being available.

(In support with concerns) The WDFW needs to find a nexus between the fees paid by recreational fishers and the services provided by the WDFW. Fee payers want to know what their extra money is buying. Since fees will likely be relied on more in the future, it is important to set the precedent now.

(Commented) Recreational fishers should not be asked to support non-consumptive programs.

(Opposed) None.

Persons Testifying: (In support) Phil Anderson, Department of Fish and Wildlife; Tony Wells, Game Management Advisory Council and Eyes in the Woods; Carl Burke, Fish Northwest, Northwest Sportfishing Industry Association, and Puget Sound Anglers; and J. Lowe.

(In support with concerns) Ed Owens, Coalition of Coastal Fisheries, Hunters Heritage Council, and Washingtonians for Wildlife Conservation.

(Commented) Scott Sigmon, Coastal Conservation Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle, Cody, Dickerson, Haigh, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Ross, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 10 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Hinkle, Parker, Schmick and Wilcox.

Staff: Owen Rowe (786-7391).

Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On General Government Appropriations & Oversight:

The substitute bill changes the license fee for migratory bird hunting special authorization from \$15 to \$12. The substitute bill requires that \$1 of the funds received from the sale of each Dungeness crab endorsement be used for the removal and disposal of derelict shellfish gear, and requires a separate accounting of these funds. The fee for an elk license is decreased from \$50 to \$44. Non-resident combination fishing licenses are increased from \$90 to \$108, non-resident saltwater licenses are increased from \$50 to \$52, and non-resident freshwater fishing licenses are increased from \$50 to \$75.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on September 1, 2011, except for section 5, relating to the extension of the 10 percent surcharge, which contains an emergency clause and takes effect on June 30, 2011.

Staff Summary of Public Testimony:

(In support) Fifteen years of inflation without a general hunting and fishing license fee increase has caused a loss of buying power in the State Wildlife Account (SWA). The SWA is currently facing a \$10 million structural deficit since the temporary 10 percent surcharge on licenses expires at the end of the current biennium. The Washington Department of Fish and Wildlife (WDFW) has worked with numerous stakeholder groups over the interim to increase license fees to cover the costs of providing the services, to continue to be competitive with neighboring states, and to maintain family participation through the continuance of youth and veteran discounts. Sport hunting and fishing is a \$1.5 billion industry and provides 20,000 jobs that the state relies on. The bill moves license fee revenue from saltwater and shellfish licenses from the State General Fund to the SWA; however, the work moves to the SWA so there is no loss to the State General Fund. Please support this bill so that the WDFW may maintain current fishing and hunting opportunities.

(Opposed) None.

Persons Testifying: David Giglio, Washington Department of Fish and Wildlife.

Persons Signed In To Testify But Not Testifying: None.