

STORAGE NAME: H0875.hwr
DATE: March 14, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
Water and Resource Management
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 875
RELATING TO: Saltwater Fisheries
SPONSOR(S): Representative Crady
STATUTE(S) AFFECTED: Section 370.25. Florida Statutes (F.S.)
COMPANION BILL(S): SB 292 (S)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) WATER AND RESOURCE MANAGEMENT
 - (2) GENERAL GOVERNMENT (FISCAL)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

HB 875 expands the capability of the Department of Environmental Protection's (DEP) artificial reef program to coordinate, track and regulate development of artificial reefs. The purposes of the program are to enhance saltwater recreational fishing opportunities and to promote management of fisheries resources associated with artificial reefs for the public interest.

An existing artificial reef competitive grants program, currently restricted to local coastal governments, would be expanded to include certain 501(c)(3) Internal Revenue Service Code, nonprofit organizations as eligible to receive grants and technical assistance for monitoring the biological, recreational and economic effectiveness of artificial reefs.

DEP is authorized to establish criteria for using available reef development funds and for determining the eligibility of nonprofit organizations to apply for and receive available reef development funds. Additionally, DEP is directed to establish criteria for siting, constructing, managing and evaluating the effectiveness of artificial reefs.

DEP is directed to develop, implement and maintain a comprehensive artificial reef development plan. HB 875 includes provisions to address enforcement problems with placement of illegal reef materials to unpermitted reef sites and provides penalties for violations of program requirements.

HB 875 takes effect upon becoming law.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

DEP reports that Florida has the most prolific artificial reef construction activity of any state. Thirty-two of 34 coastal counties have been actively involved in artificial reef development. The total number of artificial public fishing reefs constructed by local coastal governments from 1985-1996 has exceeded 330, with an investment of state and federal funds in excess of \$7.5 million. There have been additional private and local government expenditures, counting local efforts and mitigation for habitat loss, which also extend into the millions of dollars.

Artificial reef construction is proceeding on both coasts at the estimated rate of about 40 to 50 projects per year. The total number of artificial reefs in place today is not known, but 1997 Florida Sea Grant Data indicate 900 reefs on 364 permitted sites.

Although the DEP has adopted criteria for artificial reef construction, there is no established central clearinghouse for tracking the wide array of artificial reef development activity taking place statewide. In addition to the involvement of dozens of coastal cities and counties, other divisions within DEP and state agencies are independently involved in reef development through other grant programs (such as the Florida Boating Improvement Program) and planning, for use of artificial reefs as mitigation for live-bottom habitat destruction.

The DEP has expressed concerns that there are no specific requirements for inspection of reef materials or provisions designed to assist in the enforcement of the criteria, penalties specified for the transportation of improper materials or for the improper placement of reef materials.

B. EFFECT OF PROPOSED CHANGES:

HB 875 expands the DEP artificial fishing reef program to include responsibilities to enhance saltwater fishing and provides for management of artificial reef-related marine resources for the public interest. Under the program, the DEP may provide grants and technical assistance to coastal local governments and eligible nonprofit Service organizations who qualify under section 501(c)(3) of the Internal Revenue Code for the siting and development of saltwater artificial fishing reefs. DEP will be able to monitor and evaluate the recreational, economic and biological effectiveness of artificial reefs.

DEP may establish criteria for siting, constructing, managing and evaluating the effectiveness of artificial reefs, including the specifications for permissible materials to be used in constructing fishing reefs.

HB 875 is expected to curb illegal placement of artificial reefs and prevent the use of illegal reef materials by providing penalties for possession or transporting of illegal materials and assignment of responsibility for the violation to the vessel operators and/or owners.

Ultimately, DEP predicts that HB 875 will result in less fishing gear damaged by illegally placed material and less junk material washing ashore onto beaches. In addition, less hazardous material will be placed in the water and a safer recreational environment will exist for the public.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

HB 875 will allow DEP to monitor development of artificial reefs and establish minimum criteria for nonprofit organizations to participate in grant programs.

(3) any entitlement to a government service or benefit?

None.

b. If an agency or program is eliminated or reduced:

Not applicable.

2. Lower Taxes:

Not Applicable.

3. Personal Responsibility:

Not applicable.

4. Individual Freedom:

Not applicable.

5. Family Empowerment:

Not applicable

D. SECTION-BY-SECTION RESEARCH:

Section 1: Amends s. 370.25 F.S. expanding an artificial fishing reef program within the DEP to promote proper management of fisheries resources associated with artificial reefs for the public interest.

The department shall provide grants and technical assistance to coastal local governments and eligible nonprofit organizations, qualified under section 501 (c)(3) of the Internal Revenue Code, for the siting, development, monitoring and evaluation of the economic and biological effectiveness of artificial reefs.

The criteria for allocating available funds is defined and includes the commitment of the local government or authorized nonprofit organization under Section 501© (3) of the Internal Revenue Code to provide funds or other support for the development; monitoring, evaluation, and management of the proposed reef; costs; ability to conduct artificial reef monitoring projects using scientific protocol and; the level of attainment of these objectives.

The department will serve as a central coordinating authority and technical information exchange for all artificial reef development activities within state and adjacent federal waters. Requires the DEP to develop and implement a comprehensive artificial reef development plan.

Prohibits storage on a vessel of potential reef construction materials:

- 1) for transport across state waters unless the materials have been inspected and approved by the department or department certified inspector;
- 2) if the reef construction materials are to be placed outside sites properly permitted to the state, local coastal governments, or qualifying nonprofit organizations. Vessels in violation of this section are to be turned back to the nearest appropriate port and must dispose of reef materials in accordance with proper waste disposal laws. Establishes responsibility for both the vessel captain and the owner for violations of this provision; defines a first time violation as a first degree misdemeanor a second violation within 12 months as a third degree felony. Authorizes additional civil fines of up to \$5,000 and loss of state marine licenses as penalty options.

Section 2: Provides that this act shall take effect upon becoming law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Minimal, actual costs are unknown.

2. Recurring Effects:

Projected to be minimal, but actual estimates are not known.

3. Long Run Effects Other Than Normal Growth:

No long-run effects anticipated.

4. Total Revenues and Expenditures:

Minimal.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Minimal fiscal impact is anticipated. Some smaller local governments may welcome grant involvement by nonprofit organizations allowing use of sites by private citizens. Some increased but presumed low level of material inspections and administration may be involved.

2. Recurring Effects:

Reef material inspection will be shared by the counties and the Florida Marine Patrol. For most counties this will represent no change in operating procedure or expenditure of funds. For those governments allowing use of sites by private citizens, some increased but presumed low level of material inspection and administration may be involved, costs of which could be offset by charging inspection fees.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

An initial violation of subsection seven is a misdemeanor of the first degree, punishable by a definite term of imprisonment not exceeding 1 year and a fine of \$1,000. A second violation within 12 months after a previous violation of that subsection is a felony of the third degree, punishable by a term of imprisonment not exceeding 5 years and a fine of \$5,000.

2. Direct Private Sector Benefits:

Nonprofit organizations may now receive federal and state reef development funds.

3. Effects on Competition, Private Enterprise and Employment Markets:

The types of cooperation between nonprofit organizations and local governments is unknown. No overall negative impacts on the community or local economy are anticipated. Collaborative projects among local governments and nonprofit organizations may occur.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

Not applicable.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

Not applicable.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

Not applicable.

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V. COMMENTS:

The sponsor plans to offer a strike-everything after the enacting clause amendment which clarifies the placement of artificial reef materials in state water outside zones permitted and the penalties imposed for placing into state waters artificial-reef-construction materials that have not been inspected and approved by the DEP or a DEP certified inspector.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON Water and Resource Management:

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