

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

Senate Bill 301

(Chair, Education, Energy, and the Environment  
Committee)(By Request - Departmental - Natural  
Resources)

Education, Energy, and the Environment

Environment and Transportation

**Aquaculture - Placement of Shellfish, Bags, Nets, and Structures on Submerged  
Aquatic Vegetation - Extension**

This departmental bill extends – from June 30, 2024, to June 30, 2027 – the termination date of 2019 legislation (Chapter 238) that allows an aquaculture leaseholder to place shellfish, bags, nets, or structures on submerged aquatic vegetation (SAV) with specified prior written approval from the Department of Natural Resources (DNR). The bill correspondingly extends a reporting requirement established under Chapter 238. **The bill takes effect June 1, 2024.**

**Fiscal Summary**

**State Effect:** The bill does not directly affect State finances.

**Local Effect:** None.

**Small Business Effect:** DNR has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

**Analysis**

**Current Law:** Chapter 238 of 2019 allows an aquaculture leaseholder to place shellfish, bags, nets, or structures on SAV with prior written approval from DNR. In approving the placement of shellfish, bags, nets, or structures on SAV, DNR (1) may not authorize harvesting by dredge in areas where SAV is present; (2) must authorize for water column

leases the placement of shellfish, bags, nets, or structures in at least 10% of the area where SAV is present; and (3) must authorize harvest by diving in areas on any submerged land lease where SAV is present.

Chapter 238 also contains a requirement that DNR report – by June 1, 2020, and each June 1 of the following four years – on (1) specified impacts of allowing leaseholders to place shellfish, bags, nets, or structures on SAV and (2) specified related data. (The bill extends this reporting requirement by requiring reports to also be submitted by June 1, 2025, and each June 1 of the following two years.)

Chapter 238 terminates June 30, 2024.

**Background:** DNR indicates that three leaseholders have been granted permission under Chapter 238 to place shellfish, bags, nets, or structures on SAV, and the bill’s extension of the termination date of Chapter 238 allows the department to further study the impacts of the law. A recent [DNR report](#) submitted pursuant to Chapter 238 indicates that DNR received the first request from a leaseholder to place shellfish, bags, nets, or structures on SAV pursuant to the law in 2022.

---

### Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - January 19, 2024  
km/lgc Third Reader - March 18, 2024  
Revised - Amendment(s) - March 18, 2024

---

Analysis by: Scott D. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

**TITLE OF BILL: Aquaculture - Placement of Shellfish, Bags, Nets, and Structures on Submerged Aquatic Vegetation - Extension**

**BILL NUMBER: SB0301**

**PREPARED BY: Sarah Widman**

**PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

**PART B. ECONOMIC IMPACT ANALYSIS**

If the process can be expanded over time to include more leases, there could be a greater positive economic impact on the industry. For individual leases, this provides a meaningful positive economic impact as it allows the department to consider whether aquaculture activities should be allowed in these areas or not, and if so, maximize aquaculture working areas while still protecting SAV beds.