

**Department of Planning and Budget
2023 Fiscal Impact Statement**

1. Bill Number: HB1383

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

2. Patron: Anderson

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Menhaden reduction fishing; prohibition.

5. Summary: Prohibits menhaden reduction fishing in any territorial sea or inland waters of the Commonwealth for two years and prohibits the Marine Resources Commission (MRC) from granting any permit for menhaden reduction fishing for two years. The bill also directs the Department of Environmental Quality (DEQ) to prepare and submit a report relating to the environmental impact of menhaden reduction fishing in the territorial sea and inland waters of the Commonwealth to the Chairman of the House Committee on Agriculture, Chesapeake and Natural Resources and the Chairman of the Senate Committee on Agriculture, Conservation and Natural Resources by July 1, 2024. The bill has a delayed effective date of November 18, 2023, and a sunset date of November 22, 2025.

6. Budget Amendment Necessary: Yes. Item 378, HB1400/SB800, as introduced

7. Fiscal Impact Estimates: Preliminary. See item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$750,000	0.0	(General Fund)

8. Fiscal Implications: The bill prohibits MRC from granting any permit for menhaden reduction fishing for two years. The bill also directs DEQ to submit a report relating to the impact of menhaden reduction fishing in the Commonwealth.

DEQ states that the agency does not have the expertise or resources related to the study of fisheries or their environmental impact. The agency states that if any work will be completed through a contract with outside sources, such as MRC or the Virginia Institute of Marine Science (VIMS). DEQ anticipates an expenditure impact of \$750,000 in FY24 based on previous studies contracted out to VIMS. DEQ states that agencies that manage fisheries have a better understanding of the cost of the required study.

MRC anticipates a reduction in revenues from annual permit fees, estimated at approximately \$9,960 per annum. Menhaden permitting fees are deposited into the General Fund.

According to MRC, available data will not be sufficient to complete the required report by July 2024, as the stock assessment process requires at least five years. MRC can accomplish data collection using its Bycatch Observer program, as well as procedures in its Ecological Stock Assessment program. MRC anticipates \$607,712 per year until FY2028 will be needed to increase program capacity, with additional operational costs for the program totaling \$154,620 for the first year and \$66,620 for the outyears. Operational costs include overtime costs, vehicles and fuel, supplies, cell phones, travel and computer/software.

- 9. Specific Agency or Political Subdivisions Affected:** Marine Resources Commission; Department of Environmental Quality
- 10. Technical Amendment Necessary:** The word “Exceptions” should be removed from the title of § 28.2-409.
- 11. Other Comments:** MRC states that the report required from DEQ in this bill cannot be completed by July 2024. Additionally, MRC states that such report best aligns with the scope of the agency’s Fishery Management Division.