

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 111 Companion to SB 99

SHORT TITLE: Transfer Aquaculture Licenses/Agric.

SPONSOR(S): Senators Perdue, Conder, and Shaw

FISCAL IMPACT: **Expenditures:** **Increase (x)** **Decrease ()**
 Revenues: **Increase ()** **Decrease (x)**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (x)** **Highway Fund ()** **Local Fund ()**
 Other Fund ()

BILL SUMMARY: Transfers authority from the Wildlife Resources Commission to the Department of Agriculture to regulate the production and sale of commercially raised freshwater fish and freshwater crustacean species. Directs the Board of Agriculture to promulgate rules for the registration of facilities engaged in the production and sale of freshwater aquaculturally raised species; allows the Board to set standards under which commercially reared fish may be transported, possessed, bought, and sold. The Board may authorize and license the operation of aquaculture propagation and production facilities and commercial catchout facilities, as well as set standards of operation for such facilities. Lists species subject to the bill and exempt from special restrictions on the introduction of exotic species promulgated by the N.C. Wildlife Resources Commission. The wild fishery resource remains under the authority of the N.C. Wildlife Resource Commission. In the Neuse, Roanoke, and Tar/Pamlico River basins, the production and propagation of hybrid striped bass shall be subject to the authority of both the Board of Agriculture and the Wildlife Resources Commission. Facilities holding live food or bait species for sale must obtain a permit, except no permit is required for lobsters. Possession of species other than those listed in the bill or as authorized by the Wildlife Resources Commission shall result in revocation of license. Violation of this act or a rule of the Board of Agriculture is a misdemeanor punishable by either or both a fine up to and including \$500 or 30 days imprisonment. Authorizes the Department of Agriculture to and the Wildlife Resources Commission to enter and inspect the premises of facilities and directs these agencies to implement a fish disease management plan.

EFFECTIVE DATE: January 1, 1994

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Agriculture, Wildlife Resources Commission, Judicial Department, Department of Correction

FISCAL IMPACT

	<u>FY</u> 93-94	<u>FY</u> 94-95	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98
EXPENDITURES	\$2,500	\$4,000	\$4,000	\$4,000	
\$4,000					
RECURRING	2,000	4,000	4,000	4,000	
4,000					
NON-RECURRING	500	-0-	-0-	-0-	-0-
REVENUES/RECEIPTS	-0-	-0-	-0-	-0-	-0-
RECURRING					
NON-RECURRING					

POSITIONS: .15 F.T.E.¹ first year and .10 F.T.E years 2 through 5

ASSUMPTIONS AND METHODOLOGY:

1. Current Operating Expenditures--Wildlife Resources Commission

The aquaculture regulation program is currently self-supporting. Approximately 200 licenses are issued annually @ \$25 each generating \$5,000, the amount of expenditures by the Wildlife Resources Commission (WRC) to administer the license function and enforce aquaculture laws and regulations.

The cost is computed as follows:

Supplies (Printing and mailing of permits)	\$ 400
Salaries of .15 FTE's--Enforcement, Management and Clerical	4,600

FTE cost data is based on (1) enforcement activity, which is generally limited to identifying operators that have not obtained the necessary permit, (2) clerical and management time required to approve and issue 200 permits annually.

2. Five-year Expenditure/Revenue Projections for managing the program within the Department of Agriculture

Administration and enforcement of the aquaculture program by Agriculture will require a small amount of expenditures. The program will not be self-supporting, as in Wildlife, since SB 99 does not authorize Agriculture to levy a fee for issuance of an aquaculture license.

¹ The Department of Agriculture defines a F.T.E. (Full Time Equivalent) as 2080 work hours or the equivalent of 5 work days per week x 8 hours a day x 52 weeks per year. The percentage F.T.E. used in this note is based on the estimated work-hours required to perform the duties outlined within this note.

Administrative and enforcement expenditures will be the same as Wildlife's annual costs for the first year (1993-94), reduced by six months since the bill is effective January 1, 1994. Non-recurring costs of \$500 in 1993-94 is the estimated cost of issuing 200 licenses in 1993-94; costs are non-recurring since these 200 licenses are issued for a five year period.

Costs for years two through five (FY 1995 through 1998) are primarily for administration of 5 to 10 new licenses annually and enforcement of regulations. The expenditure estimate for Agriculture assumes enforcement will be a limited activity under Agriculture as it was under Wildlife.

3. Potential Expenditures--Judicial Department; Department of Correction

It is not anticipated that this bill would have a substantial fiscal impact on the Judicial Department or the Department of Correction. Data obtained from the Wildlife Resource Commission indicates that only 12 charges have been filed under the existing legislation in the past 2 1/2 years. Of these 12 charges, eight were settled out of court when the offender paid a fine. For the remaining four charges, the defendants plead guilty in court and received a fine. No trials resulted under the existing statute. Hence, the Administrative Office of the Courts predicts only a few new case filings in District Court annually as a result of this bill. Any costs associated with the additional filings are expected to be absorbed within existing resources.

SOURCES OF DATA: Wildlife Resources Commission ; Department of Agriculture; Administrative Office of the Courts

TECHNICAL CONSIDERATIONS:

If the bill is ratified as currently written, there will be no license fee. This will be the only regulatory licensing function within Agriculture without a permit or license fee.

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Jim Mills, Brenda Beerman **APPROVED BY:** Tom Covington
TOMC

DATE: April 8, 1993

[FRD#003]



Signed Copy Located in the NCGA Principal Clerk's Offices