

SENATE THIRD READING
SB 500 (McGuire)
As Amended September 1, 2023
Majority vote

SUMMARY

Enacts or amends multiple provisions of law relating to commercial fishing.

Major Provisions

- 1) Revises and clarifies various provisions to refer to electronic fish tickets rather than to landing receipts.
- 2) Requires the Fish and Game Commission (Commission) to adopt regulations related to commercial sea urchin diving permits, and to the vessels used to commercially fish for sea urchin, to better manage the number of permits issued.
- 3) Updates the base fee for a sea urchin diving permit to \$598.50, and requires the Department of Fish and Wildlife (DFW), upon notification from the California Sea Urchin Commission, to charge an additional \$200 for a sea urchin permit to be distributed to the Sea Urchin Commission by DFW, less DFW's distribution expenses, as specified.
- 4) Requires DFW to adopt regulations regarding the marking and color-coding of lines used in state managed fisheries.
- 5) Extends the operation of increased aquaculture registration, renewal, surcharge, and penalty fees until January 1, 2025.
- 6) Provides a licensure exception for a person who purchases, sells, takes, or receives live marine fish for use exclusively as live bait, that is not brought ashore, and who has registered as a live bait dealer with DFW.
- 7) Prohibits the receipt, purchase, or transfer of fish from occurring at sea or from vessel to vessel, except for certain live marine fish used as bait or as prescribed by regulation.
- 8) Extends the sunset of the California Dungeness Crab Fishing Gear Working Group's risk assessment and mitigation program from 2024 to 2030.

COMMENTS

Live bait. The live bait fishery provides bait fish for recreational and commercial fisheries in California and is primarily used by commercial passenger fishing vessels and private fishing vessels, with some live bait also sold to commercial fishing operations. Historically, Fish and Game Code (FGC) Section 8030(g) was assumed to exempt live bait businesses from obtaining a license or reporting live bait catch. However, in 2019, Pacific sardine, a key species in the live bait fishery, was listed as overfished by the National Marine Fisheries Service. Allowing the live bait fishery to continue to target sardine without risking continued overfishing required total catch accounting and all live bait businesses to report catch. In this context, FGC Section 8030 was determined to not provide the previously assumed blanket exemption for licensure and reporting. Since live bait operations are required to obtain a fish receivers license under FGC

Section 8030, they do not qualify for the exemption from landing fees in Section 8041(c), which is intended to exempt live bait fisheries. This bill corrects this issue by clarifying a licensure exception for a person who purchases, sells, takes, or receives live marine fish for use exclusively as live bait, that is not brought ashore, and who has registered as a live bait dealer with DFW.

Landing receipts. Reporting requirements include the specification of "price" information when fish are offloaded. In many cases, live bait is not purchased from the commercial fishing vessel as normally occurs in other fisheries. As a result, a traditional "price per pound" is not available at the time of transfer from the commercial fishing vessel and may never be correct or applicable. This bill exempts the live bait fishery from providing price information on electronic landing receipts.

Additionally, the historic use of paper landing receipts was prohibited via regulation in 2019 and replaced by the use of electronic fish tickets. This bill removes references to "landing receipts" in several code sections, updates these sections with the term "electronic fish ticket," and makes technical clarifications regarding the completion of the electronic fish ticket.

Transfer at sea. Current statute unintentionally allows for transfer at sea of marine resources other than live bait without an accurate weight. FGC Section 8043 requires that certain information be included when reporting landings, such as accurate weight. However, transfer of fish from vessel to vessel at sea precludes accurate weight accounting and current statute does not clearly prohibit such transfers. This bill prohibits the receipt, purchase, or transfer of fish from occurring at sea or from vessel to vessel, except for certain live marine fish used as bait or as prescribed by regulation.

Sea Urchin Commission. The California Sea Urchin Commission, a state marketing program, was founded in 2004 and its mission is to "ensure a reliable, sustainable supply of quality sea urchin products to consumers and enhance the performance of California's sea urchin industry." Sea urchin landings have decreased from 14 million pounds in 2013 to just under 3 million pounds in 2022 due to the sustained kelp loss along the coast, among other reasons. An assessment of three-cents per landed pound of urchin supports the Sea Urchin Commission. As fishery landings have declined, assessment revenue to the Sea Urchin Commission has also declined. This bill would require DFW, upon notice of the California Sea Urchin Commission, to charge an additional \$200 for a sea urchin diving permit. That revenue would be distributed to the California Sea Urchin Commission.

Line marking. Standardized marking of lines can help to identify the fishery that is the source of marine debris if the line is lost, required identifying trap tags are missing, or the line or associated gear entangles marine mammals. Regulations for the standardized marking of Dungeness crab traps have been promulgated by that date. However, requiring the Dungeness crab fishery to clearly mark their gear with limited requirements for other fisheries to do the same will likely increase the number of known Dungeness crab entanglements while doing little to reduce the incidence of unknown entanglements. This bill requires DFW to adopt regulations regarding the marking and color-coding of lines used in all state managed fisheries.

California Aquaculture Program. Aquaculture in California, according to information available from DFW, is very diverse and includes a variety of species raised in different environments. It ranges from the raising of freshwater fish or seaweeds in tanks on land to the cultivation of oysters in bay tidelands. From 2020 – 2022 there were about 110 registered aquaculturists in the

state, and most commercial marine aquaculture occurs in the state's estuaries and bays. A temporary increase in aquaculture fee rates is due to sunset on January 1, 2024. A rough calculation indicates that if these were allowed to sunset, fee revenue would decrease about 30%. This bill extends the sunset by another year, and future legislation is anticipated that will determine the path forward for the aquaculture program.

Risk Assessment and Mitigation Program (RAMP). Since September 2015, the California Dungeness Crab Fishing Gear Working Group (Working Group) has been taking steps to actively identify and be responsive to elevated risks of whale entanglements in California Dungeness crab fishing gear. The Working Group – a coalition of commercial and recreational fishermen, environmental organization representatives, members of the whale entanglements response network, and state and federal agencies – developed the RAMP to assess circumstances where entanglement risks are elevated and identify possible management measures for DFW's consideration. This bill extends the sunset from 2024 to 2030 and removes obsolete language.

According to the Author

"California takes great pride in its fishermen and all the hard work they put into boosting local economies and putting healthy, fresh food on our plates. These fishermen risk their lives every day doing their jobs in dangerous and even life-threatening conditions. It is time to promote safety, code consistency, and opportunity. The Joint Committees on Fisheries and Aquaculture works with the tens of thousands of hard-working men and women of the Golden State's seafood industry – worth \$9 billion – and advances an omnibus bill every few years to remedy issues and challenges large and small. [This bill], the Fisheries Omnibus Bill, addresses issues related to fisheries across the Golden State."

Arguments in Support

Several organization write in support, including the California Aquaculture Association in support of the extension of the aquaculture fee enhancements; the California Sea Urchin Commission and the California Fisheries and Seafood Institute in support of the increased sea urchin diving permit fee; and the Marina del Rey Bait Company in support of the live bait provisions.

Arguments in Opposition

No opposition on file

FISCAL COMMENTS

According to the Assembly Appropriations Committee, this bill has the following fiscal impact:

- 1) Sea urchin permits [Fish and Game Preservation Fund (FGPF)]: DFW notes an increase in permit fees would have a minor fiscal impact to the department, and the workload associated with updating the fees is expected to be minor and absorbable within existing staff resources and processes. DFW notes providing the Sea Urchin Commission with the revenue generated by the \$200 fee increase for each sea urchin diving permit issued would require a contract between the Sea Urchin Commission and DFW to transfer the newly generated revenue. DFW notes the initial contract establishment and execution would be absorbable. However, DFW estimates an annual cost of approximately \$5,000 to manage the contract and provide the services outlined in its scope of work (such as receiving, transferring, and tracking revenue, performing required audits, etc.) Finally, DFW notes the costs and revenues

associated with implementing a new sea urchin permit are unknown and would be identified during a rulemaking process through the Commission.

- 2) Line marking (FGPF): Costs of an unknown, but potentially significant, amount for DFW to develop a line marking program, including staff time to develop rulemakings, stakeholder meetings, outreach to affected individuals, coordination with line manufacturers, consultation with law enforcement personnel throughout program development and implementation, and other tasks. DFW notes, given the scope of fisheries affected by this bill, it will likely use a phased approach spanning several years to implement this program in its entirety.
- 3) Aquaculture fees extension (FGPF): DFW notes failure to enact the various fee sunset extensions in the bill would result in DFW forgoing approximately \$19,400 annually, just under 10% of program revenues.
- 4) Live bait fishery (FGPF): Reduced fish receiver license sales (approximately \$6,000 per year) and landing fees (approximately \$10,000 per year) resulting in a total annual revenue loss of approximately \$16,000.
- 5) Department of Finance has an oppose position on this bill, because it creates unknown, but potentially significant, cost pressure on the FGPF, which is currently operating at a structural deficit.
- 6) In fiscal year (FY) 2023-24, the RAMP program is funded at \$829,000 (Environmental License Plate Fund and General Fund), which supports five staff who support RAMP activities. Two of the five positions were funded by a FY 2018-19 sustainable fisheries budget change proposal (BCP) (ongoing funding) and three of the five were funded by a fiscal year 2022-23 Whale and Sea Turtle Safe Fisheries Initiative BCP, through FY 2024-25. This bill extends the RAMP program to 2030, meaning a portion of the funding (three of the five positions) will likely need to be reauthorized and funded starting in FY 2025-26.

VOTES

SENATE FLOOR: 38-0-2

YES: Allen, Alvarado-Gil, Archuleta, Ashby, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hurtado, Jones, Laird, Limón, McGuire, Menjivar, Min, Newman, Niello, Ochoa Bogh, Padilla, Portantino, Roth, Rubio, Skinner, Smallwood-Cuevas, Stern, Umberg, Wahab, Wiener, Wilk

ABS, ABST OR NV: Nguyen, Seyarto

ASM WATER, PARKS, AND WILDLIFE: 14-0-1

YES: Bauer-Kahan, Mathis, Alanis, Bennett, Megan Dahle, Davies, Friedman, Hart, Kalra, Pellerin, Schiavo, Villapudua, Ward, Weber

ABS, ABST OR NV: Blanca Rubio

ASM APPROPRIATIONS: 11-0-5

YES: Holden, Bryan, Calderon, Wendy Carrillo, Mike Fong, Hart, Lowenthal, Papan, Pellerin, Weber, Wilson

ABS, ABST OR NV: Megan Dahle, Dixon, Mathis, Sanchez, Soria

UPDATED

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