

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** SB1402

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** DeSteph

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:** Marine Resources Commission; lease of oyster-planting ground; ground use plan.

**5. Summary:** Directs the Marine Resources Commission to determine whether, for certain oyster-planting grounds, an application for assignment, transfer, or renewal of a lease also requires the submission of a ground use plan that the Commission deems acceptable. The bill removes a provision allowing renewal of a lease in spite of the absence of production where good cause is shown.

**6. Budget Amendment Necessary:** Yes, Item 379 (HB1500/SB900). See Item 8 below.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8 below.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$0	0	N/A
2018	\$99,000	1	GF
2019	\$95,000	1	GF
2020	\$95,000	1	GF
2021	\$95,000	1	GF
2022	\$95,000	1	GF
2023	\$95,000	1	GF

**8. Fiscal Implications:** The Marine Resources Commission (MRC) anticipates the ground use plan provisions in this bill will impose new duties and responsibilities on the agency. It is anticipated that a start-up time will be required to conduct research to determine the ground use plan, draft a prototype, draft a regulation, and implement the plan through the regulatory process. Annually, approximately 360 existing leases are subject to renewal, 285 new applications for leases are submitted, and there are 75 to 100 requests to transfer leases. These lease transactions are expected to continue and will be subject to the provisions of the ground use plan. This additional level of responsibility cannot be absorbed within MRC's existing resources.

It is anticipated time will be spent with lease applicants for oyster-planting grounds as directed in the bill. Lease applicants will require significant time to prepare their ground use plan, address applicant questions and to provide assistance to the applicant addressing any changes and or revisions required, and implementing and updating their ground use plan for each relevant lease. MRC anticipates significant technical assistance will be necessary for almost all of the bill's provisions as lease applicants have a wide range of skill sets. Each lease will address different locations, different types of water bottom, a variety of other variables including the ground use plan provisions, the specifics of the ground use plan that must be devised and implemented, different neighbors and adjoining lease holders, etc.

MRC's Engineering and Surveying Department is responsible for surveying and mapping subaqueous ground for public and private shellfish cultivation, leasing private shellfish grounds, and maintaining oyster ground lease records. The Engineering and Surveying Department does not have the resources to absorb the additional workload resulting from this bill with existing staff levels, and will need an additional full-time position more advanced than a surveyor. This position will be responsible for instances in which a planned lease activity is protested, for mitigating disagreements between parties to the leases, participants in the various tidal fisheries, and those affected by lease assignment, and preparing the necessary documentation for the Commission. This position will need to be knowledgeable about oysters and the marine environment.

Annual costs for this position are estimated at \$95,000 including \$60,000 in annual salary, \$25,000 in fringe benefits, \$8,000 for a vehicle from the State's Fleet Management, and \$2,000 a year for phone, supplies, etc. There is a one-time cost of \$4,000 in the first year for office furniture, etc.

**9. Specific Agency or Political Subdivisions Affected:** Marine Resources Commission.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.