

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Sub. S.B. 77** DATE: **May 15, 2007**
STATUS: **As Reported by Senate Environment and Natural Resources** 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

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

- **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. An estimate of savings is currently unknown.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	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.

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.

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.

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