

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** HB 287

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                  In Committee              Substitute                  Enrolled

**2. Patron:**        Dance

**3. Committee:** Health, Welfare and Institutions

**4. Title:**            **Regulation of marinas**

**5. Summary:** Requires issuance of a certificate to operate by the Virginia Department of Health (VDH) for operation of a marina or other place where boats are moored. The bill establishes a procedure and fee structure for issuance of certificates and establishes the Marina Fund to receive fees collected to be used to support VDH's Marina Program.

**6. Fiscal Impact Estimates:** Final.

**Revenue Impact:**

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2010	\$0	\$0	0.00
2011	(\$64,250)	\$64,250	0.00
2012	(\$64,250)	\$64,250	0.00
2013	(\$64,250)	\$64,250	0.00
2014	(\$64,250)	\$64,250	0.00
2015	(\$64,250)	\$64,250	0.00
2016	(\$64,250)	\$64,250	0.00

**7. Budget Amendment Necessary:** No. Language authorizing the new fees is included in Item 290 (Environmental Health Hazards Control) in HB/SB 30. General fund appropriation will be supplanted with the new revenue.

**8. Fiscal Implications:** VDH is a direct service provider for numerous deliverables in the Marina Program, which include the processing of applications and subsequent plan reviews in conjunction with other applicable state and federal agencies and private sector energy companies. The program also prepares and issues Certificates to Operate (CTO), conducts annual inspections of marinas, Other Places Where Boats are Moored (OPWBAM), facilities under surveillance and boat ramps. VDH is not authorized to charge or assess any fees for these services.

Language in the 2008 Appropriations Act directed VDH to conduct a study to examine the potential general fund savings of establishing and implementing a fee structure within the Shellfish Sanitation and Marina Programs. The proposed fee structure would include new fees on shellfish packers, shippers, and crab meat processors, marina applications, plan

reviews and Certificates to Operate. The proposed fee schedule included in this bill and in HB/SB 30 comes directly from the study. The proposed fees address two specific regulatory functions that are currently performed by the Marina Program: the evaluation of the Application for Sanitary Facilities (ASF) and plan review and the marina inspection regime and the Certificates to Operate (CTO) permit renewal program.

Type of Facility	Process	Estimated Annual Number of Applications	Proposed Fees	Estimated Annual Revenue
Marina	Application Evaluation and Plan Review (includes up to four inspections)	24	\$700	\$16,800
Other Places Where Boats Are Moored	Application Evaluation and Plan Review (includes up to four inspections)	32	\$300	\$9,600
Marina	Certificates to Operate renewal, including five annual inspections (every five years)	54	\$525	\$28,350
Other Places Where Boats Are Moored	Certificates to Operate renewal, including five annual inspections (every five years)	38	\$250	\$9,500
				<b>\$64,250</b>

The proposed fees for the ASF, plan review and CTO permit renewals for the marina reflects approximately 75 percent of the revenue captured to offset the estimated cost of delivery. The proposed fee for CTO permit renewals includes five annual marina inspections, which are evaluated to determine regulatory compliance. A single ASF and plan review for a marina will require a higher degree of evaluation, telecommunication and written correspondence than Other Places Where Boats Are Moored (OPWBAM).

Owners of existing OPWBAM will require less staff time in maintaining communications and application evaluation. These facilities receive a site visit to confirm the information submitted on the ASF and to address any questions. These facilities are typically smaller in size, but greater in the number of facilities as compared to marinas. The proposed fees for the ASF evaluation, plan review and CTO permit renewal reflect approximately 40 percent of the revenue captured to offset the estimated cost of delivery. Since many of these faculties are smaller, the proposed fees will make it more palatable and affordable to these smaller operations.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Health and Marine Resource Commission

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

**11. Other Comments:** The Marina Program anticipates a yearly increase in the number of boating facilities submitting applications and site plans needed to be reviewed. The fees proposed for application and plan review will be a one-time fee, excluding those boating facilities that are undergoing major modifications and renovations. The CTO fee will be assessed every five years, providing the facility an opportunity to incorporate this cost within the facility business plan.

**Date:** 2/1/2010 lrj

**Document:** G:\VDH\GA\Legislation\FIS\FY 2010