

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1754

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 8, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1754 (1R) of 1996 with amendments.

Senate Bill No. 1754 (1R) entitled the "New Jersey Aquaculture Development Act," as amended, 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 (1993).

The bill:

- * defines aquaculture and identifies aquaculture as a component of agriculture;

- * 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;

- * 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;

- * establishes the Office of Aquaculture Coordination;

- * 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;

- * directs the Department of Agriculture, the DEP, the Department of Commerce and Economic Development, and the Department of Health and Senior Services, after consultation with the Aquaculture Advisory Council, to enter into interagency memoranda of agreement concerning certain aquaculture matters;

- * directs the DEP to establish appropriate policies for the use of

aquaculture leases in public waters and for lands underneath public waters;

- * directs the DEP to review the laws, rules, and regulations pertaining to aquaculture and establish a program regulating the importation and transport of species used in aquaculture;

- * declares that all State financial and insurance programs that apply to agriculture would also apply to aquaculture;

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

- * directs the DEP to adopt a comprehensive animal waste management program to provide for the proper disposal of animal wastes generated from aquaculture;

- * directs the State Soil Conservation Committee to develop management practices for control of soil erosion and sedimentation for aquacultural systems;

- * directs the Department of Agriculture to establish a program for the licensure of the possession and ownership of aquacultured species;

- * directs the Office of State Planning to develop an aquaculture component for model planning and zoning ordinances;

- * directs the Department of Labor to review worker's compensation package coverages to assess their general applicability to aquaculture industry needs;

- * directs the Department of Commerce and Economic Development to develop and implement an information campaign to promote in-State and outside investments in aquaculture operations located or based in New Jersey;

- * directs the Department of Commerce and Economic Development to develop mechanisms for providing tax credits or reduced loan payments to a new aquaculture enterprise;

- * 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;

- * adds the New Jersey Aquaculture Association to the list of organizations represented at the annual State Agricultural Convention;

and

- * 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.

As amended and reported, this bill is identical to Assembly Bill No. 1830 ACS (1R) of 1996 (Azzolina/Gibson).

COMMITTEE AMENDMENTS:

The committee amended the bill to delete the \$250,000 appropriation from the General Fund to the Department of

Agriculture.

The amendments clarify the definition of aquaculture to exclude the facilities and structures that are currently regulated pursuant to other State and federal law; add two non-voting members to the advisory council; clarify the roles and interactions of the various existing State agencies in the development of State aquaculture policy; allow applicants to obtain a permit for the discharge of wastes into ocean waters from public water supply desalinization plants; delete the requirement that DEP rely on categorical standards for specific types of aquaculture activities in setting numeric pollutant parameters discharge limits; and 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.

FISCAL IMPACT

The amendments to the bill delete the \$250,000 appropriation to the Department of Agriculture; the Governor's Budget Recommendation for Fiscal Year 1998 recommends a new \$200,000 appropriation to the Department of Agriculture (DOA) for aquaculture development.

In a fiscal note prepared by the Office of Legislative Services (OLS) on the original version of this bill, the OLS notes that although no fiscal note information was provided by the affected agencies on the bill, the DOA did provide data on a similar bill, Assembly Bill No. 1830 of 1996. The department stated that potential revenues from licensing and permitting fees (related to aquaculture development) could not be estimated until such fee rates and other criteria are determined. The DOA estimated that it would incur first year operating costs of \$200,000, and \$250,000 annually thereafter.

The 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 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.