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FIRST REGULAR SESSION-1991

Legislative Document

No. 474

H.P. 344

House of Representatives, February 8, 1991

Reference to the Committee on Marine Resources suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative MITCHELL of Freeport. Cosponsored by Representative STEVENS of Bangor, Representative HOLT of Bath and Representative RUHLIN of Brewer.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND NINETY-ONE

An Act to Create the Aquaculture Leasing Board.

	Be it enacted by the People of the State of Maine as follows:
2	Sec.1. 5 MRSA §12004-D, sub-§5 is enacted to read:
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	5. Aquaculture Leasing Legislative 12 MRSA §6072
6	Board Per Diem
8	Sec. 2. 12 MRSA §6072, as amended by PL 1987, c. 891, is further amended to read:
10	§6072. Research and aquaculture leases
12 [.] ·	300, W. Mesearch and addressed reason
	1 Authority The - commissioner - may - lease - areas - in - on - and
14	under-the-coastal-waters-including-the-public-lands-beneath-these watersandportionsoftheintertidalzoneferseientifie
16	research-or-for-aquaculture-of-marine-organismsThe-commissioner
	may-grant-a-lease-to-any-personExcept-as-provided-in-this-Part,
18	the-commissioner's-power-to-lease-lands-under-this-section-shall
	beexclusiveForthepurposesofthissection,thedeputy
20	commissioner-may-serve-in-the-place-of-the-commissioner-
22	1-A. Aquaculture Leasing Board established. The
	Aquaculture Leasing Board, referred to in this section as the
24	"board," is created to carry out this section. The purpose of
	the board is to lease areas in, on and under the coastal waters
26	including the public lands beneath those waters and portions of
	the intertidal zone for scientific research or for aquaculture of
28	marine organisms. The board may grant a lease to any person.
	Except as otherwise provided in this Part, the board's power to
30	lease lands under this section is exclusive.
32	1-B. Membership; appointment. The board consists of 5
	members appointed by the Governor and subject to confirmation by
34	the joint standing committee of the Legislature having
	jurisdiction over marine resource matters. The term of the
36	<u>members is 3 years. Members of the board are subject to the</u>
	conflict of interest provisions of Title 5, section 18.
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	1-C. Meetings. The board shall meet quarterly. All
40	<u>meetings of the board are public meetings.</u>
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42	2. Limitations of lease. The commissioner the board shall
	determine the provisions of each lease, provided:
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	A. A lease shall <u>may</u> not exceed a term of 10 years;
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4.0	B. A lease may be granted for tracts not to exceed 5 acres
48	in area. The commissioner <u>board</u> may grant contiguous lease
50	tracts to a single applicant;
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E. The lease does not result in a person being a tenant of any kind in leases covering an aggregate of more than 150 acres; and

F. No single lease may exceed 100 acres in size.

3. Municipal approval. In any municipality with a shellfish conservation program under section 6671, the commissioner board may not lease more than 2 acres of the intertidal zone within the municipality without the consent of the municipal officers.

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4. Applications. The application shall must:

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A. Be written on forms supplied by the commissioner board;

B. Describe the location of the proposed lease tract by coordinates or metes and bounds;

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C. Identify the species to be cultivated;

D-1. Characterize the physical and ecological impact of the project on existing uses of the site and any adverse effects on the existing uses of the area, as defined by regulation promulgated by the Commissioner-of-Marine-Resources board;

D-2. Characterize the physical and ecological impact of the project on potential uses of the site and any adverse effects on the potential uses of the area, as defined by regulation promulgated by the Gemmissioner--of---Marine Resources board;

E. Describe the degree of exclusive use required by the project;

F. Include written permission of every riparian owner whose land to the low water mark will be actually used;

G. Include a map of the lease area and its adjoining waters and shorelands, with the names and addresses of the known riparian owners as listed in the municipal tax records;

H. Include an environmental evaluation of the site upon which the decision to seek a lease was made. The evaluation shall <u>must</u> include, but not be limited to, bottom characteristics, resident flora, fauna and hydrography of the site if appropriate for the proposed lease;

48 I. Describe the proposed source of organisms to be grown at the site; and

J. Include a nonrefundable application fee of at least \$100, but not more than \$1,000, the amount to be set by the

commissioner depending on the proposed acreage, type of aquaculture proposed and complexity of the application.

Application review. The commissioner board shall review á 5. application and set a hearing date if he the board is the written application is complete, 6 satisfied that thethe application indicates that the lease could be granted and the applicant has the financial and technical capability to carry out 8 the proposed activities. A copy of the completed application and notice of hearing shall must be forwarded to the municipality or 10 municipalities in which or adjacent to which the lease is proposed. A municipality shall must be granted intervenor status 12 upon written request.

5-A. Site review. Prior to the lease hearing, the department board shall conduct an assessment of the proposed site 16 and surrounding area to determine the possible effects of the lease on commercially and ecologically significant flora and 18 fauna and conflicts with traditional fisheries. This review shall must take place between May and September inclusive. 20 This information shall must be provided to the intervenors and made available to the public 30 days before the hearing. As part of 22 the site review, the department board shall request information from the municipal harbor master about designated or traditional 24 storm anchorages in proximity to the proposed lease.

6. Hearing procedure. Prior to granting a lease, the eemmissioner <u>board</u> shall hold a hearing. The hearing shall <u>must</u> be an adjudicatory proceeding and shall be held in the manner provided under the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV and the specific procedures of this section.

A. Notwithstanding the provisions of Title 5, section 9052, subsection 1, paragraph A, personal notice of the hearing shall-be-required-te <u>must</u> be given only to the lessee and the known riparian owners, the municipal officials of the municipality or municipalities in which or adjacent to which the lease is located and any interested parties that have provided a written request for notification.

B. Under the provisions of Title 5, section 9052, the leasing procedure shall must require notice to the general
 public.

 46 C. The Department of Environmental Protection and Department of Conservation shall must be notified of all
 48 lease applications.

7-A. Decision. The commissioner-may board shall grant the lease if the proposed project meets the following conditions as defined by regulation:

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A. Will not unreasonably interfere with the ingress and egress of riparian owners;

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B. Will not unreasonably interfere with navigation;

- C. Will not unreasonably interfere with fishing or other uses of the area taking into consideration the number and density of aquaculture leases in an area;
- 10D. Will not unreasonably interfere with the ability of the
lease site and surrounding areas to support existing12ecologically significant flora and fauna;
- E. The applicant has demonstrated that there is an available source of organisms to be cultured for the lease
 site; and
 - F. The lease does not unreasonably interfere with public use or enjoyment within 1,000 feet of municipally owned, state-ewned <u>state-owned</u> or federally owned beaches and parks or municipally owned, state-owned <u>state-owned</u> or federally owned docking facilities.

7-B. Conditions. The commissioner board may establish 24 conditions that govern the use of the leased area and limitations the aquaculture activities. These conditions shall must 26 on encourage the greatest multiple, compatible uses of the leased 28 area, but shall must also address the ability of the lease site and surrounding area to support ecologically significant flora 30 and fauna and preserve the exclusive rights of the lessee to the extent necessary to carry out the lease purpose. The commissioner 32 board may grant the lease on a conditional basis until the lessee has acquired all the necessary federal, state and local permits. 34 A lease may not be approved unless the commissioner board has received certification from the Department of Environmental 36 Protection that the project will not violate the standards ascribed to the receiving waters classification, Title 38, section 465-B. 38

- 8. Preference. If more than one person applies to lease an area, preference shall must be given as follows:
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A. First, to the department board;

B. Second, to the riparian owner of the intertidal zone within the leased area;

48 C. Third, to fishermen who have traditionally fished in or near the proposed lease area; and

D. Fourth, to the riparian owner within 100 feet of leased coastal waters.

9. Rents. After consulting with the Director of the Bureau of Public Lands, the commissioner <u>board</u> shall determine the rent which shall <u>must</u> be paid under each lease. The rent shall <u>must</u> represent a fair value based upon the use of and any structures in the leased area, but in no instance may the rental fee be set at less than \$50 an acre. The commissioner-shall-have board has the discretion to increase the rental fees for categories of leases. These changes may take effect over the term of a lease. The commissioner <u>board</u> also may discount a portion of the rental fee during the first 2 years of operation of a new lease. This discounted rate shall may not be less than \$50 an acre.

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10. Lessee's actions. After being granted a lease, each lessee shall:

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A. Record the lease in the registry of deeds of each county in which the leased area is located;

B. Publish a notice in the newspaper in which the eemmissioner board published notice or would have published
notice of any public hearing. The notice shall must describe the area leased and enumerate any restriction in the leased area;

C. Mark the leased area in a manner prescribed by the eommissioner <u>board</u>; and

D. Annually submit to the department <u>board</u> a seeding and harvesting report for the past year and plan for the coming year. Upon written request, a copy of the report shall <u>must</u> be provided by the department <u>board</u> to the municipality or municipalities in which or adjacent to which the lease is located.

11. Revocation. The lease shall <u>must</u> be monitored by the department <u>board</u> on an annual basis. If substantially no research or aquaculture has been conducted within the preceding year, or if it has been conducted in a manner substantially injurious to marine organisms, or if any other condition of the lease has been violated, the eemmissioner <u>board</u> shall initiate revocation proceedings and may revoke the lease. A lease revocation shall-be <u>is</u> an adjudicatory proceeding under the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV. A hearing with public notice shall <u>must</u> be held prior to revoking any lease.

12. Renewal. The commissioner <u>board</u> shall grant a lease renewal unless the prior lessee has not complied with the lease agreement during its term, substantially no research or aquaculture has been conducted, the commissioner <u>board</u> finds that it is not in the best interest of the State to renew the lease or the renewal will cause the lessee to continue being a tenant of any kind in leases covering an aggregate of more than 150 acres.

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Renewals may be granted if applied for no later than 30 days after the lapse of the prior lease. A lease renewal shall-be is an adjudicatory proceeding under the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV. Public notice shall must be given as required under subsection 6 of--this section and a hearing shall must be held if it is requested in writing by 5 persons.

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12-A. Transferability. A lease may be transferred to another person for the remaining portion of its term subject to the following conditions.

A. Lease transfers shall--be are subject to the same
 14 procedural requirements as initial applications, except that
 a public hearing is not mandatory unless requested in
 16 writing by 5 persons.

B. The commissioner <u>board</u> may grant lease transfers if he determines-that:

(1) The change in lessee does not violate any of the standards in subsection 7 <u>7-A or 7-B</u>;

(2) The transfer is not intended to circumvent the intent of subsection 8;

(3) The transfer is not for speculative purposes; and

(4) The transfer will not cause the transferee to be a tenant of any kind in leases covering an aggregate of more than 150 acres.

13. Regulations. The commissioner board may adopt or amend 34 regulations:

36 A. Establishing minimum standards for maintaining leases;

B. For procedures to issue, transfer, review or revoke leases;

C. For notices and hearings to the extent that those procedures are not established by this section or the Maine Administrative Procedure Act, Title 5, chapter 375;

D. For regulating the harvest of wild organisms to be cultured on aquaculture leases;

48 E. For establishing and revaluing fees and rents related to aquaculture; and

F. For defining application requirements and decision criteria.

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14. Conflicts. Whenever a project described in a pending aquaculture lease conflicts or could conflict with a project described in a pending submerged lands act lease, the commissioner <u>board</u> and the Commissioner of Conservation shall determine which project is in the best interests of the State.

15. Rules. The commissioner--shall-promulgate board may adopt rules by-January-1--1988, to define a mussel seed size or seed management and harvest season.

Sec. 3. Transition. On the effective date of this Act, the following transition provisions apply:

 All funds, balances and accounts of the Department of Marine Resources used for, or intended for, purposes associated
 with aquaculture leasing are transferred to the Aquaculture Leasing Board;

 All staffing functions and personnel at the Department
 of Marine Resources allocated to aquaculture leasing are transferred to the Aquaculture Leasing Board;

3. All aquaculture leases held by the Department of Marine 24 Resources are transferred to the Aquaculture Leasing Board; and

 All rules adopted by the Commissioner of Marine Resources relating to aquaculture leases remain in effect until
 changed or repealed by the board.

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Sec. 4. Effective date. This Act takes effect January 1, 1992.

STATEMENT OF FACT

This bill establishes a 5 member Aquaculture Leasing Board and transfers all existing aquaculture leasing authority from the Commissioner of the Department of Marine Resources to the Aquaculture Leasing Board.