

## Fiscal Estimate - 2005 Session

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> <b>05-0707/1</b>	<b>Introduction Number</b> <b>AB-581</b>
<b>Subject</b> Commercial fishing regulation	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs                                   3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs                                   4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	<b>Affected Ch. 20 Appropriations</b> 20.370(4)(kr), 20.370(3)(mi), 20.370(3)(mu)
<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<b>Authorized Signature</b> Joe Polasek (608) 266-2794
<b>Date</b> 9/19/2005	

## Fiscal Estimate Narratives

DNR 9/20/2005

LRB Number	05-0707/1	Introduction Number	AB-581	Estimate Type	Original
<b>Subject</b>					
Commercial fishing regulation					

### Assumptions Used in Arriving at Fiscal Estimate

#### BILL SUMMARY

The bill makes a number of changes related to commercial fishing.

#### Record-Keeping

The bill changes the current record keeping requirements for wholesale fish dealers and for commercial fishers, such as: the need for an annual inventory; a five-year minimum to keep the records. The bill eliminates fish purchase monthly reports; there can be no transport without records; and the ability to produce fishing records in 24 hours. The bill changes a number of current record requirements for the DNR, such as: the DNR must be notified annually of the five-year minimum records held by dealers and fishers and certain records must be held confidential; DNR does not need to provide forms related to records; DNR may not issue a license to a convicted dealer for one year; and DNR can examine records pertaining to wild animals.

#### Surcharges

This bill creates 3 new surcharges that apply to violations committed by commercial fishers and wholesale fish dealers:

1. For the unlawful killing, sale, or possession of certain fish or for the failure to comply with record-keeping requirements, the court must impose a **COMMERCIAL FISH PROTECTION SURCHARGE**. The amount of the surcharge varies depending on the type of fish involved and the nature of the violation. This surcharge replaces the Wild Animal Protection Surcharge when violations involve commercial fish species. Moneys collected from the surcharge must be used for research relating to Great Lakes fish, s. 20.370 (4) (kr).
2. For violation of the laws regulating wholesale fish dealers which involve Great Lakes fish and for a violation of laws relating to sport trolling and commercial fishing in outlying waters, the court must impose a Great Lakes resource surcharge equal to 75% of the amount of the fine or forfeiture. This surcharge replaces the 75% Natural resources surcharge currently assessed for all fish and game violations, including those involving commercial fish. As with the commercial fish protection surcharge, the moneys collected from the Great Lakes resource surcharge must be used for research relating to Great Lakes fish, s. 20.370 (4)(kr).
3. For failure to reimburse DNR for costs associated with the seizure of a net or similar fishing device, the court must impose a fishing net removal surcharge in an amount equal to the sum of those costs plus an amount equal to 75 percent of the amount of the forfeiture. All moneys collected shall be deposited in the conservation fund.

#### Penalties

The bill changes the current law related to penalties for commercial fishing violations. The bill provides an owner must reimburse the DNR for the cost of seizing any net or similar fishing device that is used in violation of the law. If the owner does not reimburse DNR, the owner must forfeit not more than \$1,000 in addition to the costs of reimbursement. Current penalties are that a person who had a fish in possession that cost \$300 may be fined not more than \$5,000 or imprisoned for not more than 30 days or both. This bill establishes a minimum fine that may be imposed of \$1,000. Under the bill, this same penalty also applies if a person fails to comply with any record-keeping requirement for fish that has a value that exceeds \$300.

## Other Laws

Finally, the bill makes a number of other laws related to commercial fishing. This bill provides that the term "fish" includes fish eggs. This bill specifies that a wholesale fish dealer includes a person who obtains or processes fish. This bill clarifies that the eggs may be sold or purchased without the fish if the eggs are first removed from the fish in the presence of the buyer. This bill eliminates the requirement that the fish be tagged and instead requires that the fish be identified in the manner required by DNR. This bill requires that a package, box, or container holding fish be accompanied by a bill of lading or invoice and specifies the information that must be contained on the bill of lading or invoice. The bill prohibits a wholesale fish dealer from transporting any fish in a vehicle unless the ownership of the vehicle is marked as required by DNR. The bill authorizes fishing for smelt on the waters of Green Bay at any time during nighttime. The bill also eliminates the requirement that DNR establish by rule a harvest limit for alewife on the waters of Green Bay and Lake Michigan. The bill increases the fee for the transfer of an outlying waters commercial fishing license from \$25 to \$50. The bill requires DNR to establish and maintain a commercial fish reporting system under which DNR must establish specific reporting or record-keeping requirements that apply only to certain persons who violate the commercial fishing laws.

## FISCAL ESTIMATE

### Record Keeping

Elimination of the requirement that DNR provide forms for records that wholesale fish dealers and commercial fishers must keep and eliminating the need to provide lake trout tags will reduce costs to the department by about \$2,200 annually. This estimate is based on an annual cost of approximately \$1,000 to print the special records forms annually, \$400 in postage to mail out all the reports and about \$800 to purchase special lake trout tags.

The department will also save some money by streamlining reporting processes, eliminating a number of reporting requirements and eliminating the printing and mailing of specific forms. This legislation combined with the expected administrative code implementing an electronic reporting system will eliminate the need for DNR Fisheries staff to enter the data from biweekly commercial fishing daily activity report and the handling and filing of the biweekly commercial fish disposition report. It will eliminate the need for DNR LE staff to be sorting and filing the monthly wholesale fish purchase reports. Finally, it eliminates the need for the department to provide lake trout tags and eliminates the requirement for a Warden to inspect and tag each shipment of imported lake trout. It is expected that these savings will simply help to offset the eventual new costs for maintaining and managing the electronic reporting system and its hardware and software.

Total cost reduction: \$2,200.

### Surcharges

Commercial fish protection surcharge. The amount of revenue that may be generated from the Commercial Fish Protection surcharge is also difficult to determine. This surcharge is not mandatory and is left to the discretion of the court. The amount of this surcharge will also vary based on the current value of the commercial fish involved in the violation.

Great Lakes research surcharge. The department estimates the amount of revenue that may be generated from the Great Lakes Research Surcharge to be approximately \$5,660 annually. This estimate was based on an average of approximately 63 arrests made annually for all wholesale fish dealing, commercial fishing and Sport Trolling violations. The 2001 – 2004 arrest records were used in making this determination. These arrests averaged approximately \$21,405 in fines. After subtracting \$6,300 for all related court cost fees (est. \$100 per arrest/charge), the forfeiture amount and 24% penalty assessment, we would estimate that on average, the Natural Resources Surcharge imposed for these violations equals approximately \$5,660 annually.

\$21,405 (Total penalties imposed annually)  
- 6,300 (Court costs and related fees)  
= \$15,100 (1/2 Makes up the Forfeiture imposed and 1/2 is 24% penalty Surcharge + 75% NR Surcharge)  
= \$7,550 Surcharge

Est. that approximately \$5,660 is a result of the NR Surcharge (75% of the Forfeiture)

Total increase in revenue to the Lake Research appropriation: \$5,660  
Total decrease in revenue to the Conservation Fund: \$5,660

## Penalties

If the DNR seizes any net or similar fishing device that is used in violation of the law, the owner must reimburse DNR for all costs associated with the seizure. If the owner does not reimburse DNR, the owner must forfeit not more than \$1,000 in addition to the costs of reimbursement. There should be no net gain or loss to the department for being reimbursed for the cost of the removal of illegal nets. In addition, a minimum fine of \$1,000 is created for a person who has fish in his or her possession in violation of the law or that fails to comply with any record-keeping requirement for fish, when the fish have a value that exceeds \$300. It is not known how many violations for failure to comply with the record-keeping requirements might occur when the value of the fish exceeds \$300, but it is not expected that this would be a significant number or generate an substantial increase in revenue.

## Other Laws

Previous transfer fee for commercial boats was \$900. This bill eliminates the \$900 fee and increases the fee for the transfer of an outlying waters commercial fishing license from \$25 to \$50. There were 28 of the \$25 license transfers in 2004. The department expects the number of license transfers will increase when the \$900 cost of transferring a boat from one license to another is repealed under this bill. It is not possible to determine how many license transfers will take the place of the previous boat transfers, but it is assumed based on the change from previous \$900 fee to a \$50 fee there will be some loss of revenue.

Under this bill, the DNR is required to establish and maintain a commercial fish reporting system under which the DNR must also establish specific reporting or record-keeping requirements that apply only to certain persons who violate the commercial fishing laws. It is anticipated that a new electronic reporting and tracking system will cost approximately \$15,000 to establish and about \$2,700 to maintain annually.

Total cost increase \$2,700, plus one-time \$15,000.

## Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>05-0707/1</b>		Introduction Number <b>AB-581</b>	
<b>Subject</b>			
Commercial fishing regulation			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
\$15,000 to establish electronic reporting and tracking system			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs	2,700		-2,200
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$2,700</b>		<b>\$-2,200</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	2,700		-2,200
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S	5,660		
<b>TOTAL State Revenues</b>	<b>\$5,660</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$500	\$
NET CHANGE IN REVENUE		\$5,660	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	
		<b>Date</b>	
		9/19/2005	