

Individual State Agency Fiscal Note

Bill Number: 5692 S SB	Title: Fishing and hunting licenses	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
State Wildlife Account-State 104-1	7,166,000	7,166,000	14,332,000	12,840,000	12,840,000
Columbia River Recreational Salmon and Steelhead Endorsement Program Account-Non-Appropriated 16H-6	1,502,000	1,502,000	3,004,000		
Total \$	8,668,000	8,668,000	17,336,000	12,840,000	12,840,000

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
State Wildlife Account-State 104-1	519,000	515,000	1,034,000	1,030,000	1,030,000
Total \$	519,000	515,000	1,034,000	1,030,000	1,030,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/23/2019
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Agency Approval: Morgan Stinson	Phone: 360-902-2651	Date: 04/26/2019
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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 changes the definition of “youth” for fishing licenses from under age 15 to under 16 years of age, which means a license will no longer be required for 15-year-olds to fish.

Section 2 amends RCW 77.12.810 to set four percent as the rate of revenue from each small game hunting license fee to be deposited into the eastern Washington pheasant enhancement account.

Section 3 amends RCW 77.32.070 to do the following: Closes a loophole that allowed users to not incur an administrative penalty if they skipped a season and deferred to buy a license. Strikes the ten-dollar administrative penalty fees for hunters and fishers and moves it to the fee tables in Sections 17 and 18. States that fees for recreational fishing are specified in sections 17 and 18 of this act and fees for hunting are specified in section 19 of this act.

Section 4(4) authorizes the commission to adopt rules to offer a one-time discount of up to twenty dollars on a first-time resident hunting license purchase for those who have completed the Washington hunter education training program.

Section 5 amends RCW 77.32.350 to align the migratory bird permit fee with the hunting fee table in Section 19 of this bill, and specifies a permit is required to hunt band-tailed pigeon, brant, sea duck, snow goose, and southwest Canada goose.

Section 6 amends RCW 77.32.370 and strikes out subsections (3)(a), (3)(b), (3)(c), and (3)(d), establishes a special hunting “quality” permit, and aligns the fee with the table in Section 19 of this act.

Section 7 amends RCW 77.32.430 to do the following:

(1) aligns the fee of subsequent or duplicate catch record cards to the fishing fee table in Sections 17 and 18 of this bill.

(2) aligns the endorsement fee for Dungeness crab for Puget Sound waters east of the Bonilla-Tootosh with the fishing fee table in Sections 17 and 18 of this bill.

(4) aligns the catch record card for halibut with the fishing fee table in Sections 17 and 18 of this bill when purchased with an annual saltwater or combination fishing license and is free for those who purchase a one-day temporary combination fishing license.

(6)(a)(i)(A) sets 12% of the revenue from each Dungeness crab endorsement for the removal and disposal of derelict shellfish gear.

Section 8 amends RCW 77.32.440 to align enhancement programs to the following flat percentages:

(1) five percent of all freshwater and combination fishing licenses will be deposited into the warm water game fish account;

(2) Eleven percent of all saltwater and combination fishing licenses will be deposited into the recreational fisheries enhancement account;

(3) two percent of all saltwater, freshwater, and combination fishing licenses will be deposited into the regional fisheries enhancement group account;

(4) one percent of all saltwater and combination fishing licenses will be deposited into the rockfish research account.

Section 9 amends RCW 77.32.450 to do the following:

- (1) aligns big game hunting license fees with the hunting fee table in Section 19 of this bill;
- (2) aligns special hunt permit fees for goat, sheep, moose, or other big game species with the hunting fee table in Section 19 of this bill;
- (3) aligns multiple season big game permit fees with the hunting fee table in Section 19 of this bill;
- (5) creates a new hunt Washington license for residents containing a combination for deer, elk, bear, cougar, a small game license, a migratory bird permit, a migratory bird authorization, and two turkey tags. The fee is aligned with the hunting fee table in Section 19 of this bill.

Section 10 amends RCW 77.32.460 to do the following:

- (1) aligns small game hunting license fees with the hunting fee table in Section 19 of this bill. Additionally, if purchased at the same as a big game combination license, the fees are aligned with the hunting fee table in Section 19 of this bill;
- (2) aligns a turkey tag fee with the hunting fee table in Section 19 of this bill;
- (3) creates a new hunt Washington bird license for residents containing a combination for small game, a migratory bird permit, a migratory bird authorization, and two turkey tags.

Section 11 amends RCW 77.32.470 to do the following:

- (1) changes the age for regular license requirement from 15 to 16;
- (1)(a) aligns combination fishing license fees with the fishing fee table in Sections 17 and 18 of this bill;
- (1)(b) aligns saltwater fishing license fees with the fishing fee table in Sections 17 and 18 of this bill;
- (1)(c) aligns freshwater license fees with the fishing fee table in Sections 17 and 18 of this bill;
- (2)(a) aligns temporary combination fishing license fees with the fishing fee table in Sections 17 and 18 of this bill;
- (2)(b) aligns charter stamp fees with the fishing fee table in Sections 17 and 18 of this bill. A guide stamp is added for use of a guide with the one-day temporary combination fishing license for residents and non-residents and is aligned with the fishing fee table in Sections 17 and 18 of this bill;
- (2)(c) aligns the temporary combination license fee for all active duty military personnel at the resident fee rate and is aligned with the fishing fee table in Sections 17 and 18 of this bill, strikes out the surcharge for the rockfish research account, and strikes out language eliminating the family fishing weekend license;
- (3) changes language specifying that two-pole is an endorsement and not a stamp and aligns the endorsement fee with the fishing fee table in Sections 17 and 18 of this bill;
- (4) creates a new fish Washington license for residents containing a combination fishing license, a two-pole endorsement, a Dungeness crab endorsement, and a Columbia river salmon and steelhead endorsement and aligns the fee with the fishing fee table in Sections 17 and 18 of this bill.

Section 12(1) amends RCW 77.32.480 to increase the reduced rate of a combination fishing license to \$6.33 and hunting licenses to be aligned with the hunting fee table in Section 19 of this bill for those that are eligible for the reduction under this section.

Section 13 amends RCW 77.32.520 to align the annual clam license fee and three-day razor clam license fees with the fishing fee table in Sections 17 and 18 of this bill. Align youth age to 16.

Section 14(3) amends RCW 77.32.570 to align initial master hunter permit fees and the cost for renewing a master hunter permit to the hunting fee table in Section 19 of this bill.

Section 15 amends RCW 77.32.575 to align western Washington pheasant permit fees with the hunting fee table

in Section 19 of this bill.

Section 16 is new and creates a sportsperson license for residents containing the previously mentioned fish and hunt Washington licenses and aligns the fee with the hunting fee table in Section 18 of this bill.

Section 17 adds the fishing fee table to chapter 77.32 RCW, and specifies the higher rate expires July 1, 2025.

Section 18 adds the fishing fee table to chapter 77.32 RCW.

Section 19 adds the hunting fee table to chapter 77.32 RCW.

Section 20 (1) adds authority for the Fish and Wildlife Commission to adopt rules to offer license packages and discounted promotional opportunities.

Section 20 (2) adds authority for the director to offer temporary discounted promotional pricing to increase participation in fishing, hunting, or wildlife viewing.

Section 21 extends the Columbia River Recreational Salmon and Steelhead Endorsement (CRSSE) program until June 30, 2021.

Section 22 extends the specific account for the CRSSE that will expire June 30, 2021.

Section 25 amends RCW 77.32.580 to align the Columbia River salmon and steelhead endorsement fee with the fishing fee table in Sections 17 and 18 of this bill. Aligns youth age to 16. This section expires June 30, 2021.

Section 26 directs the Department to (1) implement the bistate fishery reform actions that are in Policy C3620 and (2) establish a mandatory observer program to monitor at least 10% of the salmon harvest in the Washington gillnet fishery in the Columbia and to provide a report to the Legislature by the end of 2019 on the outcome of the monitoring and any suggested modifications to the program to ensure statistically significant results.

Section 27 limits future Washington gillnet opportunity in the mainstem Columbia to 6 days per year. It is unclear whether this would also include the use of tangle nets, which are a different gear but are operated using a gillnet license.

Section 28 removes pound nets from the list of prohibited gears for commercial use and adds additional circumstances under which the Director can authorize use of other currently prohibited gears. It also expands the required membership of any advisory panels that are required to implement this section.

Section 29 (1) establishes fees for a pound net license and (7) requires the Commission to conduct rule making concerning the requirements, eligibility and number of pound net licenses.

Section 30 specifies Section 18 takes effect July 1, 2025.

Section 32 is an emergency clause that makes this bill take effect on passage of the budget, with the exception of Section 19, which will take effect on September 1, 2021.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS:

For estimating hunting and fishing revenue, the quantity of licenses sales is based on fiscal year (FY) 2018 data. Buyer resistance, or elasticity, is not considered.

All revenue described is ongoing and is per fiscal year.

CALCULATIONS AND ESTIMATES

Section 1: changes the definition of “youth” for fishing licenses from under age 15 to under 16 years of age. The loss of license revenue from licenses purchased for 15-year-olds is expected to result in a loss of \$90,000 to the State Wildlife Account 104.

Section 2: Establishes that 4% of the small game license go to the eastern Washington pheasant enhancement account. This percentage was set using FY18 revenue as a starting point and does not represent an increase in revenue, but if the price of the license increases in later years, this account will see a proportionate increase in revenue.

Section 3: The admin penalty under proposed legislation closes a loophole that allowed users to not incur an administrative penalty if they skipped a season and deferred to buy a license. This is estimated to generate an additional \$90,000 in FY20 revenue to the State Wildlife Account 104.

The administrative penalty for not reporting Puget Sound Dungeness Crab harvest is set at \$10, as is the administrative penalty for hunters not reporting their hunt (see fee table in Sections 18 and 19). Current law states that both these penalties “must not exceed \$10” and the agency has been collecting the maximum, so this will not generate any additional revenue over amounts collected in FY 18. This section also notes that Section 17 of the act specifies the new fees for recreational fishing and Section 18 specifies the new fees for hunting; those effects will be discussed in each section below containing a fee change.

Section 4: The proposed legislation authorizes the commission to offer a one-time discount up to \$20.00 to first time resident hunters. This proposal legislation results in a revenue loss of \$44,000 to the State Wildlife Account 104.

Section 5: Increases the price of a migratory bird permit by 15% and includes it for reference in a fee table. This results in an \$89,000 increase to the State Wildlife Account 104.

Section 6: Increases the price of special hunt applications by 15% and includes it for reference in a fee table. This results in a \$358,000 increase to the State Wildlife Account 104.

Section 7: Increases the price of a subsequent or duplicate saltwater, freshwater, combination and shellfish license catch record card by 15% and includes them for reference in a fee table. Increase of \$30,000 to State Wildlife Account 104. Maintains the fee for the Dungeness crab and Halibut catch record cards and includes them for reference in a fee table (no additional revenue). Increases Dungeness crab by 15% results in a revenue gain of \$167,000 to State Wildlife Account 104. Establishes that 12% of the revenue received from Dungeness crab endorsements shall go towards disposal of derelict shellfish gear. This percentage was set using FY18 revenue as a starting point and does not represent an increase in revenue, but if the price of the endorsement increases in later years, this account will see a proportionate increase in revenue.

Section 8: Establishes revenue distribution to dedicated accounts by percentages (rather than the specific dollar amounts currently set in statute):

- 5% of freshwater combo licenses to the warm water game fish account
- 11% of saltwater and combo fishing licenses to recreational fisheries enhancement account
- 2% of the saltwater, freshwater and combo fishing licenses including temporary licenses must be deposited in the regional fisheries enhancement group account
- 1% of all saltwater and combo fishing licenses including temporary licenses must be deposited into the rockfish research account.

The percentages are established using FY18 revenue as the base and therefore this section will remain revenue neutral for biennium 2019-2021 but will result in revenue changes in future biennia as fees are reduced or increased.

Section 9: Increases the price of all individual and combination big game licenses, goat, sheep, moose and other big game special permits and multiple season big game permits by 15% and includes them for reference in a fee table. This would represent an increase of \$2,388,000. However, it also creates a hunt Washington license for residents to include a combination deer, elk, bear, cougar, small game, migratory bird permit and authorization, and two turkey tags. Since this is a discounted bundle, it is projected that people will opt to buy fewer individual licenses, which represents a loss of \$719,000 in revenue. Therefore, the net revenue gain from this section will be \$1,637,000 to the State Wildlife Account 104.

Section 10: Increases the price of the small game license, discounted small license game and turkey tag by 15% and includes it for reference in a fee table. This would represent an increase of \$1,015,000. However, it also creates a hunt Washington birds license for residents which contains a small game license, migratory bird permit and authorization and two turkey tags. Since this is a discounted bundle, it is projected that people will opt to buy fewer individual licenses, which represents a loss of \$396,000 in revenue. Therefore, the net revenue gain from this section will be \$620,000 to the State Wildlife Account 104.

Section 11: Increases the price of a combination fishing license, saltwater license, freshwater license, shellfish and seaweed license, Columbia River Salmon and Steelhead Endorsement, temporary combo fishing license, charter stamp, and the Fish Washington package by 15% and strikes language on distribution to dedicated accounts, moving those distributions to section 8. This represents an increase to the following accounts:

- \$3,004,000 to the State Wildlife Account 104
- \$19,000 to Columbia River Recreational Salmon and Steelhead Endorsement Program Account 16H

Section 12: Increases the price of the reduced rate combination fishing license from \$5 to \$6.33 and increases the fee for a reduced rate hunting license by 15% for residents that are veterans, are blind, use a wheelchair or who are developmentally disabled. This results in a \$56,000 increase to the State Wildlife Account 104.

Section 13: Increases the price of a shellfish and seaweed license, and annual and temporary razor clam license by 15% and includes it for reference in a fee table. This results in a \$222,000 increase to the State Wildlife Account 104.

Section 14: The fee for the master hunter permit is moved to a table. Since current law states this amount is “not to exceed \$25 or \$50” and the agency is collecting the maximum, this section generates no additional revenue.

Section 15: Increases the price of a Western Washington pheasant permit by 15% and includes it for reference in a fee table. This results in a \$37,000 increase to the State Wildlife Account 104.

Section 16: Creates a Sportsperson license for residents to include the Fish Washington combination license and Hunt Washington combination license. Since this is a discounted bundle, it would reduce the estimated revenue gain created by Sections 9, 10, and 11 due to less quantity being sold. Although individual licenses will be sold less often, this section results in net positive revenue. This represents an increase to the following accounts:

- \$167,000 to the State Wildlife Account 104
- \$33,000 to Columbia River Recreational Salmon and Steelhead Endorsement Program Account 16H

Section 17: Contains updated recreational fishing fees with the fiscal impacts discussed above.

Section 18: Reverts recreational fishing fees back to prior amounts on July 1, 2025.

Section 19: Contains updated recreational hunting fees with the fiscal impacts discussed above.

Section 20 (1) adds authority for the Fish and Wildlife Commission to adopt rules to offer license packages and discounted promotional opportunities and Section 20 (2) adds authority for the director to offer temporary discounted promotional pricing to increase participation in fishing, hunting, or wildlife viewing, but effect on cash receipts is indeterminate prior to rule drafting and adoption.

Section 21 extends the Columbia River Salmon and Steelhead Endorsement (CRSSE) program until June 30, 2021. This will result in revenue of \$1,502,000 per fiscal year to the Columbia River Recreational Salmon-Steelhead Endorsement Account 16H.

Section 25: amends RCW 77.32.580 to align the youth age to 16 for the Columbia Salmon and Steelhead Endorsement. The loss of license revenue from licenses purchased for 15-year-olds is expected to result in a minimal loss of license revenue that is assumed to be offset by increased participation and future license purchases.

In addition, there is a 10% transaction fee assessed on all WDFW sales. This is equal to \$780,000 in the State Wildlife Account 104 after the increases and decreases above.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Per RCW 77.32.050, WDFW assesses a 10% transaction fee for the support of the Department's automated license purchasing system. Of the transaction fee revenue, 39% of it goes to the payment of the Department's automated license purchasing system vendor. This payment is \$305,000 which appears in Object E, Goods and Services ($\$780,000 * 39\% = \$305,000$.)

Section 21 additions to the list of permitted uses of Columbia River salmon and steelhead endorsement funds include an observer program and steelhead enhancement projects. It is assumed that 100% of the increased costs of these two activities would be reimbursed by the endorsement funds, that must be managed within existing authority.

Section 26 will require additional staff to complete implementation of the bistate reforms and to conduct a monitoring program for gillnets. It is assumed that a new on-going Fish and Wildlife Biologist 3 will be needed to create the implementation of the reforms, oversee the monitoring program and prepare the report on the monitoring program for the Legislature. This position can also manage the extended public input and advisory panel aspects of rulemaking for pound net permits and for development of other alternative gears. Other costs

for the monitoring program are to include 5 seasonal Scientific Technicians for one month each season, travel and materials. The monitoring program is required for mainstem gillnet fisheries only, although it would be useful for tangle net fisheries as well.

Section 29 requires rulemaking which will cost \$4,000.

Object E, goods and services, include 6,000 per FTE, per year for WDFW standard costs, which cover an average employee's space, supplies, communications, training, and subscription costs per year, as well as central agency costs. An infrastructure and administrative program support rate of 28.78 percent is included in object T, and is calculated based on WDFW's federally-approved indirect rate.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
104-1	State Wildlife Account	State	519,000	515,000	1,034,000	1,030,000	1,030,000
Total \$			519,000	515,000	1,034,000	1,030,000	1,030,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages	57,000	57,000	114,000	114,000	114,000
B-Employee Benefits	26,000	26,000	52,000	52,000	52,000
C-Professional Service Contracts					
E-Goods and Other Services	318,000	315,000	633,000	630,000	630,000
G-Travel	2,000	2,000	4,000	4,000	4,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	116,000	115,000	231,000	230,000	230,000
9-					
Total \$	519,000	515,000	1,034,000	1,030,000	1,030,000

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 29 requires the Commission to conduct rulemaking to established eligibility and other requirements for pound net licenses and to determine the appropriate initial number.