

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**REVISED**

**BILL NUMBER:** House Bill 1427 (Second Edition)

**SHORT TITLE:** Rec. Shellfish License/Amend Shellfish Laws.

**SPONSOR(S):** Representative Wainwright

	<b>FISCAL IMPACT</b>				
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>
<b>GENERAL FUND REVENUES:</b>					
Recreational Shellfish Licenses		<b>No estimate available</b>			
Shellfish Cultivation Leases		<b>\$10,625</b>	<b>\$10,625</b>	<b>\$10,625</b>	<b>\$10,625</b>
<b>EXPENDITURES:</b>		<b>Impact will be minimal</b>			
<b>POSITIONS:</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Department of Environment and Natural Resources and the Wildlife Resources Commission				
<b>EFFECTIVE DATE:</b>	July 1, 2005				

**BILL SUMMARY:** The bill would establish a Recreational Shellfish License, direct the Marine Fisheries Commission to establish training requirements for shellfish cultivation lease holders, amend the fees for shellfish cultivation leases, and authorize the Marine Fisheries Commission to study issues related to the cultivation of shellfish. House Bill 1427 was recommended by the Joint Legislative Commission on Seafood and Aquaculture.

*Source: Legislative Research Division*

**ASSUMPTIONS AND METHODOLOGY:**

**Revenues**

**Shellfish License Requirement**

The bill requires individuals who take small amounts of shellfish to purchase an annual ten-dollar (\$10.00) shellfish license. The Division of Marine Fisheries does not keep statistics on the number of persons who take shellfish for personal use. They were unable to estimate the number of licenses they will sell under this new law. Therefore, no estimate is available on additional revenue anticipated.

This bill also shortens the length of the bottom shellfish cultivation lease from ten years to five years and increases the fees for the initial application for a lease, lease renewals and rental fees for leases. The chart below shows the estimated increase for each lease. The impact on revenue is based on a three-year average of lease purchases.

<b>Current Law (G.S. 113-202 and G.S. 113-202.1)</b>	<b>H1427 Change</b>	<b>Annual Impact on Revenue</b>
Length of term of bottom shellfish cultivation lease: 10 years	Section 7 would decrease the length of the term to 5 years	
Initial application filing fee for a bottom shellfish cultivation lease: One hundred dollars (\$100.00)	Section 8 would increase the fee to two hundred dollars (\$200.00)	\$360 (based on a 3-yr. avg. of 3.6 sold)
Renewal application filing fee for a bottom shellfish cultivation lease: Fifty dollars (\$50.00)	Section 9 would increase the fee to one hundred dollars (\$100.00)	\$1,333 (based on a 3-yr. avg. of 26.6 sold)
Annual rental fee for a bottom shellfish cultivation lease: Five dollars (\$5.00) per acre	Section 9 would increase the annual fee to ten dollars (\$10.00) per acre	\$9,683 (based on the number leases currently covered by leases)
Annual rental fee for a water column shellfish cultivation lease: One hundred dollars (\$100.00) for the first four years and five hundred dollars (\$500.00) per year thereafter	Section 11 would alter the annual fee structure so that the fee would be one hundred dollars (\$100.00) per year for all years	-\$400 (DMF currently has only one lease that is older than 4 years.)

**Expenditures**

The costs associated with the bill will be minimal. The Division indicated that they can administer the sale of the new license with no additional staff and with current operating resources. The Division would like to take advantage of the automated licensing system operated by the Wildlife Resources Commission. To accommodate additional license types, the Wildlife system will require some modification and upgrades. Wildlife Resources Commission staff estimates the start

up costs to be a couple of thousand dollars. Fiscal Research believes this could be absorbed within the Division of Marine Fisheries current resources. There will be a per transaction fee for each license sold, but again, since Marine Fisheries has no idea how many licenses they might sell, there is no estimate available on the cost.

The bill establishes training requirements for holders of shellfish cultivation leases. This training would be done through a joint effort between Sea Grant and the local community college. The cost of the training would be born by the leaseholder. Therefore, there is no cost to the Division of Marine Fisheries for this training requirement.

**SOURCES OF DATA:** Division of Marine Fisheries and Wildlife Resources Commission

**TECHNICAL CONSIDERATIONS:** None

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Fiscal Research Division



**DATE:** June 30, 2004

**Signed Copy Located in the NCGA Principal Clerk's Offices**