## HOUSE BILL 2426

State of Washington 68th Legislature 2024 Regular Session
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By Representative Rule

1 AN ACT Relating to protecting and preserving the Puget Sound 2 salmon purse seine fishing industry; adding a new section to chapter 3 77.12 RCW; creating new sections; making an appropriation; and 4 providing expiration dates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. Sec. 1. (1) The legislature finds that the protection, welfare, and economic well-being of the Puget Sound 7 salmon purse seine fishing industry is important to the people of 8 this state. There presently exists an overabundance of salmon purse 9 10 seine fishing gear in Puget Sound that causes great pressure on 11 fishing resources. This results in great economic waste to the state and prohibits conservation and harvesting programs from achieving 12 13 their goals. This adverse situation has been compounded by the federal court decisions, United States of America et al. v. State of 14 15 Washington et al., civil no. 9213, United States district court for 16 the western district of Washington, February 12, 1974, and Sohappy v. 17 Smith, 302 F. Supp. 899 (D. Oregon, 1969), as amended, affirmed, and remanded 529 F. 2d 570 (9th Cir., 1976). As a result, large numbers 18 19 of individual salmon purse seine vessel owners face personal economic 20 hardship, and the Puget Sound salmon purse seine fishing industry is continually confronted with economic difficulty. It is vital that the 21

state have the authority to purchase purse seine licenses or permits, 1 as appropriate, in a manner that will provide relief to the 2 individual purse seine vessel owner, and that will effect a reduction 3 in the amount of purse seine fishing gear in use in the Puget Sound 4 so as to ensure increased economic opportunity for those persons in 5 the industry and to ensure that the department of fish and wildlife 6 7 allowed to continue its sound scientific conservation and is 8 harvesting programs.

9 (2) The legislature intends to establish a fair and equitable 10 system to reduce the number of Puget Sound salmon purse seine 11 licenses from 71 to 40.

12 (3) This section expires June 30, 2025.

NEW SECTION. Sec. 2. (1) The department of fish and wildlife shall develop a Puget Sound salmon purse seine license buyback and retirement program. This program is in effect from December 1, 2024, to June 30, 2025, and is an open offer from the department of fish and wildlife to purchase Puget Sound salmon purse seine licenses for the sum of \$150,000 per license in accordance with the provisions of this act.

20 (2) This section expires June 30, 2025.

21 <u>NEW SECTION.</u> Sec. 3. (1)(a) To implement the Puget Sound salmon 22 purse seine license buyback and retirement program established in 23 section 2 of this act, the department of fish and wildlife shall rank 24 all Puget Sound salmon purse seine licensees from one through 71.

25 (b) In determining this ranking, the department of fish and 26 wildlife shall calculate the gross income from total landings 27 recorded on each license for all salmon species. For the purposes of this subsection, "gross income from total landings" means the total 28 29 value from commercial landings made on the license for all salmon 30 species landed in 2018, 2019, 2020, 2021, and 2022 as reported to the 31 department of fish and wildlife on fish receiving tickets. For licenses purchased during the years 2018 through 2022, only the 32 landings made on the license after the date of purchase by the 33 34 licensee at the time of ranking may be used in calculating the total gross income as defined in this subsection (1)(b). The ranking must 35 be from highest total gross income from total landings to lowest 36 total gross income from total landings. 37

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1 (2)(a) Beginning December 1, 2024, the department of fish and 2 wildlife shall make an open offer, subject to the provisions of (b) 3 and (c) of this subsection and in a form and manner prescribed by the 4 department of fish and wildlife, to Puget Sound salmon purse seine 5 licensees who ranked number one through 71 under subsection (1)(b) of 6 this section.

7 (b) The offer amount to purchase a Puget Sound salmon purse seine8 license under this subsection is the sum of \$150,000.

(c) A Puget Sound salmon purse seine licensee, ranked number one 9 through 31 under subsection (1)(b) of this section, must receive a 10 11 notice from the department of fish and wildlife, by certified mail 12 return receipt requested, making a firm offer to purchase the license of the licensee for the amount in (b) of this subsection. A licensee 13 receiving a notice under this subsection (2)(c) has 30 days from the 14 15 date of receipt to acknowledge and accept the offer. Acknowledgment 16 and acceptance must be made by certified mail to the address the 17 department of fish and wildlife lists on the request form. Any acknowledgment or acceptance that is received after the 30-day period 18 19 is void and the department of fish and wildlife's offer to purchase the license is withdrawn and no further efforts to purchase may be 20 21 made to that licensee for that specific license. If the department of 22 fish and wildlife does not receive acknowledgment or acceptance from 23 a licensee within this 30-day period, the department's offer to purchase that licensee's license is withdrawn and no further efforts 24 25 to purchase may be made to that licensee for that specific license.

26 (d) A Puget Sound salmon purse seine licensee, ranked number 32 27 through 71 under subsection (1)(b) of this section, must receive a 28 notice from the department, by certified mail return receipt requested, requesting a formal letter of interest to sell the license 29 of the licensee for the amount in (b) of this subsection. A licensee 30 31 receiving a notice under this subsection has 30 days from the date of 32 receipt to submit a formal letter of interest to sell their license. 33 The formal letter of interest must be sent by certified mail to the address the department of fish and wildlife lists on the request 34 form. Any formal letter of interest that is received after the 30-day 35 period is void and the department of fish and wildlife's request for 36 a formal letter of interest under this subsection is withdrawn and no 37 further efforts to purchase may be made to that licensee for that 38 39 specific license. If the department of fish and wildlife does not 40 receive a formal letter of interest from a licensee within this 30-

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1 day period, the department's request for a formal letter of interest 2 under this subsection is withdrawn and no further efforts to purchase 3 may be made to that licensee for that specific license.

4 (3)(a) Once the 30-day periods in subsections (2)(c) and (d) of 5 this section have lapsed, the department shall:

6 (i) Purchase the license of any licensee that responded with an 7 acknowledgment and acceptance under subsection (2)(c) of this 8 section; and

9 (ii) In ranked order, purchase the license of any licensee that 10 responded with a formal letter of interest under subsection (2)(d) of 11 this section until the department reaches a total of 31 licenses 12 purchased.

(b) The department of fish and wildlife shall tender the amount of payment within 45 days from the date the Puget Sound salmon purse seine licensee receives their vendor identification number from the office of financial management.

(4) This section expires June 30, 2025.

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18 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 77.12
19 RCW to read as follows:

(1) Upon completion of the Puget Sound salmon purse seine buyback and retirement program established under section 2 of this act, the department may not issue any new Puget Sound salmon purse seine commercial licenses if it would cause the total number of licenses for this fishery to exceed 40.

(2) The Puget Sound salmon purse seine buyback and retirement program carried out pursuant to section 2 of this act may not be construed to alter in any way the department of fish and wildlife's existing method of providing harvest opportunities between and among the competing commercial gear types based on the historical average annual catches for each gear group.

31 <u>NEW SECTION.</u> Sec. 5. The sum of \$5,000,000, or as much thereof 32 as may be necessary, is appropriated for the fiscal year ending June 33 30, 2024, from the general fund to the department of fish and 34 wildlife for the purposes of this act.

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