

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1319 w/CS Vessel Licenses

SPONSOR(S): Patterson

TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 1714

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Natural Resources</u>	<u>18 Y, 0 N w/CS</u>	<u>Camechis</u>	<u>Lotspeich</u>
2) <u>Finance & Tax</u>	<u></u>	<u>Levin</u>	<u>Diez-Arguelles</u>
3) <u>Appropriations</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

This bill requires the Fish & Wildlife Conservation Commission (FWCC) to create a 1-year, nonmandatory freshwater vessel license pilot program. The vessel license will be available to persons operating a vessel hired for the purpose of recreationally taking freshwater fish. Fees and categories for freshwater vessel licenses will be the same as those already established for saltwater vessel licenses. The bill also creates a Vessel License Task Force within the FWCC for the purpose of reviewing the commission's saltwater and freshwater vessel license programs, and requires the task force to provide recommendations to the Legislature by February 1, 2006.

The fiscal impact of the 1-year pilot program is indeterminate due to the voluntary nature of the program; however, if a future Legislature chooses to implement a mandatory program, an estimated \$500,031 annual loss in revenues may result. Nonrecurring expenditures related to administration of the Vessel License Task Force are estimated to be \$140,000.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1319b.ft.doc

DATE: March 29, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

CURRENT SITUATION

Florida's Mandatory Vessel License Program¹

In 1989, the Florida Legislature enacted chapter 89-270, Laws of Florida, to create a mandatory vessel license program for vessels hired for the recreational purpose of taking or attempting to take marine fish. This program is commonly referred to as the "saltwater vessel license program" even though all vessels are not typically categorized as saltwater or freshwater vessels. The current fees for mandatory vessel licenses are set forth in section 372.57(7), F.S., as follows:

- A vessel license for a *vessel* certified by the U.S. Coast Guard to carry more than 10 customers is \$800 per year and is nontransferable.
- A vessel license for a *person* licensed by the U.S. Coast Guard to operate a vessel certified by the U.S. Coast Guard to carry more than 10 customers is \$800 per year and may be transferred from vessel to vessel with the operator.
- A vessel license for a *vessel* certified by the U.S. Coast Guard to carry 10 or fewer customers is \$400 per year and is nontransferable.
- A vessel license for a *person* licensed by the U.S. Coast Guard to operate a vessel certified by the U.S. Coast Guard to carry no more than 10 customers is \$400 per year and may be transferred from vessel to vessel with the operator.
- A vessel license for a *vessel* for hire that carries no more than 6 customers is \$400 per year and is nontransferable.
- A vessel license for a *person* licensed by the U.S. Coast Guard to operate a vessel for hire that carries no more than 6 customers is \$400 per year and may be transferred from vessel to vessel with the operator.
- A vessel license for a *vessel* for hire that can carry no more than 6 customers but that actually carries no more than 4 customers is \$200 per year and is nontransferable.
- A vessel license for a *person* licensed by the U.S. Coast Guard to operate a vessel for hire that carries no more than 6 customers but who operates a vessel that carries no more than 4 customers is \$200 per year and may be transferred from vessel to vessel with the operator.
- A vessel license for a recreational, not for hire *vessel*, is \$2,000 per year and the license allows anyone to fish from the vessel without having to purchase an individual fishing license.

Persons paying to saltwater fish from licensed vessels are not required to purchase an individual saltwater fishing license.

¹ s. 372.57 (7), F.S.

Florida's Freshwater Fishing Vessels

At the time the Legislature created the mandatory licensing program for vessels chartered for recreational saltwater fishing, no similar program was established to license vessels chartered for the purpose of recreational freshwater fishing. Any individual that pays to charter a vessel to freshwater fish must purchase an individual freshwater fishing license. It is the responsibility of the vessel operator to ensure that every paying passenger is properly licensed.

This discrepancy in the vessel licensing program has generated concern from the freshwater fishing guides who have determined they lose business when potential customers realize they can go saltwater fishing without having to purchase an individual license. However, this discrepancy is not limited to the vessel license program. Non-resident saltwater anglers can purchase a \$5, 3-day license, while non-resident freshwater anglers must purchase a \$15, 7-day license.

EFFECT OF PROPOSED CHANGES

Section 1. Section 372.57(7), F.S., is amended to clarify that the vessel license program established in this subsection applies to vessels hired for the purpose of recreationally taking saltwater fish.

Subsection (16) of section 372.57, F.S., is created to require the FWCC to establish a 1-year nonmandatory freshwater vessel license pilot program to be implemented by July 1, 2004. Vessel licenses issued under the pilot program must be identified as freshwater vessel licenses and may not be transferred to other vessels, except that persons licensed by the Coast Guard to operate a vessel shall be transferable to any vessel operated by the licensee. Vessel licenses issued under the pilot program may not be renewed and all licenses issued under the pilot program expire on June 30, 2005. Owners, operators, or custodians of vessels licensed under the pilot program must maintain and report any statistical data which is required by the FWCC. Revenues from the sale of vessel licenses issued under the pilot program must be deposited into the State Game Trust Fund within the FWCC. This subsection expires July 1, 2005.

The bill provides that fees and categories for the nonmandatory freshwater vessel license pilot program are as follows:

- A vessel license for a vessel certified and inspected by the U.S. Coast Guard to carry 11 or more passengers-for-hire is \$800 per year.
- A vessel license for a vessel certified and inspected by the U.S. Coast Guard to carry no more than 10 passengers-for-hire is \$400 per year.
- A vessel license for a vessel that carries 6 or fewer passengers-for-hire is \$400 per year.
- A vessel license for a vessel that carries no more than 4 passengers-for-hire is \$200 per year.
- A person licensed by the U.S. Coast Guard to operate any vessel licensed under any category can purchase a license in his or her own name, and that license can be transferred to any vessel operated by the purchaser. The fees for operator licenses are the same as the fees for vessel licenses, and are based on the same categories.

Subsection (17) of section 372.57, F.S., is created to establish the Vessel License Task Force within the FWCC for the purpose of reviewing the commission's vessel license program. Goals of the task force include determining if freshwater and saltwater vessel licenses should be mandatory or permissive; determining if the vessel license programs should be repealed; and determining if vessel license revenues could generate as much revenue as might be gained if individual saltwater and freshwater fishing licenses were sold to persons fishing from licensed vessels. If the task force determines that vessel license sales do not generate sufficient revenue, the task force must determine the amount of a fair and equitable vessel license fee.

The bill provides that the task force will consist of seven members, who are appointed by the Chair of the task force, as follows:

- 1 member representing the Florida Guides Association;

- 2 members who are freshwater fishing guides licensed as captains by the U.S. Coast Guard;
- 1 member working as a part-time freshwater fishing guide;
- 1 member who is a saltwater fishing guide licensed as a captain by the U.S. Coast Guard;
- 1 member who is a part-time saltwater fishing guide; and
- 1 FWCC representative appointed by the executive director. The FWCC representative may not be a commissioner and must have knowledge of the vessel licensing program. This representative will serve as chair of the task force and will appoint remaining task force members.

Members of the task force will serve without compensation and staff of the FWCC will serve as staff of the task force. By February 1, 2006, the task force must submit written recommendations to the FWCC and to the Natural Resources and Appropriations committees of the Florida Senate and the Florida House of Representatives. This subsection expires on July 1, 2006.

Section 2. Section 372.562, F.S., is amended to provide that persons fishing from a vessel licensed under the freshwater vessel licensing pilot program, or persons fishing from a vessel operated by a person licensed under the freshwater vessel licensing pilot program, are not required to purchase an individual freshwater fishing license.

Section 3. Section 372.562, F.S., is amended effective July 1, 2005, to remove the exemption from individual freshwater fishing license requirements for persons fishing from a vessel licensed under the freshwater fishing vessel license program.

C. SECTION DIRECTORY:

Section 1. Amends section 372.57, F.S., creating a Freshwater Vessel License Pilot Program and the Vessel License Task Force.

Section 2. Amends section 372.562, F.S., providing exemptions from certain freshwater fishing license fees and requirements.

Section 3. Amends section 372.562, F.S., effective July 1, 2005, to eliminate exemptions from certain freshwater fishing license fees and requirements.

Section 4. Providing an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill establishes fees for a nonmandatory freshwater vessel license pilot program that enables freshwater vessel captains to obtain vessel licenses, but allows those captains to retain current licensure without penalty if they do not choose to participate. If a captain chooses to participate in the pilot program, individuals who hire a vessel for purposes of recreational freshwater fishing will not be required to purchase individual fishing licenses. Due to the nonmandatory nature of the pilot program, the fiscal impact of the pilot program on license fee revenues is indeterminate.

In fiscal year 2002-2003, nonresidents purchased 113,662 individual freshwater fishing licenses, which generated almost \$2.4 million in revenue, and Florida residents purchased 445,364 individual freshwater fishing licenses generating approximately \$5.5 million in revenue. This was a 3.7 percent overall reduction in the sale of freshwater fishing licenses from fiscal year 2001-2002, the highest reduction of which was in the sale of resident licenses (17,460 fewer).

As indicated below, the FWCC estimates that, if the legislature implements a mandatory freshwater vessel license, an annual recurring loss of approximately \$500,000 in freshwater fishing license revenue may result.

Estimated Impact of a Mandatory \$200 Freshwater Vessel License on FWCC Revenues²

Estimated number of vessel licenses sold	480
Estimated number of resident anglers on vessel	17,664
Estimated number of nonresident anglers on vessel	59,136
Estimated revenue loss from sale of individual licenses	\$ 464,717
Estimated revenue loss from federal funds	\$ 131,604
Revenue generated from sale of vessel licenses	\$ 96,000

TOTAL REVENUE LOSS **\$ 500,321³**

2. Expenditures:

Estimated cost of surveys: **\$120,000**

The FWCC indicates that, in order to provide the Vessel License Task Force data upon which to base its recommendations, economic data must be generated that does not currently exist. The FWCC estimates that completion of the two surveys necessary to generate the data (saltwater and freshwater surveys) may cost up to \$120,000.

Nonrecurring per diem and cost of task force: **\$20,000**

The bill authorizes the Vessel License Task Force members to claim per diem expenses. The FWCC estimates that the fiscal impact of the per diem expenses will be \$20,000, including air fare, lodging, and meals for 5 meetings in Tallahassee for seven task force members.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.

2. Expenditures: None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill establishes fees for a nonmandatory freshwater vessel license program that enables freshwater vessel captains to obtain vessel licenses, but allows those captains to retain current licensure without penalty if they do not choose to participate. If a captain chooses to participate in the pilot program, individuals who hire a vessel for purposes of recreational freshwater fishing are not required to purchase individual fishing licenses.

Captains operating freshwater fishing vessels licensed under the pilot program may see an increase in business if more persons choose freshwater fishing over saltwater fishing because an individual fishing license is no longer required.

According to the FWCC, passage of the bill may assist freshwater fishing guides and captains in competing for customers who are interested in a guided fishing experience by exempting their customers from the current requirement for individual recreational freshwater fishing licenses.

D. FISCAL COMMENTS: None.

²This information was provided by the FWCC Division of Freshwater Fisheries and is based on data contained in the "2003 Complete Florida Fishing Directory".

³ (\$464,717 + \$131,604) - \$96,000= \$500,321

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other: None.

B. RULE-MAKING AUTHORITY: The FWCC may be required to adopt rules to implement the freshwater vessel license pilot program.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 17, 2004, the Committee on Natural Resources adopted a strike-all amendment. The amendment revised the original bill by:

- Deleting a provision allowing transfer of saltwater vessel licenses only to other saltwater vessels;
- Clarifying that freshwater vessel licenses issued under the pilot program expire on June 30, 2005;
- Specifying the fees applicable to and categories of freshwater vessel licensure;
- Requiring vessel operators, owners, or custodians to maintain and report data as required by the FWCC;
- Revising responsibilities of the Vessel License Task Force;
- Revising the date by which the task force must submit recommendations; and
- Revising the date the task force will disband.