



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 0955	Introduced on January 11, 2024
Author:	Campsen	
Subject:	Blue Crabs	
Requestor:	Senate Fish, Game, and Forestry	
RFA Analyst(s):	Daigle	
Impact Date:	January 29, 2024	

Fiscal Impact Summary

This bill establishes new licenses, processes, and limits for blue crab fishing. The bill creates a limited commercial blue crab license that costs \$100 for residents and \$500 for nonresidents. The bill provides limits on the number of licenses the Department of Natural Resources (DNR) may issue. This bill also changes commercial equipment trap license prices and sets limits on the maximum number of traps that can be permitted to individuals. Additionally, this bill sets recreational limits for blue crabs at not more than one-half bushel of blue crabs in any one day, not to exceed one bushel on any boat. This bill creates a violation for the aforementioned limits of a fine of \$100 to \$500 or imprisonment for not more than thirty days. This bill also creates an annual enhanced recreational crab trap endorsement for \$5 that can be purchased to supplement a recreational saltwater license. With an annual enhanced recreational crab trap endorsement, an individual is permitted to use up to ten crab traps.

This bill will have no expenditure impact on DNR. The requirements of this bill may increase the workload for DNR. DNR anticipates that any increase in workload can be managed using existing staff and resources.

This bill will have no expenditure impact on Judicial for any increase in court cases related to violations of recreational crab limits. Judicial indicates that any increase in caseload can be managed with existing appropriations.

This bill may increase Other Funds revenue due to sales of the new limited commercial blue crab license at \$100 for residents and \$500 for nonresidents. DNR estimates that based on the eligibility requirements, 155 individuals will qualify. However, the 2023-24 season is still open until June 2024 so more individuals may still qualify before the season ends. Therefore, the total expected revenue from limited commercial blue crab licenses is unknown. This bill will impact the Other Funds revenue from sales of commercial equipment crab traps. This bill increases the price of commercial equipment crab trap licenses for residents and nonresidents. The number of crab traps that will be permitted to each of the limited commercial blue crab license holders through commercial equipment crab trap license sales is unknown. Therefore, the change in revenue due to the increase cost of commercial equipment crab trap licenses is undetermined. This bill may also increase Other Funds revenue by at least \$280 to \$375 annually due to sales of the new recreational crab trap endorsement. DNR indicates that more recreational crab trap

endorsements are likely to be sold than their data indicates. Therefore, the total revenue impact on Other Funds from commercial license and recreational endorsement sales is undetermined.

This bill may increase fine revenue due to the newly created recreational blue crab limit. Violations are punishable by imprisonment for not more than thirty days or a fine of \$100 to \$500. This bill may impact local expenditures as it may increase the number of individuals housed in local jails. Further, this bill may result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds.

Explanation of Fiscal Impact

Introduced on January 11, 2024

State Expenditure

This bill creates a new limited commercial blue crab license that costs \$100 for residents and \$500 for nonresidents. This bill requires that an individual who takes blue crabs by trap for commercial purposes must obtain a limited commercial blue crab license, a commercial saltwater fishing license, and a commercial equipment license for traps. This bill sets eligibility requirements for obtaining a limited commercial blue crab license whereas an individual must have possessed a valid commercial equipment license for traps during the 2023-24 license year and have verifiable documentation of at least 500 pounds of commercial blue crab landings during one of the 2023-24, 2022-23, or 2021-22 license years. An individual who receives a valid limited commercial blue crab license may transfer that license to another individual after providing information to DNR. This bill mandates that if less than 100 limited commercial blue crab licenses are issued based on the aforementioned eligibility requirement, DNR can issue no more than 100 total limited commercial blue crab licenses via an application lottery. License holders must renew their licenses annually, and every four years they must show proof that they landed at least 500 pounds of blue crab in one of the previous three license years in order to retain eligibility.

This bill sets the maximum number of traps a limited commercial blue crab license holder may obtain. Limited commercial blue crab license holders who qualify for eligibility via blue crab landing requirements may have a maximum number of traps equivalent to the greater of the highest number of traps licensed to that individual in the past three years or 200 traps. Lottery license recipients and transfer license recipients are limited to a maximum of 200 total traps.

This bill also increases the cost of commercial equipment trap licenses for residents and nonresidents. The costs for residents are \$2 per trap for up to twenty-five traps, \$3 per trap for twenty-six to one hundred traps, \$4 per trap for more than one hundred traps. The costs for nonresidents are \$10 per trap for up to twenty-five traps, \$15 per trap for twenty-six to one hundred traps, and \$20 per trap for more than one hundred traps.

This bill also requires that in order to engage in shedding peeler crabs, a person or entity must first be a licensed wholesale seafood dealer, must be licensed for peeler crabs, and the person's or entity's business premises must be capable of peeler shedding operations. This bill entitles the

department to inspect the business premises of peeler crab license applicants and license holders to ensure requirements are met.

Further, this bill creates an annual enhanced recreational crab trap endorsement for \$5 that can be purchased to supplement a recreational saltwater license. With an annual enhanced recreational crab trap endorsement, an individual is permitted to use up to ten crab traps. This bill also sets recreational limits on blue crabs, whereby it is illegal to take or possess more than one-half bushel of blue crabs in any one day, not to exceed one bushel on any boat. Violations of this requirement are subject to a fine of \$100 to \$500 or imprisonment for not more than thirty days.

This bill also sets January 16 through January 29 as a closed season for the use of crab traps in the waters of South Carolina. Any traps in the waters of South Carolina during this closed season may be removed by DNR or its agents.

The current license requirements and prices for commercially taking blue crabs compared to those proposed in this bill are outline in the table below.

License Type	Current		Proposed	
	Resident	Nonresident	Resident	Nonresident
Limited Commercial Blue Crab License	N/A	N/A	\$100	\$500
Commercial Saltwater License	\$25	\$125	\$25	\$125
Crab Traps (up to 50)	\$25	\$125	N/A	N/A
Each Additional Trap	\$1	\$5	N/A	N/A
Crab Traps (up to 25)	N/A	N/A	\$2/each	\$10/each
Crab Traps (26 - 100)	N/A	N/A	\$3/each	\$15/each
Crab Traps (> 100)	N/A	N/A	\$4/each	\$20/each
Wholesale Seafood Dealer License ¹	\$100	\$500	\$100	\$500
Peeler Crab License (must have wholesale license)	\$75	\$375	\$75	\$375

DNR currently does not have the authority to inspect business premises of peeler crab license applicants or peeler crab license holders to ensure their facilities are capable of peeler shedding operations. DNR indicates that there is reason to believe that some peeler dealer license holders are not capable of shedding operations, but the department does not have data on how many due to the lack of ability to conduct inspections prior to license issuance. Currently, there are an average of 33 wholesale seafood dealers who shed peeler crabs.

¹ SCDNR Marine Resources Division clarifies that this license is only required by individuals who take blue crabs commercially and sell landed blue crabs to anyone other than a wholesale seafood dealer. Individuals who take blue crabs commercially and only sell blue crabs to a wholesale seafood dealer are not required to obtain this license.

There are currently no recreational limits on blue crabs. There is currently no enhanced endorsement for recreational crab traps. An individual is currently allowed to use no more than two crab traps.

Department of Natural Resources. This bill will create additional responsibilities for DNR due to implementing the new limited commercial blue crab license. DNR indicates that any increase in workload can be managed with existing staff and resources.

Judicial. Judicial reports that implementation of the bill may result in an increase in court caseloads, which can be managed using existing staff and appropriations. Therefore, the bill will result in no expenditure impact for Judicial.

State Revenue

This bill will increase Other Funds revenue due to the new limited commercial blue crab license. Licenses are to be renewed annually and cost \$100 for residents and \$500 for nonresidents. DNR indicates that based on available data, a minimum of 155 individuals will qualify for a limited commercial blue crab license based on the requirements of having a valid commercial equipment license and having verifiable documentation of at least 500 pounds of blue crab landings in one of the past three years. The 2023-24 season is still open until June 2024 so the department anticipates that additional individuals may meet the requirements before the season ends. Therefore, the total revenue impact from new limited commercial blue crab licenses is undetermined.

This bill will also increase Other Funds revenue due to the increase in the cost of commercial equipment crab trap licenses. An individual is only permitted to hold or apply for one trap license, and the price of a commercial equipment trap license is dependent on how many traps an individual is permitted to use. DNR indicates that on average, for the 2021-22 and 2022-23 seasons, 35,299 residential crab traps were permitted across an average of 187 individuals, and 1,175 nonresidential crab traps were permitted across an average of 10 individuals. The overall average revenue from commercial equipment crab trap licenses for the 2021-22 and 2022-23 seasons was \$31,377. So far, in the 2023-24 season, 33,885 residential crab traps are permitted across 325 individuals, and 900 nonresident traps are permitted across 8 individuals. So far, in the 2023-24 season the overall revenue from commercial equipment crab trap licenses is \$29,260. The increases in total price for up to 25, 50, 100, and 200 traps are outlined in the table below.

Number of Permitted Traps:	Current		Proposed		Percentage Increase in Price	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
25 Traps	\$25.00	\$125.00	\$50.00	\$250.00	100%	100%
Up to 50 Traps	\$25.00	\$125.00	\$125.00	\$625.00	400%	400%
100 Traps	\$75.00	\$375.00	\$275.00	\$1,375.00	267%	267%
200 Traps	\$175.00	\$875.00	\$675.00	\$3,375.00	286%	286%

The number of crab traps that will be permitted to each of the new limited commercial blue crab license holders through commercial equipment crab trap license sales is unknown. DNR anticipates that the increases in prices could potentially decrease the number of commercial equipment crab traps sold. Further, because an individual who takes blue crabs commercially must obtain a limited commercial blue crab license whereby eligibility requirements include 500 verifiable pounds of blue crab landings in the last three commercial equipment licensing years, this bill may have a negative revenue impact on commercial equipment crab trap sales. DNR indicates that while 500 pounds is small compared to average commercial landings, over half of the commercial equipment licenses currently sold do not report any catch. Therefore, the total revenue impact to Other Funds due to changes in commercial equipment crab trap prices and quantity sold is unknown.

Additionally, this bill will have an impact on Other Fund revenue due to the sales of the new recreational crab trap endorsement for \$5 to use up to 10 crab traps. DNR anticipates an annual increase in Other Fund revenue of at least \$280 to \$375. DNR indicates that based on surveys, 15 percent to 20 percent of commercial equipment crab trap license holders utilize it for recreational use. DNR calculated the average number of licenses sold over the last ten year as 375, and so at least 56 to 75 endorsements will be sold. DNR indicates that the \$5 recreational crab trap endorsements will decrease the price for individuals who currently use less than 10 commercial crab trap licenses in a recreational capacity. Individuals who currently use up to 10 commercial equipment crab traps in a recreational capacity pay a total of \$50, \$25 for a commercial saltwater fishing license and \$25 for up to 50 crab traps. DNR anticipates that more recreational crab trap endorsements will likely be sold than their current data suggests due to the implied reduction in price. Therefore, the total revenue impact to Other Funds is unknown.

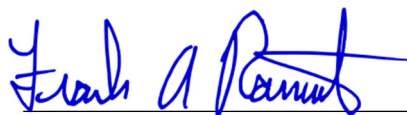
This bill may increase fine revenue due to the newly created recreational blue crab limit. Violations are punishable by imprisonment for not more than thirty days or a fine of \$100 to \$500. This bill may also result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, this bill may result in an undetermined impact to General Fund and Other Funds revenue due to the increase in fines and fees collections in court.

Local Expenditure

RFA anticipates that this bill may result in an increase in local expenditures due to a potential increase in the local jail population due to violations of the newly created recreational crab trap limits. Violations are punishable by imprisonment for not more than thirty days or a fine of \$100 to \$500. However, as the number of such offenses that might occur in a given year is unknown, the potential increase in the local jail population and local expenditure is undetermined.

Local Revenue

This bill may increase fine revenue due to the newly created recreational blue crab limit. Violations are punishable by imprisonment for not more than thirty days or a fine of \$100 to \$500. This bill may result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, this bill may result in an undetermined impact to local revenue due to the increase in fines and fees collections in court.



Frank A. Rainwater, Executive Director