



March 14, 2023

Chairman Dale Patten
Senate Energy and Natural Resources Committee
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Chairman Porter, Vice Chair Magrum and members of the Senate Energy and Natural Resources Committee,

On behalf of the recreational fishing industry, the American Sportfishing Association writes in favor of House Bill 1538, legislation addressing fees levied on fishing contests. The current approach by North Dakota Department of Game and Fish to levy fees on gross proceeds for all fishing tournaments has resulted in tournaments relocating to other states, negatively impacting local and statewide economies. HB 1538 can expand the accessibility of the state's attractive fishing destinations, welcoming fishing tournaments back to North Dakota communities and creating economic opportunities across the state.

By way of background, the American Sportfishing Association (ASA) is the nation's recreational fishing trade association, providing a united voice for the recreational fishing industry when emerging laws and policies pose significant impacts on sportfishing businesses or sportfishing itself. Between manufacturing, retail businesses and guide and charter services, the recreational fishing industry makes a profound economic impact in North Dakota. In North Dakota alone, 136,000 anglers contribute to a \$102 million economic impact, supporting 1,420 jobs across the state.

North Dakota anglers annually contribute millions to the ND Department of Game and Fish through license and permit fees. In Fiscal Year 2022, the ND Game and Fish apportionment of the Sport Fish Restoration and Boating Trust Fund, which draws funding from excise taxes on fishing equipment, motors, and motorboat fuels, was \$4,619,573. North Dakota anglers have, and continue to, fund state conservation efforts as well as the construction and maintenance of boating access facilities.

Of all anglers statewide, tournament anglers contribute an outsized share of sportfishing's economic impact. Anglers who compete in tournaments are more likely to purchase sportfishing rods, tackle and equipment, contributing more excise tax dollars to the Sportfish Restoration Fund. Tournament anglers have a higher propensity of buying licenses year after year, and represent a dependable funding base for the ND Game and Fish Department. Youth tournaments welcome young anglers into the world of competitive sportfishing, creating lifelong customers for fishing licenses and goods under the excise tax.

Beyond the impact of those participating in competitive fishing, fishing tournaments themselves represent major economic opportunities for communities statewide. Fishing contests welcome competitors from across the state and region, creating tourism windfalls for communities where

contests are located. Hospitality and restaurant businesses in small and rural communities welcome the impacts of fishing tournaments.

However, since ND Game and Fish removed the \$5000 cap on its 10% “conservation fee” applied to the gross proceeds of fishing tournaments in 2020, both youth and adult tournament activity in North Dakota has declined. Both for-profit and nonprofit tournament circuits have scaled back events, with some tournaments relocating out of the state of North Dakota altogether. Series like the National Walleye Tour and the Masters Walleye Circuit have already relocated events outside of North Dakota, creating missed opportunities for local economies.

Not-for-profit and charity tournaments, which constitute a sizable share of tournaments in North Dakota, do not seek to retain profits from entry fees and sponsorships associated with events. However, the 10% fee on gross proceeds nevertheless applies to these fishing contests, undermining the charitable goals and fundraising totals of these events while discouraging nonprofit tournament organizers from siting events in North Dakota. Additional requirements mandating the return of 75% of proceeds to participants further restricts the charitable potential of nonprofit tournaments.

HB 1538 would correct this misapplication of fees, by:

- Preventing the charge of a conservation fee for tournaments, while establishing flat permit fees
- Allowing nonprofit contests to retain 100% of gross proceeds
- Creating affordable permit requirements for youth fishing contests
- Raising the minimum tournament entry fee subject to permit requirements to \$50

HB 1538 will welcome both major and minor tournament series back to North Dakota, repealing costly conservation fees that have driven tournaments to other states. By enabling nonprofit organizations to retain all proceeds from contests, organizers can maximize tournament impacts for contests benefiting veterans, schools and other charities. The legislation, if enacted, will further welcome young anglers into the sport, alleviating the burden of 10% fees and lowering permit costs for youth events.

While ASA welcomes increased investments in conservation, ASA believes that burdensome, 10% fees applied on gross proceeds will deter competitive angling events from North Dakota and reduce participation in the sport. HB 1538 remedies a misapplication of conservation fees that injures economic prospects for the sportfishing industry and local economies statewide. ASA encourages the Senate Energy and Natural Resources Committee to pass HB 1538.

Sincerely,



Connor Bevan
Inland Fisheries Policy Manager
American Sportfishing Association