

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
SENATE, No. 1754

STATE OF NEW JERSEY

DATRED FEBRUARY 11, 1997

Senate Bill No. 1754 [1R] of 1996 establishes 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 of 1993.

The bill designates the Department of Agriculture (DOA) 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 as the primary State facility for aquaculture education, extension, demonstration, and industry development and commercialization in the State.

The bill establishes the Office of Aquaculture Coordination in the DOA. The office is directed to prepare a guidebook explaining the permit process; to serve as a resource for applicants and prospective applicants for aquaculture projects; and to establish, in cooperation with other permitting agencies, a permit coordination system that would assist the applicant in completing and processing an application. An appropriation of \$250,000 is included to help the DOA support this office as well as other related responsibilities under the bill.

The bill creates an Aquaculture Advisory Council that would function in an advisory capacity to the DOA and other State agencies on aquaculture matters. The advisory council is also directed to review and update the Aquaculture Development Plan.

Last, the bill directs various State departments and agencies to perform specific tasks relative to the implementation of the bill's objectives.

Although no fiscal note information was provided by the affected agencies on the bill, the DOA did provide such data on a similar bill, Assembly Bill No. 1830 of 1996. It stated that potential revenues from licensing and permitting fees (related to aquaculture development) could not be estimated until such fee rates and other criteria were determined. It estimated that the bill would incur first year operating costs of \$200,000, and \$250,000 annually thereafter. The first year costs reflected 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 represented the salary expenses of four employees who would staff this new office.

The Office of Legislative Services (OLS) concurred with the DOA's estimates and noted that these costs, as well as any additional expenses incurred by the other participating agencies under the bill, would probably be offset to some degree by the revenues generated by permits, licenses, and other economic benefits stemming from the growth of this industry.

The OLS still concurs with the DOA estimates and notes that the bill's \$250,000 appropriation would only cover the department's first year costs; thereafter, another funding source would be needed to continue these functions. The OLS further notes that the responsibilities given to the other State agencies under the bill largely appear to fall within the agencies' existing work parameters; hence, they can probably be carried out using current staff and resources.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.