

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 636** HLS 16RS 518

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 30, 2016 8:15 AM	Author: LEOPOLD
Dept./Agy.: Department of Wildlife and Fisheries, Office of Management	Analyst: Mason Hess
Subject: Increases Fees for Oyster Seed Ground Vessel Permits	

FISHING/OYSTERS OR +\$247,220 SD RV See Note
Amends the public oyster seed ground vessel permit

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Present law sets the fee for oyster seed ground vessel permits at \$15 for Louisiana residents and at \$60 for nonresidents. Present law prohibits any permit applications after Dec. 31, 2012, and sunsets the existence of permits on Nov. 15, 2016.

Proposed law increases the permit fee for a single scraper vessel to \$250 for Louisiana residents and \$1,000 for nonresidents. For a double scraper vessel, the proposed fee is \$500 for Louisiana residents and \$2,000 for nonresidents. Proposed law creates a professionalism program to train vessel owners on appropriate methods and practices of oyster harvest from public seed grounds and requires that vessel owners complete this program before submitting a permit application. Proposed law repeals the Nov. 15, 2016 sunset date and seeks to establish a means to a permit limit annually after consulting with the Louisiana Oyster Task Force.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$247,220	\$247,220	\$247,220	\$247,220	\$247,220	\$1,236,100
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$247,220	\$247,220	\$247,220	\$247,220	\$247,220	\$1,236,100

EXPENDITURE EXPLANATION

Proposed law may result in a one-time implementation cost of \$21,600 from the Statutory Dedication - Conservation Fund. The Department of Wildlife and Fisheries (DWF) estimates that operating expenses will be \$7,200, resulting from 80 hours of contractor operating services at \$90 per hour associated with making changes to the licensing system. DWF utilizes an existing contractor to make changes to the licensing system on a per-hour worked basis. The LFO believes the work required under proposed law may be able to be absorbed within the department's base budget and contract for changes to the licensing system, which occur on a regular basis. To the extent multiple pieces of legislation are passed during this legislative session requiring DWF to utilize its contractor to update the licensing system, additional resources may be required. DWF also projects Other Charges expenses resulting from 180 hours of OTS Programming at \$80 per hour, equaling \$14,400. Total one-time expenditures are projected at approximately \$21,600.

The Department of Wildlife and Fisheries (DWF) would likely realize an indeterminable increase in Statutory Dedication expenditures (assumed to be from the Conservation Fund) associated with the establishment, development and monitoring of a professionalism program. While proposed law directs the Wildlife and Fisheries Commission to establish the program, the operating expenses of that entity are funded through DWF. No such professionalism program currently exists, and development of the program would require staff and fiscal resources in line with the program to be created by the Commission. No similar program exists in the department for comparison or estimating purposes. Proposed law is nonspecific as to whether enrollees in the professionalism program must pay for the course, or if the professionalism course is included as part of the fee for acquiring an oyster seed ground vessel permit.

REVENUE EXPLANATION

DWF estimates that it will sell 584 resident single scraper permits at \$250 each, a \$235 increase from the present fee, resulting in \$137,240 in revenue each fiscal year. DWF also estimates that it will sell 117 nonresident single scraper permits at \$1,000 each, a \$940 increase from the present fee, resulting in \$109,980 in revenue per year. The total anticipated revenue increase is estimated to be approximately \$247,220 per year from 2016 to 2020. A total of \$5 from each permit will be deposited into the Seafood Promotion and Marketing Fund, with the balance deposited into the Statutory Dedication - Public Oyster Seed Ground Development Account.

NOTE: DWF does not predict any revenue or sales from resident and nonresident oyster seed ground vessel permits for double scraper vessels because it is a new license and no record exists for the utilization of double scrapers in Louisiana. To the extent such a permit were to be applied for, such a transaction could potentially be a source of additional revenue of a currently indeterminable amount.

Senate Dual Referral Rules House

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux

Evan Brasseaux
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