

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1133 (Delegate Otto, *et al.*)
Environment and Transportation

Oysters – Tributary–Scale Sanctuaries

This bill repeals provisions that include the Manokin River oyster sanctuary in the network of tributary-scale oyster sanctuaries in the Chesapeake Bay and includes the Severn River oyster sanctuary in the network. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: General obligation (GO) bond expenditures by the Department of Natural Resources (DNR) may be reduced and/or delayed, potentially beginning as early as FY 2022. Revenues are not directly affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Network of Sanctuaries Established

Chapters 17 and 754 of 2019 establish in statute a network of oyster sanctuaries in the five tributaries identified by DNR for large-scale restoration in accordance with the 2014 Chesapeake Bay Watershed Agreement. The network consists of specified oyster sanctuaries in Harris Creek, the Little Choptank River, the Tred Avon River, the St. Mary's River, and the Manokin River.

Prohibited Activities in Sanctuaries

With the exception of a person who engages in aquaculture activities within an oyster sanctuary in accordance with a valid lease, a person may not catch oysters in or remove oyster seed from an oyster sanctuary (1) in the network of tributary-scale sanctuaries in statute or (2) established by DNR in regulation.

Sanctuary Restoration Plans

DNR, in coordination with the Oyster Advisory Commission, the Oyster Interagency Workgroup, and interested stakeholders, must develop and implement restoration plans for each of the oyster sanctuaries in the network established by Chapters 17 and 754. Each restoration plan must:

- establish acreage targets that exceed 50% of the currently restorable oyster habitat in the sanctuary, as defined by the Oyster Interagency Workgroup;
- for reef construction, require the use of substrate that has been demonstrated in previous tributary-scale oyster restoration projects to maximize oyster density;
- establish a project implementation timeline that demonstrates how restoration targets will be achieved by 2025, in accordance with the 2014 Chesapeake Bay Watershed Agreement; and
- include plans for continued monitoring of the sanctuary and corrective actions to be taken by DNR if future monitoring indicates that a sanctuary is no longer meeting specified minimum requirements.

State Fiscal Effect: GO bond expenditures by DNR may be reduced and/or delayed, potentially beginning as early as fiscal 2022, as a result of the repeal of the Manokin River from the network of sanctuaries established in statute, and the inclusion of the Severn River in the network.

The bill presumably alters or halts any future restoration efforts in the Manokin River under DNR's Oyster Restoration Program and shifts expenditures to restoration efforts in the Severn River. The Governor's fiscal 2023-2027 *Capital Improvement Program* (CIP) includes \$11.8 million in GO bond expenditures in fiscal 2023 and \$25.3 million total over the five-year period of the CIP for restoration in the Manokin River. DNR expects costs of restoration in the Severn River to be much less, due to a smaller number of acres that would need to be restored. DNR estimates the costs of restoration in the Severn River to be in the range of \$6.0 to \$7.0 million, with additional seeding costs in future years of approximately \$500,000 per year for approximately 10 years. Time is also expected to be required to shift restoration efforts from the Manokin River to the Severn River, delaying expenditures.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of Natural Resources; Department of Legislative Services

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rh/lgc

Analysis by: Scott D. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510