

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 622 (Delegate Szeliga, *et al.*)
Environmental Matters

Natural Resources - Oyster Harvesting - Distribution of Oyster Tags

This bill requires the Department of Natural Resources (DNR) to provide at least a 30-day supply of oyster tags whenever the tags are distributed to a licensed individual. An “oyster tag” is any DNR-issued tag that must be affixed to a container of oysters before leaving the bar from which the oysters were caught.

Fiscal Summary

State Effect: DNR special fund expenditures increase, potentially significantly, in FY 2014 and in future years to distribute additional oyster container tags. Revenues are not affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: In accordance with regulations, oysters harvested from State waters must be stored in a specified container prior to leaving the bar from which they were harvested. Furthermore, a DNR-issued tag must be affixed to each container of oysters prior to leaving the bar from which the oysters were harvested.

An oyster container tag must be completed legibly in indelible ink and affixed to a container until the container is in the possession of a person who is licensed and certified to sell shellfish by the Department of Health and Mental Hygiene. In addition, the tag may not be reused and it may only be transferred to another individual during a license

transfer in accordance with specified licensing provisions of the Natural Resources Article. A tag is not required for oysters harvested for recreational purposes.

Background: DNR's fall 2011 oyster survey results indicate that oyster populations are doing well in most parts of Maryland's Chesapeake Bay. Specifically, the survey results indicate that oyster disease levels are at their lowest since systematic monitoring began in 1990, resulting in the lowest oyster mortalities in over 25 years.

Generally, Maryland's oyster harvest season is October 1 through March 31 annually. During the 2011-2012 oyster harvest season, a total of 127,780 bushels of oysters were harvested. Watermen reported harvesting a total of 178,809 bushels of oysters during the October through December 2012 period. Based on this data, DNR advises that the 2012-2013 oyster harvest season may result in a total harvest of approximately 250,000 bushels, a 100% increase over the previous year.

While 2,593 commercial watermen are licensed to harvest oysters, not all of these individuals pay the annual oyster surcharge and actually harvest oysters every year. During the 2011-2012 oyster harvest season, 600 harvesters paid the oyster surcharge and received less than 200,000 tags. As of January 2013, 814 harvesters had paid the oyster surcharge and received more than 400,000 tags for the 2012-2013 oyster harvest season. In January 2013, DNR ordered several hundred thousand additional oyster tags.

Currently, DNR allocates oyster container tags in accordance with the number of tags a licensed harvester required in the previous year. DNR advises that most harvesters receive less than 450 tags and new harvesters (without prior year history) receive 100 tags. Oyster harvesters may request more oyster tags as they need them. DNR notes that while it recently had a low supply of oyster container tags, it has never been unable to give tags to a waterman.

DNR advises that the bill may result in a significant number of tags being distributed, but not used.

State Expenditures: DNR special fund expenditures increase, potentially significantly, in fiscal 2014 and future years to provide additional oyster container tags to watermen. However, any impact depends on, among other things, how a 30-day supply is defined, how many harvesters request tags, how often tags are requested, and, potentially, each harvester's bushel limit. Accordingly, a reliable estimate of the increase in expenditures cannot be made.

DNR advises that the bushel limit for most oyster harvest gear types is 15 bushels per person per day and each oyster tag that is attached to a bushel costs \$0.07. Therefore, assuming a harvester has a 15-bushel daily limit and a 30-day month, DNR must

distribute *at least* 450 tags to the harvester every month or *at least* 2,700 tags over the six-month harvest season. Using these same assumptions, *for illustrative purposes*, DNR is required to provide 814 harvesters with 2.2 million tags during the annual harvest season at a total cost of \$153,846.

Additional Comments: While the bill requires distribution of a 30-day supply of oyster tags, this requirement is difficult to interpret because the bill does not define a 30-day supply.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources, Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2013
mc/lgc

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