

# Agency Request Legislation Technical Corrections to Two WDFW Accounts



**This bill makes technical corrections. These corrections do not change any substantive provisions and do not change how funds are allocated or expended.**

#### For more information:

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## The State Wildlife Account is now gone

The 2020 Legislature enacted Substitute Senate Bill 6072 (State Wildlife Account - Dividing) separating the State Wildlife account into two separate accounts. The purpose of the legislation was to provide increased transparency about the financial health of the dedicated revenue sources that support the Department.

### The Problem

In SB 6072, a portion of personalized license plate revenue was identified for deposit into the newly created Limited Fish and Wildlife Account. This is because the revenue is limited to “non-consumptive” uses for wildlife.

Current authorized expenditures associated with this revenue were mistakenly referenced in Section 24 of SB 6072 as coming from the Fish, Wildlife, and Conservation Account. This was incorrect.

### The Solution

Fix the latter reference so that deposits and expenditures are from the Limited Fish and Wildlife Account. This will realign the revenue and associated expenditure authority as authorized transactions from the Limited Fish and Wildlife Account. This is a technical correction and does not change any substantive provisions of SB 6072.

## HPA Account - Repeal

WDFW has identified an account that is no longer used and therefore proposes that the account be eliminated. The Department's authority to charge application fees for Hydraulic Project Approval (HPA) permits expired in 2017. With the elimination of this fee revenue, and no ability for other revenue to be deposited into the account, the Department recommends that the authorizing statute be repealed.

# Agency Request Legislation Federal Indemnification Authority



## Opportunity

Leverage Federal Funding for  
Ecosystem Restoration  
(65% Federal Match)

Large-Scale Puget Sound  
Restoration (Authorized):  
**\$452M; 2,100 acres restored**

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## Problem Statement

Some Federal agencies require indemnification language in their contracts and WDFW does not have the authority to indemnify federal agencies. The U.S. Army Corps of Engineers is one federal agency that requires indemnification for damages arising from the design, construction and operation of aquatic ecosystem restoration projects (except those due to fault or negligence of the federal agency). The inability to enter into contracts that require indemnification broadly prevents WDFW from using the Corps as a project and funding partner and undermines over \$32M (state and federal funding) already invested in feasibility and design of Puget Sound habitat restoration over the last 20 years.

## Proposed Solution

The proposed solution the department brings forward, after consulting with the Attorney General's Office, is to amend RCW 77.12.320 and add a new subsection that reads:

*The commission may indemnify the United States and its agencies as a condition of securing federal funds for purposes of fish, shellfish, and wildlife projects.*

## Benefits for Habitat Restoration

The ability to enter into agreements with the Federal Government will allow access to Corps funding tools for aquatic ecosystem restoration. Typically, the Corps funds 65% of design and construction costs for this type of project.

The WIIN Act of 2016 (P.L. 114-322, Sec. 1401(4)) authorized \$452M to the Corps for the Puget Sound Nearshore Ecosystem Restoration Project which would restore up to 2,100 acres of Puget Sound shoreline and estuaries and would benefit many species, including salmon and killer whales.

As a result of the authorization, WDFW and the Corps are currently designing a project at the Duckabush River estuary in Hood Canal. The proposed indemnification solution will enable the Duckabush restoration project to continue forward in partnership with Corps and bring significant federal funding to the project

In the future, an indemnification solution will allow WDFW to partner with the Corps on other important potential restoration sites identified by the Puget Sound Nearshore Ecosystem Restoration Project. WDFW is partnering with, or considering partnering with, the Corps for several projects across the state including in the Puget Sound, Yakima River, Chehalis River, and the Columbia River.



# Duckabush Estuary Restoration Project



## **Current Project Spending for PSNERP**

State Feasibility funding	\$11M
Federal Feasibility funding	\$11M
State Design funding	\$5.5M
Federal Design funding	\$4.9M
<b>Total PSNERP spending*</b>	<b>\$32M</b>

\*covers funding for all projects including Duckabush



WDFW, in partnership with the [U.S. Army Corps of Engineers](#) and the [Hood Canal Salmon Enhancement Group \(HCSEG\)](#), is proposing a restoration project on the Duckabush River estuary in Jefferson County. The project would occur primarily on public land at the [Duckabush Wildlife Area Unit](#) managed by WDFW.

The project would reconnect the Duckabush River to neighboring floodplains and wetlands by modifying local roads and elevating Highway 101 onto a bridge spanning the area where freshwater from the Duckabush River meets saltwater of Hood Canal. The Duckabush River estuary is currently impacted by fill, dikes, and road infrastructure, which blocks water channels and limits critical habitat for fish and wildlife, including endangered salmon species.

This project would contribute to a Puget Sound-wide objective to restore river deltas and their wetlands. Over 50% of historical wetlands (57,823 acres) in Puget Sound's 16 largest river deltas have been eliminated by development, which means there is significantly less natural habitat available for fish and wildlife to survive and thrive.

Fortunately, the Duckabush estuary provides a valuable opportunity to restore important habitat that would provide long-lasting benefits to fish, wildlife, and people.

## **Project-specific objectives**

- Reconnect and restore estuarine and freshwater tidal wetlands.
- Re-establish channels to promote greater diversity of delta wetland habitats.
- Restore mudflats and salt marsh.

## **Anticipated project benefits**

- Improved estuarine habitat for fish, birds, and wildlife, including endangered Hood Canal summer chum and chinook salmon, which is a main food source for endangered Southern Resident Killer Whales (Orcas).
- Modernized highway design with updated safety features.
- Improved opportunity for natural filtration of water flowing through the estuary.
- Reduced seasonal flooding by eliminating existing water bottlenecks and allowing for natural tidal flows.





# Agency Request Legislation Hunting and Fishing Recruitment and Retention



## Increasing participation

Recreational hunting and fishing are favorite pastimes for many Washington residents and are significant economic drivers. Each year, hunters and anglers spend \$3.4 billion in Washington state alone and about \$71.7 billion nationally. Outdoor recreation provides crucial business to local communities and is a critical revenue stream for rural economies.

Given the importance of recreation to the state, WDFW is working to increase participation in hunting and fishing and is seeking the Legislature's support.

### Problem Statement:

Currently, the Washington Department of Fish and Wildlife experiences a 1-2% decline in license sales annually, which make up approximately one quarter of the Department's operating budget.

Additionally, WDFW is looking for ways to encourage young people to make hunting and fishing lifetime recreational activities.

### Solution:

WDFW is seeking legislative changes to remove barriers to participation and provide financial incentives, in particular to youth or those new to these activities, to aid in WDFW's recruitment efforts. Further, the proposal includes several incentives to retain current hunters and fishers.

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## The department is pursuing legislative changes that would:



### Fishing

- Allow young anglers to fish without a license until the age of 16, aligning with the age young hunters are required to buy a discounted license. Currently, youth are defined as persons under the age of 15 for fishing, and under the age of 16 for hunting.
- Allow the public to purchase temporary fishing licenses, rather than annual licenses, to participate in the popular lowland lake trout opener, which typically provides anglers a great opportunity to catch fish.
- Allow youth to use a second pole free of charge.



### Hunting

- Provide an incentive—a \$20 discount—toward the first purchase of a hunting license for new hunter education graduates.
- Remove barriers to the hunter education deferral program and allow the department to increase participation in mentored hunting through rule
- Exempt retired members of the U.S. military and current or retired federal peace officers from firearm skills portions of hunter education.



### Licensing

- Give the department the authority to create bundled license packages, multi-year packages, and license exemptions through rule, and provide the ability for the Director to offer promotional pricing.
- Adjust the residency definition of active duty members of the U.S. military, as well as their spouses and children, so service members qualify for licenses at resident rates.
- Allow the department to sell merchandise to better market to hunters, fishers, and the general public, driving more participation.
- Allow out-of-state, full-time, post-secondary students at an accredited institution to purchase hunting and fishing licenses at resident rates. Children and spouses of eligible students would also qualify for resident rates.







# Funding and Reforming the WDFW Payment in Lieu of Taxes Program

## Issue:

Each year, the Washington Department of Fish and Wildlife (WDFW) provides Payments In Lieu of Taxes (PILT) to counties on land owned by the department. These PILT payments are designed to compensate counties for the loss of local property taxes – which cannot be levied on state-owned lands – on parcels purchased by WDFW to protect critical habitat for fish and wildlife and for outdoor recreation.

The payments are critical to local government, schools, and junior taxing districts, especially in rural Washington with large acreages of state ownership. Payment of PILT was an obligation made by the Legislature to counties to counter negative tax impacts of state land acquisitions that provide not only local but important statewide conservation and recreation opportunities.

WDFW and DNR are the only agencies authorized to pay PILT. PILT payments by DNR are currently processed through the State Treasurer's Office. Moving to a single process for PILT payments will reduce confusion and inequities.

## 2021 Recommendation:

WDFW officials propose legislation to implement the following recommendations:

- Have the PILT payments made through the State Treasurer's Office rather than WDFW.

## Currently:

- Full funding was provided for 13 counties currently electing to receive PILT payments; and
- PILT payments for 19-21 were made through the State Treasurer's Office in the operating budget, but not codified into law.

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## Counties Electing to Receive PILT

Adams

Asotin

Chelan

Columbia

Ferry

Garfield

Grant

Grays Harbor

Kittitas

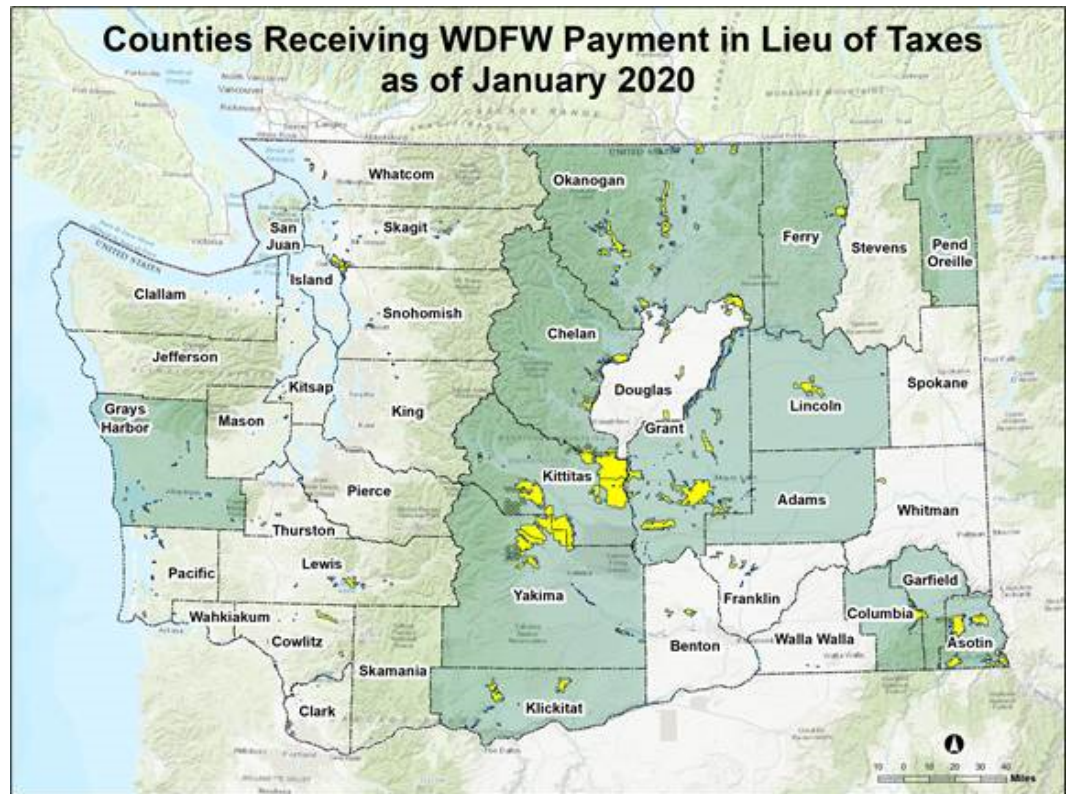
Klickitat

Lincoln

Okanogan

Pend Oreille

Yakima

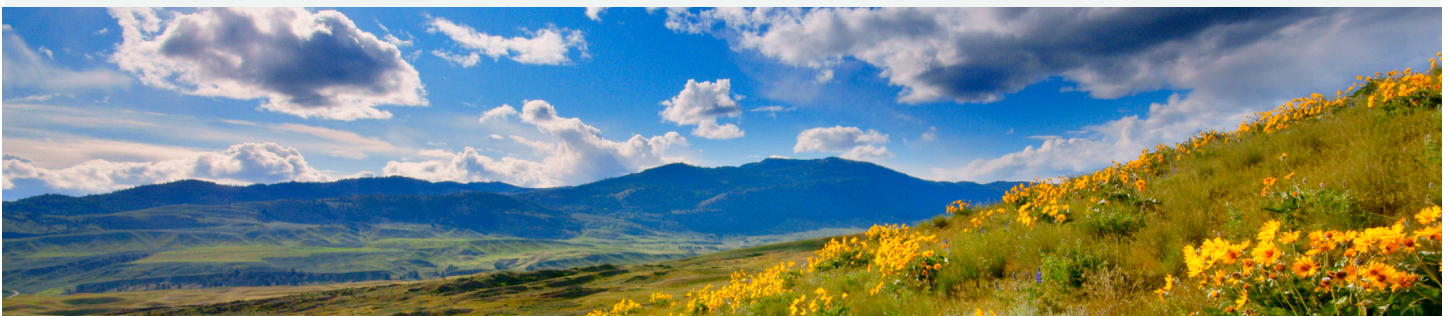


## History and Background:

In the 1960's PILT was based solely on the acreage of WDFW property. Counties were given the option to either receive PILT or their share of fines/forfeitures. If they chose to forego their share of the fines/forfeitures and receive PILT, then their share of the fines/forfeitures went into the Public Safety Fund. By 1984 PILT was doubling every year. This was a great deal of money for a "non-general fund" agency. The 1984 Legislature froze the amount that counties could receive for current properties. New property/land received a payment of either \$.70 per acre or the 1984 rate. In 1987 the Department of Game became the Department of Wildlife and in 1994 the Department of Wildlife was merged with the Department of Fisheries becoming the Department of Fish and Wildlife. This did not change any lands PILT was paid on. In 2005 The Department of Natural Resources started paying PILT on all conservation lands in each county. In 2009 several counties moved to Open Space rate and PILT payments increased from \$500,000 to over \$1 million per year. In 2011 the Legislature again froze the PILT amounts to 2009 levels. Fees/Fines/Forfeitures continued to not be tracked and not paid to the state. The freeze on PILT rates continued through the 17-19 biennium.

## PILT Coalition:

In 2016 the PILT Coalition was formed as an informal association of stakeholders committed to ensuring that Payments in Lieu of Taxes were fully funded and the process streamlined for those counties electing to receive PILT. The PILT Coalition includes WDFW, the Washington Association of Counties, The Nature Conservancy, Washington Wildlife and Recreation Coalition, Rocky Mountain Elk Foundation, Trust for Public Land, Yakima County, Kittitas County, Washington Association of Land Trusts, and Trout Unlimited. This Coalition has worked together to raise awareness of the issue and developed and supported legislation to align the WDFW PILT program with the recommendations of the 2013 Department of Revenue report.



# Agency Request Legislation Columbia River Gillnet Fleet License Reduction



## Project Overview

The Washington Department of Fish and Wildlife (WDFW) is working with the Columbia River, Willapa Bay and Grays Harbor gillnet fleet to research, assess and develop recommendations for a license reduction program. This is one of three programs, pursuant to Fish and Wildlife Commission policy, to improve the economic viability of the fleet while continuing to meet wild salmon conservation objectives. The three programs include work to explore and approve the use of appropriate alternative selective gear, increased communication and marketing around Washington's locally caught sustainable seafood and this work on license reduction.

## Work to Date

### Phase 1 License Reduction Project Milestones

✓	Hired Contractor—Resource Logic
✓	Conducted license reduction research •Evaluated various fleet reduction programs •Assessed effectiveness in meeting objectives & funding need •Mined lessons learned to apply to our work
✓	Analyzed license and catch data •Evaluated biological data to track trends in run sizes •Assessed license trends, esp. active vs. inactive status •Looked at average catch and ex-vessel value over time
✓	Established Industry Work Group •Solicited guidance on demographics of the fishery •Defined economic viability and establish metrics
✓	Developed materials to help share goals and objectives

## Next Steps

In the next six months, the license reduction team is moving out of the research and data analysis phase of the project and will develop options and guidance to include in a final set of recommendations for the program. This work will include continued stakeholder engagement with work group meetings twice a month, Virtual Town Hall meetings and briefings for interested stakeholders and policy makers. The team hopes to complete work by fall 2020 on final recommendations that will implement phase one of a license buyback program to submit to the Fish & Wildlife Commission, The Governor's Office, and the Legislature.

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