Department of Planning and Budget
2020 Fiscal Impact Statement

1. **Bill Number:** SB702

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

2. **Patron:** Mason

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

4. **Title:** Marine Resources Commission permit fees; pier application; oyster fund.

5. **Summary:** Requires the submission of an application to the Marine Resources Commission for review and processing prior to the construction of a private pier by an owner of riparian land. The bill creates a nonrefundable processing fee of $100 to accompany each such application and each application submitted to the Commission for a permit to use state-owned submerged lands. The bill increases permit fees for the use of such bottomlands from $25 to $100 for projects costing no more than $10,000 and from $100 to $300 for projects costing more than $10,000 but, under the bill, no more than $500,000 and imposes a fee of $600 for a new category of projects costing more than $500,000. The bill increases the range of royalties for the removal of bottom material from $0.20-$0.60 per cubic yard to $0.40-$0.80. The bill authorizes the Commission to increase or decrease fees every three years for certain marine habitat applications, permits, leases, rents, and royalties at a rate no greater than the change in the Consumer Price Index. Finally, the bill establishes the Oyster Leasing, Conservation, and Repletion Programs Fund for the purpose of administering the Commission's oyster ground leasing program and its oyster conservation and repletion program.

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

7. **Fiscal Impact Estimates:**

7a. Expenditure Impact:

Oyster Leasing, Conservation, and Repletion Programs Fund (to be established)

Fiscal Year	*Dollars*	*Fund*
2020	N/A	N/A
2021	$354,672	New Fund
2022	$239,372	New Fund
2023	$239,372	New Fund
2024	$239,372	New Fund
2025	$239,372	New Fund
2026	$239,372	New Fund

7b. Revenue Impact:

Marine Habitat and Waterways Improvement Fund (09160)

Fiscal Year	*Dollars*	*Fund*
2020	N/A	N/A
2021	$232,379	09160
2022	$232,379	09160
2023	$232,379	09160
2024	$232,379	09160
2025	$232,379	09160
2026	$232,379	09160

Oyster Leasing, Conservation, and Repletion Programs Fund (to be established)

Fiscal Year	*Dollars*	*Fund*
2020	N/A	N/A
2021	$413,000	New Fund
2022	$413,000	New Fund
2023	$413,000	New Fund
2024	$413,000	New Fund
2025	$413,000	New Fund
2026	$413,000	New Fund

General Fund

Fiscal Year	*Dollars*	*Fund*
2020	N/A	N/A
2021	($413,000)	General Fund
2022	($413,000)	General Fund
2023	($413,000)	General Fund
2024	($413,000)	General Fund
2025	($413,000)	General Fund
2026	($413,000)	General Fund

8. **Fiscal Implications:** It is anticipated that this bill will result in a decrease in revenue to the general fund and a nongeneral fund revenue increase due to the redirection of approximately $413,000 annually of revenue generated from oyster planting ground application fees, oyster planting ground transfer fees, oyster planting ground lease renewal fees, and oyster ground rents from the general fund to the newly established the Oyster Leasing, Conservation, and Repletion Programs Fund. The general fund impact is reflected in HB/SB30, as introduced. Also, the nongeneral fund revenue is appropriated in HB/SB30, as introduced, to support three shellfish management and specialist positions that will administer the ground leasing program and the conservation and repletion program provided for in this bill. Based on historic amounts collected, MRC estimates an impact of $64,000 from lease applications, $90,000 from lease transfers, $54,000 from lease renewals, and $205,000 from ground rental fees, for a total of $413,000.

Additionally, this bill increases the amount of revenue estimated to be deposited to the Marine Habitat and Waterways Improvement Fund by approximately $232,000, annually.

This additional revenue is a result of changes in the bill to existing fees for the use of state owned bottomlands, and establishing a new processing fee for all applications for such permits. Dredging rates also increase. According to the agency, fees for bottomlands permits have not been increased since 1970. Dredge royalty fees have not been adjusted since 1982. The impact to this Fund is estimated based on fiscal year 2018 activities, which included 1,036 applications for piers and subaqueous projects; 205 projects valued under $10,000; 289 projects valued under $500,000; 67 projects valued over $500,000, and 221,046 cubic yards of dredged material. It is anticipated that any costs MRC may incur in implementing these fee changes will be supported by the additional revenue.

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

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

11. **Other Comments:** None.