

Department of Legislative Services
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 795 (Senator Pipkin, *et al.*)
Education, Health, and Environmental Affairs

Oyster Dredging - Waters North of the Chesapeake Bay Bridge and Kent Narrows Bridge

This bill authorizes the harvest of oysters by dredge in Anne Arundel, Baltimore, Cecil, Harford, Kent, and Queen Anne’s counties in areas located north of the Chesapeake Bay Bridge and the Kent Narrows Bridge.

Fiscal Summary

State Effect: Department of Natural Resources (DNR) special fund revenues increase minimally in FY 2014 from the collection of additional severance taxes due to the harvest and sale of additional oysters. Expenditures are not materially affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: DNR regulates oyster harvesting in State waters. Any person who owns or is responsible for operating any dredge boat must have a license to catch oysters by dredge boat.

Current law specifies areas in which a person may not catch oysters by dredge, including the Atlantic Coastal Bays and areas of the Chesapeake Bay – specifically all the area lying within one-fourth mile of the western shore of Poplar Island; all the area within one-half mile of Plum Point; all the area within one and one-half miles of Sandy Point, Hackett Point, Tolly Point, and Thomas Point within Anne Arundel County waters; and specified oyster bars as defined by the charts of the Oyster Survey of 1906 to 1912 and its amendments.

Another provision of law prohibits the harvest of oysters by dredge, except in specified waters located in Dorchester, Somerset, and Talbot counties.

A severance tax of \$1 is levied on every bushel of oysters caught within the limits of the natural oyster bars of the State, excluding the Potomac River. Oyster severance tax revenue is credited to DNR's Fisheries Research and Development Fund and is used only for the repletion of the State's natural oyster bars.

Background: A variety of approaches are used to gather oysters. Rakes are used in shallow waters and long-handled rakes or oyster tongs are used in deeper water. Patent tongs can be lowered on a line to reach beds which are too deep to reach directly. In all cases the manner of operation is the same; individuals scrape together a small pile of oysters and gather them with a rake or tongs. In specified areas a dredge may be used. A dredge is a toothed bar attached to a chain bag that picks up oysters as it is towed by a boat through an oyster bed. While dredges collect oysters quickly, their use is strictly limited due to the damage they may cause to oyster beds.

State Revenues: DNR special fund revenues increase minimally in fiscal 2014 due to the harvest and sale of additional oysters. DNR advises that up to 5,000 additional bushels of oysters may be harvested as a result of the bill, effectively generating \$5,000 in additional severance tax revenue. However, because oyster replenishment is very slow in the affected area, this analysis assumes that revenues are not materially affected in fiscal 2015 through 2018.

Small Business Effect: To the extent small fishing businesses successfully dredge for oysters in the specified waters of Anne Arundel, Baltimore, Cecil, Harford, Kent, and Queen Anne's counties, the bill has a meaningful impact. However, to the extent the bill contributes to oyster bar degradation and reduced water quality, small businesses dependent on a healthy Chesapeake Bay (*e.g.*, the sport fishing community) may be negatively affected.

Additional Information

Prior Introductions: None.

Cross File: HB 1244 (Delegate Jacobs, *et al.*) - Environmental Matters.

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

Fiscal Note History: First Reader - February 28, 2013
mc/lgc

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