

## Department of Planning and Budget

### 2019 Fiscal Impact Statement

**1. Bill Number:** SB1413

|                        |                                       |                                     |  |
|------------------------|---------------------------------------|-------------------------------------|--|
| <b>House of Origin</b> | <input type="checkbox"/> Introduced   | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed           |
| <b>Second House</b>    | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Enrolled |

**2. Patron:** Mason

**3. Committee:** Passed both Houses.

**4. Title:** Oyster planting grounds; lease assignments.

**5. Summary:** Authorizes the Commissioner of Marine Resources (the Commissioner) to decide which area within a riparian owner's waters shall be assigned for planting oysters and removes the \$1.50 fee of such assignment. Under current law, such decision is made by the riparian owner. The bill changes various provisions related to oyster-planting grounds, including (i) increasing the application fee for an assignment of general or riparian oyster-planting grounds, (ii) authorizing the Commissioner to consider the public benefits of shellfish aquaculture or whether a transfer or renewal of an oyster-planting lease is in the public interest when determining whether to allow such transfer or renewal of an assignment, (iii) directing the Marine Resources Commission to adopt regulations related to license renewal fees, and (iv) increasing the application fee for a transfer of an oyster-planting lease. The bill contains an emergency clause.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Indeterminate.

**8. Fiscal Implications:** The general fund revenue impact from this measure is indeterminate. Although the Marine Resources Commission (MRC) has information on the average number of lease applications and transfers completed every year, the number of future applications, transfer requests, or lease renewals may diminish as a result of the proposed fee increases. This bill increases the application fee from \$25 to \$300, \$500, or \$1,000 depending on acreage.

Under currently allowable fees, MRC receives an average of 128 applications for regular and riparian oyster ground leases, most of which fall under the \$500 tier of the proposed structure. MRC also processes an annual average of 117 transfer requests and approximately 360 lease renewals for grounds of similar area. If these averages remain stable, this measure could result in an annual increase of \$226,000 in general fund revenue.

The expenditure impact from this measure is indeterminate, as it depends on the number of applications, transfer requests, and lease renewals received by MRC. If such processes and

requests do not diminish after the fee restructuring established by this bill, MRC estimates an annual expenditure impact of \$48,100, to cover costs associated to the addition of one entry level surveyor to execute required survey work associated with changes in the fee structure. This position will reassess the area and characteristics of existing leases as they are renewed or transferred, as well as new leases as applications are received.

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

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

**11. Other Comments:** None.