

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1714

SPONSOR: Natural Resources Committee and Senator Cowin

SUBJECT: Vessel Licenses

DATE: March 2, 2004

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Molloy</u>	<u>Kiger</u>	<u>NR</u>	<u>Fav/CS</u>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	<u>AGG</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	_____	_____

## I. Summary:

This committee substitute requires that the Fish & Wildlife Conservation Commission (FWCC) create a 1-year nonmandatory freshwater vessel license program to be implemented by July 1, 2004. The vessel license will be available to persons operating a vessel that is hired for the purpose of recreationally taking freshwater fish. The committee substitute provides that the fees and categories for freshwater vessel licenses will be the same as the fees and categories already established for the saltwater vessel license program.

This committee substitute establishes a 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 Goals of the task force include determining if the vessel license program should be repealed, if vessel licenses should be mandatory or permissive, and if vessel license revenues will generate as much revenue as might be gained if individual saltwater and freshwater fishing licenses were sold to persons fishing from licensed vessels.

The committee substitute provides for the membership of the Vessel License Task Force and provides that no later than February 1, 2006, task force recommendations must be submitted in writing to the FWCC and the appropriate substantive and fiscal staffs of the Florida Senate and the Florida House of Representatives.

This committee substitute substantially amends subsection (7) of s. 372.57, and subsection (2) of s. 372.562, Florida Statutes. This bill creates subsections (16) and (17) in s. 372.57, Florida Statutes.

## II. Present Situation:

### Vessel Certifications

Under Part 2 of Title 46, Code of Federal Regulations, the United States Coast Guard (U.S. Coast Guard) must certify and inspect all vessels weighing less than 100 tons that carry more than 6 passengers-for-hire whether the boat is chartered or not, and all vessels weighing 100 tons or more that carry carry more than 12 passengers-for-hire, whether the boat is chartered or not.

### Vessel Captains

Charter boat captains are licensed by the U.S. Coast Guard<sup>1</sup> in the following categories:

- Operator of Uninspected Passenger Vessel (OUPV) or "6-Pack Licenses" - License issued for captains of "for hire" vessels which by law are limited to six or less passengers. These vessels are not certified and inspected by the U.S. Coast Guard. Typical vessels include small charter fishing vessels and scuba diving vessels.
- Master, 100 Tons License - License issued for captains of "for hire" vessels which carry more than six passengers and are inspected by and carry a U.S. Coast Guard Certificate of Inspection. Vessels include charter boats and head boats.
- Master, Limited Tonnage License - License issued for captains of "for hire" vessels which carry more than six passengers but are smaller in size than 100 ton vessels and are inspected by and carry a U.S. Coast Guard Certificate of Inspection.

Captains operating a vessel for hire within the navigable waters of the United States must have a license issued by the United States Coast Guard. Under Title 33, Code of Federal Regulations, Part 2, navigable waters include "internal waters of the United States that are subject to tidal influence" and "internal waters of the United States not subject to tidal influence that are or have been used, or are or have been susceptible for use, by themselves or in connection with other waters, as highways for substantial interstate or foreign commerce, notwithstanding natural or man-made obstructions that require portage."

Captains of vessels for hire which do not take paying passengers fishing in "navigable waters" are not required to be licensed by the U.S. Coast Guard.

### Florida's Mandatory Vessel License Program<sup>2</sup>

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 were established in chapter 90-243, Laws of Florida, and are 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.

<sup>1</sup> <http://www.U.S.cg.mil/stcw/cb-capt.htm>

<sup>2</sup> s. 372.57 (7), F.S.

- 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.

### **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.

### **III. Effect of Proposed Changes:**

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

Creates subsection (16) in s. 372.57, F.S., to require that the FWCC establish a 1-year nonmandatory freshwater vessel license pilot program to be implemented by July 1, 2004. Provides that vessel licenses issued under the pilot program must be identified as freshwater vessel licenses and may not be transferred to other vessels. Provides that each vessel license issued under the pilot program may not be renewed, and all licenses issued under the pilot

program expire on June 30, 2005. Provides that owners, operators, or custodians of vessels licensed under the pilot program must maintain and report any statistical data which is required by the FWCC. Provides that revenues from the sale of vessel licenses issued under the pilot program must be deposited into the State Game Trust Fund within the FWCC. Provides that subsection (16) expires July 1, 2005.

Provides that the 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 can carry 6 or fewer passengers but 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.

Creates subsection (17) in s. 372.57, F.S., to establish a Vessel License Task Force within the FWCC for the purpose of reviewing the commission's vessel license program. Provides that goals 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. Provides that 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.

Establishes that the Vessel License Task Force will consist of 7 members and will include the following:

- 1 member representing the Florida Guides Association,
- 2 members licensed as captains by the U.S. Coast Guard to represent full-time freshwater fishing guides,
- 1 member representing part-time freshwater fishing guides,
- 1 member licensed as a captain by the U.S. Coast Guard to represent full-time saltwater fishing guides,
- 1 member representing part-time saltwater fishing guides, and
- 1 FWCC representative that is appointed by the executive director. The FWCC representative may not be a commissioner but must have knowledge of the vessel licensing program. This representative shall serve as chair of the task force, and is responsible for appointing the other task force members.

Provides that members of the task force shall serve without compensation and directs staff of the FWCC to serve as staff of the task force. Provides that by February 1, 2006, the task force must submit written recommendations to the FWCC so that the commissioners can include task force

recommendations as part of the agency's 2006 legislative agenda. Provides that copies of the recommendations must be submitted to staff of the natural resources and appropriations committee of the Florida Senate and the Florida House of Representatives. Provides that subsection (17) will expire on July 1, 2006.

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

**Section 3.** Effective July 1, 2005, amends s. 372.562, F.S., to remove an exemption from individual fishing license requirements for persons fishing from a vessel licensed under the freshwater fishing vessel license program.

**Section 4.** Provides that except as otherwise provided, this act shall take effect upon becoming a law.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

#### **V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

Although the committee substitute establishes fees for a freshwater vessel license program, it is a nonmandatory program. Any freshwater vessel captain can choose not to participate in the pilot program.

B. Private Sector Impact:

If the committee substitute passes the Legislature and is signed into law, individuals who pay to hire freshwater fishing charters will no longer be required to purchase an individual fishing license when fishing from a freshwater vessel licensed under the program. Captains operating vessels licensed under this program may see an increase in

business if more persons choose freshwater fishing over saltwater fishing because an the purchase of an individual freshwater fishing license is no longer required.

C. Government Sector Impact:

In fiscal year 2002-2003, the sale of saltwater vessel licenses generated the following revenue:

Vessels carrying 4 or less	2,245 sold	\$ 449,000
Vessels carrying 10 or less	990 sold	396,000
Vessels carrying 11 or more	152 sold	121,600
<u>Recreational vessels</u>	<u>13 sold</u>	<u>26,000</u>
 TOTAL LICENSES SOLD	 3,431	 \$ 1,008,100

The FWCC has no method of calculating how many passengers fished aboard these licensed vessels or how many trips were taken, so there is no way of knowing how much revenue would have been generated from the sale of individual saltwater fishing licenses.

In fiscal year 2002-2003, nonresidents purchased 402,781 individual saltwater fishing licenses which generated a little over \$5 million in revenue, while residents purchased 645,382 individual saltwater fishing licenses which generated a little more than \$7.7 million in revenue. This was a 1.2 percent overall reduction in the sale of saltwater fishing licenses from fiscal year 2001-2002, the highest reduction of which was in the sale of nonresident licenses (10,879 fewer).

In fiscal year 2002-2003, nonresidents purchased 113,662 individual freshwater fishing licenses which generated almost \$2.4 million in revenue, and residents purchased 445,364 individual freshwater fishing licenses which generated around \$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).

**Estimated Impact of a \$200 Freshwater Vessel License on FWCC Revenues<sup>3</sup>**

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	\$ 443,520
Estimated revenue loss from federal funds	\$ 131,604
<u>Revenue generated from sale of vessel licenses</u>	<u>\$ 96,000</u>
 TOTAL REVENUE LOSS	 \$ 500,321

<sup>3</sup>This information is provided by the FWCC Division of Freshwater Fisheries and is based on data contained in the "2003 Complete Florida Fishing Directory".

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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