

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1448/Senate Bill 1284

SHORT TITLE: 1998 Marine Fisheries Amendments

SPONSOR(S): Representatives Preston and Redwine; Senators Albertson and Jordan

FISCAL IMPACT

Yes () No (x) No Estimate Available ()

FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03

REVENUES

EXPENDITURES

No Significant Fiscal Impact

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Department of Environment and Natural Resources, Division of Marine Fisheries, Marine Fisheries Commission

EFFECTIVE DATE: Various

BILL SUMMARY:

Makes numerous changes to marine fisheries law. Revises (in parts I through III of act) GS 143B-289.52, GS 113-182.1, and GS 113-221(e) concerning authority of Marine Fisheries Comm'n to adopt rules, prepare fishery management plans, and enforce proclamations issued by Fisheries Director. Revises (in part IV of act) several statutes on fishing licenses, including the provisions in GS 113-154.1 on endorsements to sell fish and GS 113-168.4 on persons authorized to sell fish; the definitions in GS 113-168 concerning coastal and estuarine commercial fishing licenses; the general provisions in GS 113-168.1 on obtaining licenses and endorsements; the provisions in GS 113-168.2 on obtaining, assigning, and transferring standard commercial fishing licenses (SCFLs) and GS 113-168.5 on license endorsements for SCFLs; the provisions in GS 113-168.3 on transferring retired standard commercial fishing licenses (RSCFLs); the vessel registration provisions in GS 113-168.6; and the provisions in GS 113-169, 113-169.2, 113-169.2 on menhaden, shellfish, and fish dealer licenses. Also adds new GS 113-260 containing procedure for appointment of NC members to Mid-Atlantic Fishery Management

Council; and establishes SCFL Eligibility Board, consisting of Sec'y of Environment and Natural Resources, Fisheries Director, and chair of Marine Fisheries Comm'n (or their designees) to determine eligibility for SCFLs. Provides (in part V of act) that every agency to which act applies must adopt rules to implement act. Parts I through III and V are effective when they become law; the various sections of part IV become effective as specified in the act.¹

ASSUMPTIONS AND METHODOLOGY:

Effective July 1, 1999, the 1997 Fisheries Reform Act (Chapter 400, 1997 Session Laws) establishes a new Standard Commercial Fishing License (SCFL) which will be available only to persons holding a valid endorsement to sell fish on July 1, 1999 (the bill proposes to change this date to June 30, 1999). In addition, up to 500 additional SCFLs may be available for distribution by lot to new entrants or persons not otherwise eligible for a SCFL.

According to the Division of Marine Fisheries the bill is not expected to have a significant fiscal impact unless a clerical position is needed to support the SCFL Eligibility Board established in Section 4.21. The board is to consist of three members and is responsible for determining the eligibility of an applicant for a commercial fishing license relative to the eligibility criteria adopted by the Marine Fisheries Commission.

The Division of Marine Fisheries currently provides administrative support to the Appeals Panel established in 1994 to review petitions for the issuance of fishing licenses under the license moratorium in effect since July 1, 1994. The division is currently seeking a Processing Assistant III position at an annual cost of \$29,738 for the Appeals Panel through the Governor's 1998 Recommended Expansion Budget and expects this position to support the SCFL Eligibility Board beginning with the 1999-2000 fiscal year. In 1994 the General Assembly appropriated \$10,000 to cover the panel's expenses. Although, the division has paid operating expenses in excess of the appropriation with existing resources since the panel was established, it is uncertain whether the Eligibility Board established in this bill will experience a comparable workload and carry out its responsibilities in a manner similar to the Appeals Panel, thereby requiring permanent staff support and additional operating support.

Demand for the SCFL is somewhat unknown. Petitions for licenses heard by the Appeals Panel have declined since the first year of the moratorium. The panel reviewed 369 petitions in FY 94-95, 377 in FY 95-96, 301 in FY 96-97 and 178 through October of the 1997-98 fiscal year. In addition, petitions heard by the Appeals Panel include persons seeking a commercial license for the sole purpose of using commercial gear, not to derive income from the sale of fish. Those persons will be able to purchase a new Recreational Commercial Gear License (RCGL) and likely will not apply for a SCFL. If demand is low, the Eligibility Board will not have many applications to review.

The Appeals Panel currently holds two meetings each month to hear petitions for commercial fishing licenses, but the Eligibility Board does not necessarily have to use a "hearing" format to determine eligibility for the lot. Depending on the eligibility criteria established by the

¹ *Daily Bulletin*, Institute of Government, UNC-Chapel Hill, Vol. 1998, May 25, 1998.

commission, the Eligibility Board may be able to expedite consideration of applicants relative to the process used by the Appeals Panel.

Until there is a better indication of the actual level of demand for SCFLs through the new license pool process and the operating needs of the Eligibility Board are more clearly defined based on the eligibility criteria as adopted by the Marine Fisheries Commission, it is anticipated that the division can continue to provide staff support from existing resources.

Although the bill appears to establish fees in Section 4.7 to replace lost or destroyed licenses and endorsements and in Section 4.11 for vessel registrations, these sections are recodifications of current fees redlined in Sections 4.8 and 4.11 respectively.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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DATE: July 13, 1998



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