

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB596

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

2. **Patron:** Askew

3. **Committee:** Passed the House

4. **Title:** Fisheries Innovation for Sustainable Harvest Fund established.

5. **Summary:** Establishes the Fisheries Innovation for Sustainable Harvest Fund for the purposes of supporting and promoting the economic growth and development of Virginia's seafood economy. The Fund shall be administered by the Marine Resources Commission for the sole purpose of supporting and promoting the economic growth and development of Virginia's seafood economy while enhancing the sustainability of Virginia's marine fisheries resources through the awarding of grants, revolving loans, or other financial tools. The bill provides that the Commercial Fishing Advisory Board shall advise the Commission on expenditures from the Fund, and that royalties collected by the Commission as a result of the generation or transmission of electrical or compressed air energy from certain offshore renewable sources be credited to the Fund.

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

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

8. **Fiscal Implications:** This legislation is anticipated to have an indeterminate revenue and expenditure impact on the Marine Resources Commission (MRC). Under the proposed framework, the Fisheries Innovation for Sustainable Harvest Fund will be capitalized through royalties collected by the Commission from certain easements or leases. Currently, royalties collected by the Commission as a result of the generation or transmission of electrical or compressed air energy from offshore renewable sources are provided to the Coastal Energy Research Consortium at the Department of Energy (DOE). This bill directs such royalties to the Fund. The consortium has not met since 2009.

No easements have been issued thus far pertaining to the transmission of offshore wind. MRC estimates one easement will be negotiated in 2024-2025, a possible second easement within the next five years, and a third within the next seven to 10 years. It is not possible to estimate the amount of revenue such easements may generate. It is anticipated that MRC can absorb the workload associated with such easements within existing resources. DOE does not anticipate any impact from the passage of this legislation.

9. **Specific Agency or Political Subdivisions Affected:** Marine Resources Commission, Department of Energy

10. Technical Amendment Necessary: No.

11. Other Comments: None