

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 1830**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 3, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1830 (ACS), with committee amendments.

Assembly Bill No. 1830 ACS, as amended, enacts the "New Jersey Aquaculture Development Act" to establish a program to encourage the development of an aquaculture industry in the State. The bill implements, in part, the "Aquaculture Development Plan," prepared by the Aquaculture Development Task Force pursuant to Executive Order No. 104 (1993). The plan presents a strong case for State investment in aquaculture, an important and growing segment of agriculture, and provides an approach for developing the industry.

The bill codifies a definition of aquaculture and clearly identifies aquaculture as a component of agriculture. The bill designates the Department of Agriculture as the lead agency for aquaculture marketing, promotion, advocacy and business development in New Jersey, and continues the regulatory role of the Department of Environmental Protection (DEP) in waters of the State. The bill also designates the Aquaculture Technology Transfer Center, composed of the Multispecies Aquaculture Demonstration Facility at Rutgers, The State University, the Aquaculture Training and Information Center at Cumberland County College, and the Rutgers Cooperative Extension, as the primary State facility for aquaculture education, extension, demonstration, and industry development and commercialization in the State. The bill also declares that any person engaged in aquaculture shall have exclusive ownership of the aquatic organisms being aquacultured by that person.

The bill establishes the Office of Aquaculture Coordination in the Department of Agriculture. The office is directed to prepare a guidebook explaining the permit process for receiving all necessary permits or other approvals or exemptions to engage in an aquaculture project in the State. The office serves as resource for applicants and prospective applicants for aquaculture projects. The office shall establish, in cooperation with other permitting agencies, a permit coordination system whose purpose is to assist the applicant in the

completion of the application and in the processing of the application. Finally, the office will develop a protocol for authorizing an individual to engage in an aquaculture demonstration project.

The bill establishes a 15-member Aquaculture Advisory Council of 13 voting and 2 non-voting members to advise the Department of Agriculture and other State agencies on aquaculture matters. The advisory council is directed to review and update the Aquaculture Development Plan.

The bill directs the Department of Agriculture, the DEP, the Department of Commerce and Economic Development, and the Department of Health, after consultation with the Aquaculture Advisory Council, to enter into interagency memoranda of agreement concerning the implementation of the Aquaculture Development Plan, and delineating the financial and regulatory responsibility for aquaculture based upon the provisions of this bill and any other applicable laws. In developing the interagency memoranda of agreement, the departments shall seek to develop provisions that foster the development of aquaculture in the State.

The bill directs the DEP to establish appropriate policies for the use of aquaculture leases in public waters and for lands underneath public waters, including but not limited to lease specifications, fees, royalty payments, and assignability and termination of lease agreements. The bill also directs the DEP and the Department of Agriculture to establish an interagency memorandum of agreement to expand current leasing programs for waters of the State and lands underneath waters of the State to include a statewide aquaculture leasing system.

The bill directs the DEP to review the laws, rules, and regulations pertaining to the taking, harvesting, possession, and use of fish, wildlife, shellfish, and plants with regard to the effect of those laws, rules, and regulations on the taking, harvesting, possession, use, and marketing of aquaculture products from public waters of the State. The review shall include, but need not be limited to, such factors as gear, season, area, and size limits. Based upon that review, the DEP is required to adopt modifications that would not cause significant harm to wild stocks, natural habitat, or the environment, so as to either exempt specific types of aquacultural practices from those rules and regulations or reduce any negative impact upon those practices to the maximum extent practicable and feasible. To the extent that modifications in the law are required to accomplish the purposes of this section, the DEP and the various other entities conducting the review shall make recommendations accordingly to the Governor and the Legislature. The DEP is directed to establish a program regulating the importation and transport of species used in aquaculture.

The bill directs the DEP to review the laws, rules, and regulations pertaining to endangered and nongame species, migratory birds, and fish and game species with regard to the application and effectiveness of those laws, rules, and regulations in the prevention of predation at

aquaculture facilities or sites.

The bill provides that an aquaculture site that was not originally a wetlands shall not be considered a wetlands because of subsequent growth or invasion of aquatic organisms at that site.

The bill declares that all State financial and insurance programs that apply to agriculture would also apply to aquaculture. The bill directs the Department of Agriculture to provide, in conjunction with other relevant State and federal agencies, business and other technical assistance to the aquaculture industry.

The bill directs the Department of Agriculture to prepare an aquatic health management plan designed to protect public and private aquaculturists and wild aquatic populations from the importation of non-endemic disease causing organisms.

The bill directs the DEP to adopt a comprehensive animal waste management program that shall provide for the proper disposal of animal wastes, including wastes generated from aquaculture.

The bill directs the State Soil Conservation Committee to develop management practices for control of soil erosion and sedimentation for aquacultural systems.

The bill directs the Department of Agriculture to establish a program for the licensure of the possession and ownership of aquacultured species.

The bill directs the Office of State Planning to develop an aquaculture component for model planning and zoning ordinances.

The bill directs the Department of Labor to review worker's compensation package coverages to assess their general applicability to aquaculture industry needs, and make recommendations accordingly to all appropriate entities with respect to any needed modifications.

The bill directs the Department of Commerce and Economic Development, to the extent feasible, to develop and implement an information campaign to promote in-State and outside investments in aquaculture operations located or based in New Jersey.

The bill directs the Department of Commerce and Economic Development to develop mechanisms for providing tax credits or reduced loan payments to a new aquaculture enterprise, and make recommendations accordingly to the Governor and the Legislature for any legislative action that may be necessary to implement those mechanisms.

The bill directs the Department of Insurance to review product liability insurance within the State and determine how the coverage might be extended to various segments of the aquaculture industry, and make recommendations accordingly to all appropriate entities regarding any modifications that should be made to existing insurance coverage plans.

The bill adds the New Jersey Aquaculture Association to the list of organizations represented at the annual State Agricultural Convention.

The bill directs the DEP to provide for the issuance of general

permits for the discharge of pollutants from concentrated aquatic animal production facilities and aquacultural projects. The bill amends existing law regarding water diversion to treat aquaculture in the same manner as agriculture. The bill allows applicants to obtain a permit for the discharge of wastes into ocean waters from aquaculture activities and public water supply desalinization plants.

FISCAL IMPACT:

The Department of Agriculture estimated additional operating costs under the bill at \$200,000 in the initial implementation year and \$250,000 annually thereafter. The first-year costs reflect mostly non-salary expenses associated with the creation of the Office of Aquaculture Coordination and other functions mandated under the bill. Approximately two-thirds of annual costs thereafter represent the salary expenses of four employees who would staff this new office.

The Office of Legislative Services has noted in a fiscal note to this bill that the departments's costs, as well as any additional expenses incurred by the other participating agencies under the bill, will be offset to some degree by the revenues generated by permits, licenses, and other economic benefits stemming from the growth of this industry.

COMMITTEE AMENDMENTS:

The amendments delete an appropriation to the Department of Agriculture to implement their responsibilities pursuant to this act; the intention of the committee is to provide for these costs in the annual appropriations act. The amendments clarify the definition of aquaculture to exclude the facilities and structures that are currently regulated pursuant to other State and federal law. The amendments add the two non-voting members to the advisory council, and clarify the roles and interactions of the various existing State agencies in the development of State aquaculture policy.

The amendments allow applicants to obtain a permit for the discharge of wastes into ocean waters from public water supply desalinization plants.

The amendments amend the "Pinelands Protection Act" to include aquaculture in the definition of "agriculture," so that aquaculture activities, as other agricultural activities, would not require a pinelands permit.