

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Am. Sub. S.B. 77** DATE: **June 27, 2007**

STATUS: **As Enacted – Effective October 10, 2007** SPONSOR: **Sen. Grendell**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **To make changes to the law governing commercial fishing**

State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
Wildlife Fund (Fund 015) – Department of Natural Resources			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential one-time increase of \$50,000 for vessel monitoring equipment costs	Potential savings from reduced enforcement/management costs	Potential savings from reduced enforcement/management costs
General Revenue Fund (GRF) or other state funds			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Minimal increase to cover administrative and travel expenses of the Task Force	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2008 is July 1, 2007 – June 30, 2008.

- **Equipment costs.** The Department of Natural Resources estimates it may incur one-time costs of about \$50,000 more or less to purchase the necessary technical equipment to establish a new Vessel Monitoring System (VMS). The VMS is a computer-based geographic information system (GIS) used to track and receive data from operators.
- **Enforcement savings.** The Department's current commercial fishing industry enforcement and management costs are approximately \$400,000. These costs will likely be reduced in the future through the implementation of the VMS. The savings from implementation of the VMS will likely offset any costs associated with enforcing license suspensions and transfers and other administrative costs associated with the bill, including the background checks required for license and permit applications. An estimate of savings is currently unknown.
- **Task Force expenses.** In fulfilling its duties, the Ohio Lake Erie Fishing Regulatory Reform Task Force may incur minimal administrative or travel expenses. Any expenses are expected to be minimal and would presumably be paid for from the GRF, but could be paid from other state sources. Since the Task Force duties will cease after December 31, 2007, any costs would occur in FY 2008 only.



Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
County Clerks of Courts			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Negligible increase in administrative expenses	Negligible increase in administrative expenses	Negligible increase in administrative expenses

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Local county clerks of courts are likely to experience a negligible increase in administrative costs in order to send notice to the Division of Wildlife regarding a person's conviction or plea to a violation of the commercial fishing law.

Detailed Fiscal Analysis

The bill makes several changes to the commercial fishing law enforced by the Ohio Department of Natural Resources (DNR). The provisions of the bill with an apparent fiscal impact are discussed below.

Commercial fishing license fees

The bill eliminates one category of commercial fishing devices: dip nets. The Department states that no revenue will be lost from this change since no dip net licenses have been purchased in the last ten years. This provision merely removes an obsolete commercial fishing device. As reference, commercial licenses and permits generate approximately \$70,000 each fiscal year.

Vessel and catch monitoring devices

The bill prohibits a commercial fishing licensee, on and after March 1, 2008, from using or engaging in fishing with commercial gear unless the licensee uses vessel and catch monitoring devices. The use of these devices is to be in accordance with requirements and procedures established by the Chief of the Division of Wildlife. A licensee must pay the cost of purchasing, installing, and maintaining the devices.

Currently, the Department spends approximately \$400,000 each fiscal year on enforcement and management of the commercial fishing industry. More than 50% of these costs are associated with personnel; that is, staff out in the field enforcing the commercial fishing law.

Under the bill, enforcement costs may decrease with the use of vessel monitoring systems (VMS). However, an accurate estimate of these savings is not available at this time. Costs are likely to decrease due to data being gathered electronically rather than manually. This system may also improve the Department's determination of the maximum allowable annual taking of a species.

Under the VMS, operators will be tracked through a global positioning system and catch data will be reported electronically by operators rather than in paper form. The Department

estimates it may incur upfront costs of approximately \$50,000 to establish a central VMS unit that tracks operators and receives data. Operators may incur costs of approximately \$3,000 to purchase individual VMS units, which are similar to laptop computers and can be moved from boat to boat. Over time, despite the upfront costs to get the VMS up and running, the Department's enforcement costs of \$400,000 are estimated to be reduced.

Penalties

The bill replaces several sections of law related to the suspension and revocation of commercial fishing licenses and permits and consolidates them in one statute. These same penalties apply for violation of the bill's vessel and catch monitoring devices requirements (see "**Vessel and catch monitoring devices**" above).

The Department may experience additional costs associated with ensuring no fishing is occurring during a licensee or permittee's suspension period. Currently, an estimate of what these added costs may be is unknown and will likely depend on the number of violations. However, with the enforcement/management savings predicted with the use of the VMS, any additional costs are likely to remain at or below the \$400,000 the Department is currently spending as noted in "**Vessel and catch monitoring devices**" above.

New licenses

The bill requires any person, before applying for an Ohio commercial fishing license or fish handling permit, to satisfy two new requirements: (1) that the applicant be over 18, and (2) that the applicant has no prior conviction or pleas of guilty, on and after the bill effective date, to a felony concerning commercial fishing activities for a violation of state or federal law. With these new provisions, the Department may experience minimal costs to research and verify an applicant's data.

License transfers

The bill requires that a transferred commercial fishing license shall not be sold, offered for sale, or bartered to any person. Furthermore, the bill states that the Chief of the Division of Wildlife shall determine if any quota species of fish are transferable with the transferred license. In making the determination, the Chief may use biological, social, and economic data.

Again, the new provisions related to license transfers may add additional enforcement and management costs to the Division of Wildlife. Further, as with the enforcement costs associated with license suspension and revocations discussed previously, the VMS may reduce some of the enforcement costs related to license transfers by reducing patrolling and data entry.

Administrative expenses

The bill requires that if there is any proposed rule or rule change that regulates the taking of commercial fish or establishes related provisions, the Chief shall provide by certified mail notification of the proposal to each holder of a valid commercial fishing license. The Department may experience added administrative expenses to prepare the notification and send them via certified mail. Such costs are estimated to be minimal, but would depend on the frequency of rules changes.

Clerk of court costs

If a person is convicted of or pleads guilty to a violation of state law or federal law as it related to commercial fishing activities, the appropriate county clerk of court is required to send written notice to the Chief of the Division of Wildlife detailing these actions within ten days after the date of conviction or plea.

Local county clerks of courts are likely to experience a negligible increase, if any, in administrative costs in order to send the notice.

Ohio Lake Erie Fishing Regulatory Reform Task Force

The bill creates the Ohio Lake Erie Fishing Regulatory Reform Task Force, consisting of 15 members: two members representing the commercial fishing industry, two members representing the sport fishing industry, two members of academia with expertise in fisheries management, two members from ODNR, one member representing the Governor's office, three members from the House of Representatives, and three members from the Senate.

The duties of the Task Force will be to evaluate the following: catch quota allocations, game fish size limitations, existing vessel monitoring devices and electronic reporting devices, incentives for catching rough fish, fisheries resource management practices in Ohio and other states along the Great Lakes, and current practices related to the transfer of licenses.

Before December 31, 2007, the Task Force shall submit a report of its findings which will include recommendations for statutory, rulemaking, and regulatory changes to Ohio's commercial fishing laws.

Any administrative costs and reimbursement of travel expenses is not addressed in the bill. However, if these costs are incurred, LSC assumes they will be paid for from the General Revenue Fund (GRF), but other funding sources could be used. Any costs are not likely to exceed minimal.

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