

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB464

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

2. Patron: Stuart

3. Committee: Passed both Houses

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 also requires royalties collected by the Commission on or after July 1, 2024, as a result of the generation or transmission of electrical or compressed air energy from certain offshore renewable sources to be credited to the Fund. The bill also provides that any such royalties appropriated to the Virginia Coastal Energy Research Consortium under current law shall instead be appropriated to the Fund.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. 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 easements collected by the Commission from the generation or transmission of electrical or compressed air energy from designated offshore renewable sources starting July 1, 2024. While existing language in § 28.2-1208, Code of Virginia, authorizes MRC to issue easements for offshore wind, it sends royalties collected from such easements to the Coastal Energy Research Consortium at the Department of Energy. 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. The Department of Energy 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