

Individual State Agency Fiscal Note

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|-----------------------------|---|--|
| Bill Number: 1226 HB | Title: Smelt, crawfish, and carp | Agency: 477-Department of Fish and Wildlife |
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| Recreational Fisheries Enhancement-State 04M-1 | 2,371 | 2,371 | 4,742 | 4,742 | 4,742 |
| Warm Water Game Fish Account-State 071-1 | 2,446 | 2,446 | 4,892 | 4,892 | 4,892 |
| Limited Fish and Wildlife Account-State 104-1 | 6,239 | 6,239 | 12,478 | 12,478 | 12,478 |
| Rockfish Research Account-State 12G-1 | 2,271 | 2,271 | 4,542 | 4,542 | 4,542 |
| Regional Fisheries Enhancement Group Account-State 209-1 | 2,129 | 2,129 | 4,258 | 4,258 | 4,258 |
| Fish, Wildlife, and Conservation Account-State 24N-1 | 39,550 | 39,550 | 79,100 | 79,100 | 79,100 |
| Total \$ | 55,006 | 55,006 | 110,012 | 110,012 | 110,012 |

Estimated Operating Expenditures from:

| Account | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--|---------|---------|---------|---------|---------|
| Limited Fish and Wildlife Account-State 104-1 | 5,000 | 5,000 | 10,000 | 10,000 | 10,000 |
| Total \$ | 5,000 | 5,000 | 10,000 | 10,000 | 10,000 |

Estimated Capital Budget Impact:

NONE

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:

- 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.
- 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).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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|------------------------------------|-----------------------|------------------|
| Legislative Contact: Rebecca Lewis | Phone: 360-786-7339 | Date: 01/12/2023 |
| Agency Preparation: Patty Steele | Phone: 360-902-2401 | Date: 01/19/2023 |
| Agency Approval: Patty Steele | Phone: 360-902-2401 | Date: 01/19/2023 |
| OFM Review: Matthew Hunter | Phone: (360) 529-7078 | Date: 01/19/2023 |

Part II: Narrative Explanation

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

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

Section 2 directs the Department of Fish and Wildlife (WDFW) to require a recreational fishing or shellfish license for carp, freshwater smelt, and crawfish.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Section 2 directs the Department of Fish and Wildlife (WDFW) to require a recreational fishing or shellfish license for carp, freshwater smelt, and crawfish.

WDFW assumptions principally come from smelt fishery data. Due to the lack of crawfish and carp data, they are assumed to not impact revenue separately from smelt impacts.

- Smelt fisheries typically occur for a few days annually. The assumption is most anglers will purchase one-day licenses.
- On average, there were 15,137 anglers in the smelt fishery each year between 2014-2022.
- All anglers are over the age of 14, the age when a license would be required.
- It is assumed that 30% of anglers will purchase a license and 70% will not return to the fishery due to the requirement to purchase a license.
- Of those, WDFW assumes 72% are Washington residents and 28% are non-residents.
- For a WA resident, a 1-day combination fishing license costs \$8.00 [RCW 77.32.470(3)(a)(i)]. There is an additional fifty-cent surcharge on this license [RCW 77.32.470(3)(e)] that is deposited to the Rockfish Research Account. A 10% transaction fee is then calculated and deposited to the Limited Fish and Wildlife Account (Fund 104), for the support of the Department's automated license purchasing system [RCW 77.32.050(1)], bringing the cost to a subtotal of \$9.35.
- For non-residents, a 1-day combination fishing license costs \$16.00 [RCW 77.32.470(3)(a)(i)]. There is an additional fifty-cent surcharge on this license [RCW 77.32.470(3)(e)] that is deposited to the Rockfish Research Account. A 10% transaction fee is then calculated and deposited to the Limited Fish and Wildlife Account (Fund 104), for the support of the Department's automated license purchasing system [RCW 77.32.050(1)], bringing the cost to a subtotal of \$18.15.
- A dealer fee of \$2.00 per license is then added to the sale [RCW 77.32.050(1)]. If the angler purchases in the private market, the authorized vendor retains this revenue. If the angler purchases from WDFW regional offices, headquarters, phone/internet, then this revenue is retained by the state and deposited into the Limited Fish and Wildlife Account (Fund 104).

15,137 anglers x .3 = 4,541 new licenses sold annually, with WDFW selling 681 (4,541*.15) and private sector vendors selling 3,860 (4,541*.85).

Resident License Sales - \$11.35 each

4,541 x .72 = 3,270 resident licenses x \$8.50 = \$27,795 x 10% = \$2,780, for a subtotal of \$30,575. 3,270 resident licenses x .15 = 490 x \$2.00 = \$980. \$30,575 + \$980 = \$31,555.

Non-resident License Sales - \$20.15 each

4,541 x .28 = 1,271 non-resident licenses x \$16.50 = 20,972 x 10% = \$2,097, for a subtotal of \$23,069. 1,271 non-resident licenses x .15 = 191 x \$2.00 = \$382. \$23,069 + \$382 = \$23,451.

Beginning in fiscal year 2024 and ongoing, increased revenue from license sales totals \$55,006 and is deposited into six dedicated accounts.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 2 eliminates licensing exemptions for freshwater smelt, crawfish, and carp and requires anglers to purchase an existing recreational fishing or shellfish license, for which the agency infrastructure already exists. WDFW anticipates a nominal cost for implementation of this bill and no rulemaking would be required, as this bill only takes away an exemption. With the sales of additional licenses and collection of additional license fee revenue, WDFW will have increased costs from the licensing vendor.

Beginning in fiscal year 2024 and ongoing, transaction fee expenditures will increase \$5,000 annually (revenue of \$48,767 * .1 = \$4,876), reflected in Professional Service Contracts, Object C. WDFW assesses a ten percent transaction fee on recreational licenses (including permits, tags, stamps, and raffle tickets per RCW 77.32.050) for the support of the Department's automated license purchasing system.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|-----------------------------------|-------|---------|---------|---------|---------|---------|
| 104-1 | Limited Fish and Wildlife Account | State | 5,000 | 5,000 | 10,000 | 10,000 | 10,000 |
| Total \$ | | | 5,000 | 5,000 | 10,000 | 10,000 | 10,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | | | | |
| A-Salaries and Wages | | | | | |
| B-Employee Benefits | | | | | |
| C-Professional Service Contracts | 5,000 | 5,000 | 10,000 | 10,000 | 10,000 |
| E-Goods and Other Services | | | | | |
| G-Travel | | | | | |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 5,000 | 5,000 | 10,000 | 10,000 | 10,000 |

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.



Ten-Year Analysis

| | | |
|-------------------------------|---|--|
| Bill Number 1226 HB | Title Smelt, crawfish, and carp | Agency 477 Department of Fish and Wildlife |
|-------------------------------|---|--|

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

| Name of Tax or Fee | Acct Code | Fiscal Year 2024 | Fiscal Year 2025 | Fiscal Year 2026 | Fiscal Year 2027 | Fiscal Year 2028 | Fiscal Year 2029 | Fiscal Year 2030 | Fiscal Year 2031 | Fiscal Year 2032 | Fiscal Year 2033 | 2024-33 TOTAL |
|---|-----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| 1-day Combination Recreational Fishing License | 04M | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 23,710 |
| 1-day Combination Recreational Fishing License | 071 | 2,446 | 2,446 | 2,446 | 2,446 | 2,446 | 2,446 | 2,446 | 2,446 | 2,446 | 2,446 | 24,460 |
| 1-day Combination Recreational Fishing License | 209 | 2,129 | 2,129 | 2,129 | 2,129 | 2,129 | 2,129 | 2,129 | 2,129 | 2,129 | 2,129 | 21,290 |
| 1-day Combination Recreational Fishing License | 24N | 39,550 | 39,550 | 39,550 | 39,550 | 39,550 | 39,550 | 39,550 | 39,550 | 39,550 | 39,550 | 395,500 |
| Total 1-day Combination Recreational Fishing License | | 46,496 | 46,496 | 46,496 | 46,496 | 46,496 | 46,496 | 46,496 | 46,496 | 46,496 | 46,496 | 464,960 |
| Automated Licensing System transaction fee | 104 | 4,877 | 4,877 | 4,877 | 4,877 | 4,877 | 4,877 | 4,877 | 4,877 | 4,877 | 4,877 | 48,770 |
| Dealer fee | 104 | 1,362 | 1,362 | 1,362 | 1,362 | 1,362 | 1,362 | 1,362 | 1,362 | 1,362 | 1,362 | 13,620 |
| Rockfish fifty-cent surcharge | 12G | 2,271 | 2,271 | 2,271 | 2,271 | 2,271 | 2,271 | 2,271 | 2,271 | 2,271 | 2,271 | 22,710 |
| Total | | 55,006 | 55,006 | 55,006 | 55,006 | 55,006 | 55,006 | 55,006 | 55,006 | 55,006 | 55,006 | 550,060 |
| Biennial Totals | | 110,012 | 110,012 | 110,012 | 110,012 | 110,012 | 110,012 | 110,012 | 110,012 | 110,012 | 110,012 | 550,060 |

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 2 directs the Department of Fish and Wildlife (WDFW) to require a recreational fishing or shellfish license for carp, freshwater smelt, and crawfish, by removing th



Ten-Year Analysis

| | | |
|-------------------------------|---|--|
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

existing exemption from RCW 77.32.010.

Smelt fisheries typically occur for a few days annually. WDFW assumes that most anglers will purchase one-day licenses. On average, there were 15,137 anglers in the smelt fishery each year between 2014-2022. It is assumed that 30 percent of anglers will purchase a license. Of those, WDFW assumes 72 percent are Washington residents and 28 percent are non-residents. It is assumed that 4,541 new licenses will be sold each year (15,137 anglers * 0.3). Of the increased sales, 3,270 will be resident licenses (4,541 * .72) and 1,271 will be non-resident licenses (4,541 * .28). WA resident license costs are \$8.00 and non-resident license costs are \$16.00.

Beginning in fiscal year 2024 and ongoing, increased revenue totals \$55,006 from the sale of one-day combination recreational fishing licenses (license sales total \$46,440, \$0.50 rockfish surcharge totals \$2,271, 10% licensing system transaction fee totals \$4,877, and \$2.00 dealer fee totals \$1,362).

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| Agency Preparation: Patty Steele | Phone: 360-902-2401 | Date: 1/19/2023 8:08:21 pm |
| Agency Approval: Patty Steele | Phone: 360-902-2401 | Date: 1/19/2023 8:08:21 pm |
| OFM Review: | Phone: | Date: |