

Multiple Agency Fiscal Note Summary

Bill Number: 1806 S HB	Title: Commercial fishing revenue
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	(690,000)	(690,000)	(690,000)	(3,410,000)	(3,410,000)	(3,430,000)	(3,510,000)	(3,510,000)	(3,530,000)
Total \$	(690,000)	(690,000)	(690,000)	(3,410,000)	(3,410,000)	(3,430,000)	(3,510,000)	(3,510,000)	(3,530,000)

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other		560,000		3,430,000		3,530,000
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.					
Local Gov. Total		560,000		3,430,000		3,530,000

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	5.7	2,895,400	2,895,400	2,895,400	1.0	254,000	254,000	254,000	1.0	254,000	254,000	254,000
Department of Fish and Wildlife	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	5.7	2,895,400	2,895,400	2,895,400	1.0	254,000	254,000	254,000	1.0	254,000	254,000	254,000

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Megan Tudor, OFM	Phone: (360) 890-1722	Date Published: Final 3/14/2025
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Department of Revenue Fiscal Note

Bill Number: 1806 S HB	Title: Commercial fishing revenue	Agency: 140-Department of Revenue
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
GF-STATE-State 01 - Taxes 51 - Excise Taxes - Other		(690,000)	(690,000)	(3,410,000)	(3,510,000)
Fish, Wildlife, and Conservation Account-State 01 - Taxes 51 - Excise Taxes - Other				(20,000)	(20,000)
Total \$		(690,000)	(690,000)	(3,430,000)	(3,530,000)

Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	9.1	2.2	5.7	1.0	1.0
Account					
GF-STATE-State 001-1	2,592,600	302,800	2,895,400	254,000	254,000
Total \$	2,592,600	302,800	2,895,400	254,000	254,000

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:

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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).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Tracey Taylor	Phone: (360) 786-7152	Date: 02/28/2025
Agency Preparation: Beth Leech	Phone: (360) 534-1513	Date: 03/05/2025
Agency Approval: Marianne McIntosh	Phone: (360) 534-1505	Date: 03/05/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/06/2025

Request # 1806-2-1

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.

Note: This fiscal note reflects language in SHB 1806, 2025 Legislative Session.

COMPARISON OF SUBSTITUTE BILL WITH ORIGINAL BILL:

The substitute bill changes the allocation of fish taxes from 50% to the city in which the fish was landed, to 50% to the city or county where the person liable for the tax first possessed the fish after it was landed.

It also changes the effective date to January 1, 2027.

CURRENT LAW:

The Department of Revenue (department) deposits all enhanced food fish taxes in the General Fund except the following:

- The tax on anadromous game fish, which is deposited into the Fish, Wildlife, and Conservation Account.
- The tax on ocean waters, Columbia River, Willapa Bay, and Grays Harbor Chinook, coho, and chum salmon. The department deposits these taxes as follows:
 - 5.25% of the tax is deposited into the General Fund.
 - 1.0% of the tax is deposited into the Fish, Wildlife, and Conservation Account.

PROPOSAL:

This bill requires the distribution of enhanced food fish tax collections as follows:

- 50% of the tax is allocated to the city or county where the person liable for the tax first possessed the enhanced food fish after it was landed.
- 50% of the tax is allocated to the General Fund.

For anadromous game fish tax, 50% is deposited into the Fish, Wildlife, and Conservation Account, with the other 50% going the city or county where the person liable for the tax first possessed the anadromous game fish after it was landed.

The tax on ocean waters, Columbia River, Willapa Bay, and Grays Harbor Chinook, coho, and chum salmon:

- Equivalent of 2.625% is deposited into the General Fund.
- Equivalent of 1% is deposited into the Fish, Wildlife, and Conservation Account.
- Equivalent of 2.625% is allocated to the city or county where the person liable to this tax first possessed the enhanced food fish after it was landed.

EFFECTIVE DATE:

This bill takes effect on January 1, 2027.

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.

ASSUMPTIONS

- Most local tax distributions occur the month after the department receives sales and use taxes that businesses collect. The portion of this new tax that is distributed to the cities will be distributed in the same manner. This leads to a one-month delay in revenue impacts for the state and a two-month delay in revenue impacts for local jurisdictions.
- This legislation takes effect January 1, 2027, and impacts five months of state distributions and four months of local distributions in fiscal year 2027.

DATA SOURCES:

- Department of Revenue, Excise tax data

REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$690,000 in the five months of impacted distributions in fiscal year 2027, and by \$1.7 million in fiscal year 2028, the first full year of impacted distributions.

This bill also increases local revenues by an estimated \$560,000 in the four months of impacted distributions in fiscal year 2027, and by \$1.7 million in fiscal year 2028, the first full year of impacted distributions.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2026 -	\$ 0
FY 2027 -	(\$ 690)
FY 2028 -	(\$ 1,700)
FY 2029 -	(\$ 1,730)
FY 2030 -	(\$ 1,750)
FY 2031 -	(\$ 1,780)

Local Government, if applicable (cash basis, \$000):

FY 2026 -	\$ 0
FY 2027 -	\$ 560
FY 2028 -	\$ 1,700
FY 2029 -	\$ 1,730
FY 2030 -	\$ 1,750
FY 2031 -	\$ 1,780

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.

FIRST YEAR COSTS:

The department will incur total costs of \$2,592,600 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 9.1 FTEs.

- Set up, program and test computer system changes.
- Implementation meetings, monitor reports, quality check and work review, prepare statistics, verify imaging, index data items, archive tax information and retrieve documents from archive.
- Process tax return work items, assist taxpayers with reporting questions and respond to inquiries via email, web message and paper correspondence.
- Examine accounts and make corrections as necessary.
- Gathering requirements, attending implementation meetings, and documenting and testing system changes.
- Answer additional phone calls and counter inquiries from businesses, individuals, and accountants regarding tax questions and tax return preparation.
- Respond to data requests and questions, compile statistics, and manage data.

Object Costs - \$1,284,600.

- Computer system changes, including contract programming.
- Printing and postage

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SECOND YEAR COSTS:

The department will incur total costs of \$302,800 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 2.2 FTEs.

- Continued programming and testing computer system changes.
- Process tax return work items, assist taxpayers with reporting questions and respond to inquiries via email, web message and paper correspondence.
- Examine accounts and make corrections as necessary.
- Continued computer system testing, monitoring, and maintenance.
- Respond to data requests and questions, compile statistics, and manage data.

ONGOING COSTS:

Ongoing costs for the 2027-29 biennium equal \$254,000 and include similar activities described in the second-year costs. Time and effort equate to 1.0 FTE per year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	9.1	2.2	5.7	1.0	1.0
A-Salaries and Wages	835,500	195,900	1,031,400	163,600	163,600
B-Employee Benefits	300,700	70,600	371,300	58,800	58,800
C-Professional Service Contracts	1,283,600		1,283,600		
E-Goods and Other Services	136,400	32,000	168,400	27,800	27,800
J-Capital Outlays	36,400	4,300	40,700	3,800	3,800
Total \$	\$2,592,600	\$302,800	\$2,895,400	\$254,000	\$254,000

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EXCISE TAX EX 2	59,844	0.2	0.1	0.2	0.1	0.1
EXCISE TAX EX 3	66,012	0.5	0.2	0.4	0.2	0.2
EXCISE TAX EX 4	72,924	0.5	0.2	0.4	0.2	0.2
IT B A-JOURNEY	94,728	5.0	0.6	2.8	0.4	0.4
IT QA-SR/SPEC	104,412	0.2		0.1		
IT SYS ADM-JOURNEY	99,444	1.9	0.5	1.2		
TAX INFO SPEC 1	47,988	0.1		0.1		
TAX POLICY SP 3	91,068	0.5	0.5	0.5		
WMS BAND 2	101,410	0.2	0.1	0.2	0.1	0.1
Total FTEs		9.1	2.2	5.7	1.0	1.0

III. C - 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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1806 S HB	Title: Commercial fishing revenue	Agency: 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:

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: Tracey Taylor	Phone: 360-786-7152	Date: 02/28/2025
Agency Preparation: Savanna Perez	Phone: 564-250-1539	Date: 03/05/2025
Agency Approval: Savanna Perez	Phone: 564-250-1539	Date: 03/05/2025
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 03/05/2025

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.

- Differences between SHB 1806 and HB 1806:
- Section 2 changes where the 50 percent of excise tax collected by the department of revenue must be distributed to from the city in which the fish was landed to the city or county where the person liable to this tax first possessed the enhanced food fish in Washington after it was landed.
 - New section 3 sets the effective date of the act to January 1, 2027.

These differences do not change the Department's fiscal assumption.

Section 1 states the bills intent to direct a portion of landing tax revenue to the communities that host commercial fishing industry and ensure that they directly benefit from the taxes paid by commercial fishers landing fish within their jurisdiction

Section 2 amends RCW 82.27.070:
Sec 2(1) adds a new subsection that directs the Department of Revenue to distribute the equivalent of fifty percent of the excise tax collected under this chapter to the city or county in which the fish was landed.

Sec 2(2) is amended to include an exception for the equivalent of fifty percent of tax collected within the excise tax on anadromous game fish deposited in the fish, wildlife, and conservation account.

Sec 2(3) is amended to change 5.25 percent to 2.65 percent of the excise tax on ocean waters, Columbia River, Willapa Bay, and Grays Harbor chinook, coho, and chum salmon deposited in the state general fund and adds that the equivalent of 2.625 percent of the excise tax must be distributed to the city or county in which the fish was landed.

The Department expects to see revenue decrease in the Fish, Wildlife, and Conservation account (Fund 24N) due to Sec 2(2), however it's the Department of Revenue (DOR) that collects and deposits the excise tax referenced in RCW 82.27.070 into the state general fund and Fund 24N. The Department of Revenue will show the revenue impacts from this bill in their fiscal note and therefore this fiscal note will show no fiscal impact.

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.

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1806 S HB	Title: Commercial fishing revenue
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: revenue increase
- ☒ Counties: revenue increase
- ☐ Special Districts:
- ☒ Specific jurisdictions only: jurisdictions that land commercial fishing vessels
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: the exact share of revenues going to counties and cities

Estimated revenue impacts to:

Jurisdiction	FY 2026	FY 2027	2025-27	2027-29	2029-31
City		280,000	280,000	1,715,000	1,765,000
County		280,000	280,000	1,715,000	1,765,000
TOTAL \$		560,000	560,000	3,430,000	3,530,000
GRAND TOTAL \$	7,520,000				

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Angie Hong	Phone: 360-725-5041	Date: 03/07/2025
Leg. Committee Contact: Tracey Taylor	Phone: 360-786-7152	Date: 02/28/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/07/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/14/2025

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

CHANGES FROM PREVIOUS BILL VERSION

This substitute bill alters the local recipient of the local portion of the excise tax from "a city that the fish was landed in" to "a city or county that the fish was landed in."

SUMMARY OF CURRENT BILL VERSION

This bill redistributes excise tax revenue collected from the commercial possession of certain fish when first landed to include distribution to the city or county that the fish was landed in.

For anadromous game fish tax, 50% will be deposited into the state Fish, Wildlife, and Conservation Account, and 50% will be distributed to the city or county where the fish was landed.

For the tax on ocean waters... 2.625% is distributed to the city or county where the fish was landed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES FROM PREVIOUS BILL VERSION

This substitute bill does not alter the previous analysis of expenditure impact.

SUMMARY OF CURRENT BILL'S REVENUE IMPACTS

This bill does not impact local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES FROM PREVIOUS BILL VERSION

This substitute bill splits the revenue generated between cities and counties.

SUMMARY OF CURRENT BILL'S REVENUE IMPACTS

According to the Washington State Dept. of Revenue, this bill increases city revenues by an estimated \$560,000 in the four months of impacted distributions in fiscal year 2027, and by \$1.7 million in fiscal year 2028, the first full year of impacted distributions.

It is assumed that this revenue will be split evenly between cities and counties. However, the exact share between counties and cities is unknown and is indeterminate.

COUNTIES

FY 2026 -	\$ 0
FY 2027 -	\$ 560,000 x 0.5 = \$ 280,000
FY 2028 -	\$ 1,700,000 x 0.5 = \$ 850,000
FY 2029 -	\$ 1,730,000 x 0.5 = \$ 865,000
FY 2030 -	\$ 1,750,000 x 0.5 = \$ 875,000
FY 2031 -	\$ 1,780,000 x 0.5 = \$ 890,000

CITIES

FY 2026 -	\$ 0
FY 2027 -	\$ 560,000 x 0.5 = \$ 280,000

FY 2028 - \$ 1,700,000 x 0.5 = \$ 850,000
FY 2029 - \$ 1,730,000 x 0.5 = \$ 865,000
FY 2030 - \$ 1,750,000 x 0.5 = \$ 875,000
FY 2031 - \$ 1,780,000 x 0.5 = \$ 890,000

SOURCES

Washington State Dept. of Revenue