



Legislative Fiscal Bureau

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September 18, 2013

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 134 and Assembly Bill 155: Sea Lamprey Control

Senate Bill 134 was introduced on April 10, 2013, and referred to the Senate Committee on Workforce Development, Forestry, Mining, and Revenue. The Committee recommended Senate Substitute Amendment 1 for adoption, and recommended SB 134 for passage as amended, on June 6, 2013, by a vote of 5 to 0. The bill was referred to the Joint Committee on Finance on June 10, 2013. Assembly Bill 155 was introduced on April 15, 2013, and referred to the Assembly Committee on Natural Resources and Sporting Heritage. The Committee recommended Assembly Substitute Amendment 1 for adoption, and recommended AB 155 for passage as amended, on August 14, 2013, by a vote of 12 to 0. The bill was referred to the Joint Committee on Finance on September 5, 2013.

CURRENT LAW

The Great Lakes Fishery Commission (GLFC) has primary responsibility for the control of sea lamprey in the Great Lakes; however, states take responsibility for maintenance of some sea lamprey barriers, and states often cooperate with the GLFC on other sea lamprey control projects. Sea lampreys are eel-like parasites who feed on other fish, extracting blood and other fluids. In Wisconsin, the Department of Natural Resources (DNR) has primarily utilized Great Lakes trout and salmon stamp account funds for sea lamprey-related activities. The Great Lakes trout and salmon stamp, commonly referred to as the salmon stamp, is a \$10 stamp which an angler must purchase in addition to a fishing license, in order to fish for salmon or trout in the Wisconsin waters of the Great Lakes. Revenues from the stamp are deposited in a continuing appropriation in the fish and wildlife account of the segregated conservation fund referred to as the salmon stamp account, and are statutorily required to be used to supplement and enhance the existing trout and salmon rearing and stocking program for Great Lakes waters (generally including evaluation and research, or propagation activities, including facility developments). In addition, a portion of revenues from the sale of conservation patron licenses (representing Great lakes trout and salmon fishing usage), and 50% of two-day sport fishing licenses are also deposited to the salmon stamp account.

SUMMARY SUBSTITUTE AMENDMENTS

The Substitute Amendments to SB 134 and AB 155 are identical and, hereafter referred to as, "the bill." The bill would require DNR to set aside the following amounts from Great Lakes trout and salmon stamp account funds in fiscal year 2013-14 for sea lamprey control activities: (a) \$42,000 SEG to be used for a project to improve the sea lamprey barrier on the Kewaunee River at the Besadny Anadromous Fish Facility (which DNR would be required to release upon receipt or commitment of funding in the amount of \$78,000 from one or more governmental units); (b) \$262,500 SEG to be used for a project to construct a sea lamprey barrier on the Nemadji River (which DNR would be required to release upon receipt or commitment of funding in the amount of \$487,500 from one or more governmental units). "Governmental unit" would mean a state or federal agency, or a county, city, village, or town. In addition, the bill would provide \$520,000 in 2013-14 in a new, continuing GPR appropriation and specify that DNR may expend up to \$400,000 from the appropriation to carry out sea lamprey control projects and up to \$120,000 to conduct surveys of sea lamprey larvae on any inland lakes, tributaries of Lake Michigan or Lake Superior, or harbors of Lake Michigan or Lake Superior. The bill would specify that no moneys may be encumbered from the GPR appropriation after June 30, 2016. While the bill would require that the segregated stamp funds may only be used to match other funding commitments, given the definition of governmental unit, it appears that the GPR funding under the bill could be utilized for this purpose.

FISCAL EFFECT

Under the bill, DNR would be required to set aside a total of \$304,500 SEG in 2013-14 from existing Great Lakes trout and salmon stamp funds to support 35% of certain sea lamprey control projects. For example, U.S. Army Corps of Engineers projects under the Great Lake Fisheries and Ecosystem Restoration program typically require a 35% local project match. In addition, the bill would provide \$520,000 GPR in 2013-14 and specify that DNR may utilize up to that amount for certain sea lamprey control efforts (through June 30, 2016).

In the last several fiscal years, DNR has utilized Great Lakes trout and salmon stamp funds for sea lamprey control activities. In fiscal year 2011-12, DNR expended a total of \$113,600 from salmon stamp funds (out of total stamp fund expenditures of \$1.76 million) to provide the GLFC with assessment data regarding lake trout population trends in Lake Michigan (\$17,700 in 2011-12) and in Lake Superior (\$40,500 in 2011-12); for maintenance of Wisconsin's three sea lamprey barriers on the Middle, Bois Brule, and Iron Rivers (\$17,800 in 2011-12); and to conduct annual creel surveys to measure the success of Lake Superior fishery management projects including the Brule River sea lamprey barrier and the lake trout rehabilitation program (\$37,600 in 2011-12). A similar amount was expended for sea lamprey control efforts in prior fiscal years (\$94,700 in 2009-10 and \$94,600 in 2010-11).

Great Lakes trout and salmon stamp account revenues have totaled approximately \$1.7 million to \$1.8 million over the past several years. Based on preliminary revenue and expenditure data, the Great Lakes trout and salmon stamp account had a June 30, 2013, cash balance of approximately \$3 million as shown in the following table and would appear to have sufficient

funds to cover the sea lamprey control projects required under the bill.

**Great Lakes Trout and Salmon Stamp Account Condition
Fiscal Years 2010-11 through 2012-13**

	<u>2010-11</u>	<u>2011-12</u>	Preliminary <u>2012-13</u>
Opening Balance	\$3,142,600	\$3,068,700	\$3,184,700
Revenue	<u>1,685,200</u>	<u>1,835,900</u>	<u>1,673,600</u>
Total Available	\$4,827,800	\$4,904,600	\$4,858,300
Expenditures	<u>\$1,759,100</u>	<u>\$1,719,900</u>	<u>\$1,845,100</u>
Closing Balance	\$3,068,700	\$3,184,700	\$3,013,200

The salmon stamp appropriation is continuing with all monies received available for the statutorily authorized purposes. Chapter 20 of the appropriations schedule estimates these amounts at approximately \$1.6 million annually for the 2013-15 biennium. The bill would increase this expenditure estimate by \$304,500 SEG in 2013-14. It should also be noted that the 2013-15 capital budget includes DNR projects utilizing \$1.8 million from the account, including \$1 million for groundwater and related engineering studies for potential re-development of the Kettle Moraine Springs (Sheboygan County) and Les Voight (Bayfield County) fish hatcheries, and \$800,000 for statewide groundwater studies at secondary fish hatchery facilities. Under current law and the bill, and assuming DNR expends the full \$5.3 million in authorized expenditures during the 2013-15 biennium, the Great Lakes trout and salmon stamp appropriation could be expected to have a June 30, 2015, balance of approximately \$1 million.

This bill would also appropriate \$520,000 GPR on a one-time basis that may be encumbered through June 30, 2016.

Prepared by: Erin Probst