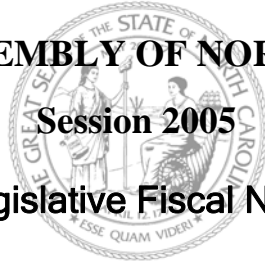


**GENERAL ASSEMBLY OF NORTH CAROLINA**



**Session 2005**

**Legislative Fiscal Note**

**BILL NUMBER:** Senate Bill 1242 (First Edition)

**SHORT TITLE:** Striped Bass Permit.

**SPONSOR(S):** Senator Albertson

<b>FISCAL IMPACT</b>					
	<b>Yes (x )</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<u><b>FY 2006-07</b></u>	<u><b>FY 2007-08</b></u>	<u><b>FY 2008-09</b></u>	<u><b>FY 2009-10</b></u>	<u><b>FY 2010-11</b></u>
<b>REVENUES:</b>					
Departmental Receipts	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>
<b>EXPENDITURES: See Assumptions and Methodology</b>					
Division of Marine Fisheries					
<b>POSITIONS</b>					
<b>(cumulative):</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>					
Department of Environment and Natural Resources, Division of Marine Fisheries					
<b>EFFECTIVE DATE:</b> Effective when bill becomes law.					

**BILL SUMMARY:** SB 1242 authorizes the Marine Fisheries Commission to establish gear specific permits to take striped bass from the Atlantic Ocean and to limit the number and type of permits that may be issued to a person, as recommended by the Joint Legislative Commission on Seafood and Aquaculture. Additionally, the Commission may establish a fee for each permit in an amount that compensates the Division of Marine Fisheries (Division) for the administrative costs associated with the permit but that does not exceed ten dollars per permit.

**ASSUMPTIONS AND METHODOLOGY:** The commercial harvest of striped bass in the Atlantic Ocean is managed under a quota system established by the Atlantic States Marine Fisheries Commission. The Marine Fisheries Commission divides North Carolina's statewide quota equally among three gear types: haul seines, gill nets and trawls. These gear types each have separate seasons and trip limits. Under current law, all fishermen with a Standard Commercial Fishing License can harvest striped bass using one or all three gears during the open season.

From 2002 through 2004, approximately 700 fishermen annually have participated in the striped bass harvest. Assuming a permit fee of ten dollars, and assuming the same level of participation, the permit fee will generate approximately \$7,000 per year.

The Division of Marine Fisheries developed a cost estimate on its various permits in April 2006. Administrative and operational costs were allocated to determine the individual impact of each permit by type. The Division noted that For Hire Fishing Permits had a similar number of participants as the estimated proposed permit for stripped bass gear, averaging three percent of all permits sold. In this study, For Hire Fishing Permits had an average cost of \$52.81 per permit. The Division arrived at this estimate by cost allocating three percent of its 15.82 full time employees' salaries and benefits, as well as a percentage of its fixed costs, including office rent, supplies and insurance. Assuming a similar cost per permit of \$52.81 and assuming 700 permits annually, the total direct annual impact for stripped bass gear permits as estimated by the Division will be \$36,967.

According to the Department, the Division does not charge a fee for all of its permits. The Division should be able to absorb the administrative costs of this new permit with minimal impact. This bill does not include an appropriation or positions for the administering of this new permit fee.

**SOURCES OF DATA:** Division of Marine Fisheries

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

**PREPARED BY:** Joy Hicks

**APPROVED BY:** Lynn Muchmore, Director  
Fiscal Research Division



**DATE:** July 7, 2006

**Signed Copy Located in the NCGA Principal Clerk's Offices**