

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5297 SB	<b>Title:</b> Commercial salmon fisheries
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	0	0	0	0	0	0	0	0	0

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Fish and Wildlife	.0	5,000	5,000	5,000	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	0.0	5,000	5,000	5,000	0.0	0	0	0	0.0	0	0	0

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Matthew Hunter, OFM	<b>Phone:</b> (360) 529-7078	<b>Date Published:</b> Final
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5297 SB	<b>Title:</b> Commercial salmon fisheries	<b>Agency:</b> 090-Office of State Treasurer
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## Part I: Estimates

No Fiscal Impact

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**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.

Legislative Contact: Jeff Olsen	Phone: 360-786-7428	Date: 01/21/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/24/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/24/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/25/2023

## 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.*

SB 5297 creates the nontribal commercial gill net buyback account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

### 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.*

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5297 SB	<b>Title:</b> Commercial salmon fisheries	<b>Agency:</b> 477-Department of Fish and Wildlife
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
General Fund-State 001-1	5,000	0	5,000	0	0
<b>Total \$</b>	5,000	0	5,000	0	0

### 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.

Legislative Contact: Jeff Olsen	Phone: 360-786-7428	Date: 01/21/2023
Agency Preparation: Patty Steele	Phone: 360-902-2401	Date: 01/26/2023
Agency Approval: Patty Steele	Phone: 360-902-2401	Date: 01/26/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/27/2023

## 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 removes authority for a person to use, operate, or maintain within Washington state waters of the lower mainstem of the Columbia River a drift gill net or drift net for catching salmon, effective January 1, 2025.

Section 3 creates the nontribal commercial gill net buyback account in the state treasury. The account is subject to legislative appropriation authority and appropriations would be deposited into the account. Expenditures from the account may only be used to reduce the number of nontribal commercial gill net licenses on the Columbia River through a voluntary buyback program. The license buyback program will compensate individual license holders, with priority given to those with higher reported landings.

Section 4 changes the geographical area of a commercial salmon fishery license, using salmon gill net fishing gear, from Grays Harbor- Columbia River and Willapa Bay- Columbia River to Grays Harbor- lower Columbia River non-mainstem and Willapa Bay- lower Columbia River non-mainstem. The additional clarification of the non-mainstem waters of the Columbia River below Bonneville Dam changes the specific areas of the Columbia River that are authorized for the taking of salmon with this license. Section 4 takes effect January 1, 2025.

### 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.*

#### Background and Assumptions:

WDFW received \$14,400,000 onetime funding in fiscal year 2023, in budget line item “Columbia Gillnet License Reduction” with the following 2022 Supplemental Operating Budget bill (ESSB 5693) proviso language:

“(65) \$14,400,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for the department to reduce the number of nontribal commercial gillnet fishing licenses on the Columbia River through a voluntary buy-back program.

(a) Until November 30, 2022, the department may pay up to \$25,000 each for licenses that have been inactive since 2019 and up to \$120,000 each for licenses that have been active since 2019. After November 30, 2022, the department may pay up to \$20,000 each for licenses that have been inactive since 2019 and up to \$96,000 each for licenses that have been active since 2019. It is the intent of the legislature that this will be the last appropriation made to buy back licenses for the Columbia River gillnet fishery.

(b) For all licenses purchased, the department shall calculate the reduced impacts to wild and endangered stocks based on the most recent five-year average of harvest and reserve those impacts for conservation through increased wild salmonid escapement or mark selective fisheries capable of harvesting surplus hatchery-reared salmon where needed to meet federal genetic protection requirements for wild salmon populations in a manner consistent with state-tribal fishery management agreements.

(c) The department must make recommendations to the legislature for any necessary changes in statute, regulations, or program funding levels to transition lower Columbia River mainstem gillnet fisheries to alternative, selective fishing gears, including pound nets or other gears capable of benefitting wild salmon conservation through mark-selective harvest practices. The recommendation must be submitted to the appropriate committees of the legislature by December 1, 2022.”

Implementation of this license buyback proviso resulted in a reduction in the number of Columbia River/Willapa Bay and Columbia River/Grays Harbor Commercial salmon gillnet fishing licenses in Washington.

- The total number of these commercial fishing licenses in FY 2023 is now 70, down from 240 the previous year.
- Of the remaining 70 licenses, 16 had Columbia River landings from 2017-2021.

Section 4 changes the geographical area of a commercial salmon gillnet fishing license. The existing license holders are

assumed to retain and renew their licenses, fishing in the remaining authorized areas therefore no fiscal impact to cash receipts.

**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 requires onetime rulemaking costs of \$4,000 in fiscal year (FY) 2024 (object E) and include rule adoption, public hearing costs and Assistant Attorney General time to review the draft rules prior to adoption. An infrastructure and program support rate of 33.5% is included in object T and is calculated based on WDFW’s federally approved indirect rate.

Section 3 creates the nontribal commercial gill net buyback account. There is no fiscal impact to the Department for this section of the bill, as no appropriation is provided in the bill, nor does it identify if WDFW would be designated administrator of the fund.

Note: If funds were to be deposited to the account with a corresponding appropriation to WDFW to administer a voluntary buy-back program, the size of the program would need to be identified to estimate the workload impact. At a minimum, a 0.2 FTE to 0.5 FTE each, of a Fiscal Analyst 3 would be needed to process transactions and of a Washington Management Service (WMS) manager to administer an ongoing buyback program. Rulemaking costs would also be required for changes to Washington Administrative Code (WAC) for establishment of this ongoing program.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	5,000	0	5,000	0	0
<b>Total \$</b>			5,000	0	5,000	0	0

**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					
E-Goods and Other Services	4,000		4,000		
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	1,000		1,000		
9-					
<b>Total \$</b>	5,000	0	5,000	0	0

**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.*

Section 2 requires multiple modifications to WACs in Section 220-358, and 351 to reflect the further restrictions on drift net use in the Columbia River.