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House of Representatives, January 8, 2020

An Act To Amend Maine's Aquaculture Leasing and Licensing Statutes

Submitted by the Department of Marine Resources pursuant to Joint Rule 203. Reference to the Committee on Marine Resources suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative McCREIGHT of Harpswell.

1 Be it enacted by the People of the State of Maine as follows:

- Sec. 1. 12 MRSA §6072, sub-§6, ¶C, as amended by PL 1997, c. 138, §5 and PL
 2011, c. 657, Pt. W, §5, is further amended to read:
- 4 C. The Department of Environmental Protection, the must be notified of all lease 5 <u>applications that involve activities that have a discharge</u>. The Department of 6 Agriculture, Conservation and Forestry and the Department of Inland Fisheries and 7 Wildlife must be notified of all lease applications.
- 8 Sec. 2. 12 MRSA §6072, sub-§11, as amended by PL 2003, c. 247, §7, is further
 9 amended to read:

11. Monitoring and revocation of leases. The department shall monitor a lease 10 under this section on an annual basis. If aquaculture has been conducted in a manner 11 12 substantially injurious to marine organisms or public health, if no substantial aquaculture or research has been conducted over the course of the lease or if any condition of the 13 lease or any minimum lease standard has been violated, the commissioner may initiate 14 revocation proceedings and revoke the lease. A lease revocation is an adjudicatory 15 proceeding under Title 5, chapter 375, subchapter 4. The department shall hold a hearing 16 with public notice prior to revoking any lease. 17

- 18 Sec. 3. 12 MRSA §6072, sub-§12, as amended by PL 2011, c. 93, §3, is further
 19 amended to read:
- 20 **12. Renewal.** The commissioner shall renew a lease if:
- A. The commissioner receives, at least 90 <u>30</u> days prior to the expiration of a lease, an application for renewal that includes information on the type and amount of aquaculture to be conducted during the new lease term;
- 24 B. The lessee has complied with the lease agreement during the term of the lease;
- C. The commissioner determines that renewal of the lease is in the best interest of
 the State;
- D. Except as provided in subsection 13-A, the renewal will not cause the lessee to become a tenant of any kind in leases covering an aggregate of more than 500 acres; and
- 30 E. The lease is not being held for speculative purposes.
- If a person who holds a lease pursuant to this section applies to renew the lease, the lease remains in effect until the commissioner makes a decision on the renewal application. If the renewal is denied, the lease expires 30 days after the date of the commissioner's decision.
- When aquaculture has not been routinely or substantially conducted on a lease that is proposed for renewal, the commissioner may renew the lease, as long as the proposed renewal will continue to meet the criteria for approval in subsection 7-A.

A lease renewal is an adjudicatory proceeding under Title 5, chapter 375, subchapter 4. 1 2 Public notice must be given as required under subsection 6 and a to the known riparian owners, the municipal officials of the municipality or municipalities in which or adjacent 3 to which the lease is located and any interested parties that have provided a written 4 request for notification; under the provisions of Title 5, section 9052, to the general 5 public; and, for leases involving activities that have a discharge, to the Department of 6 Environmental Protection. The Department of Agriculture, Conservation and Forestry 7 and the Department of Inland Fisheries and Wildlife must be notified of all lease renewal 8 9 applications. A person may provide to the commissioner comments on the proposed lease renewal within 30 days of receipt of notice or within 30 days of publication of the 10 proposed renewal. A hearing must be held if it is requested in writing by 5 persons 11 within the 30 days. The commissioner may review multiple leases concurrently during 12 the lease renewal process. 13

- A lease renewal application must include a nonrefundable application fee of no more than \$1,500, the amount to be set by the commissioner depending on the type of aquaculture permitted by the lease.
- Sec. 4. 12 MRSA §6072, sub-§12-A, ¶C, as amended by PL 2009, c. 229, §2, is
 further amended to read:
- C. The commissioner shall establish by rule the fee for transferring a lease under this subsection, which may not exceed \$5,000, based on the type of aquaculture conducted and the size of the lease. The transferee must pay the fee prior to the execution of the lease at the time application for the transfer is made. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- 25 Sec. 5. 12 MRSA §6072, sub-§12-C, as enacted by PL 2017, c. 159, §4, is 26 amended to read:
- 12-C. Expansion of lease. A person who holds has held a lease under this section
 for at least 2 years from the date the lease was executed may apply to the commissioner
 to expand the contiguous area of the lease by up to 25%, but may not expand by more
 than 4 acres, once during the duration of the term of the lease pursuant to this subsection.
- 31 A. The lease holder shall submit an application written on forms supplied by the 32 commissioner:
- 33 (1) Describing the location of the proposed lease expansion area by coordinates
 34 or metes and bounds;
- 35 (2) Characterizing the physical and ecological impact of the lease expansion on
 36 existing uses of the site and any adverse effects on existing uses of the area, as
 37 defined by rules adopted by the commissioner;
- 38 (3) Including the written permission of every riparian owner whose land to the
 39 low-water mark will be used;
- 40 (4) Including a map of the lease area and its proposed expansion, and its
 41 adjoining waters and shorelands, with the names and addresses of the known
 42 riparian owners as listed in the municipal tax records and documentation showing

1 that the lease holder has informed each of those riparian owners of the 2 application and the opportunity for comment as provided in paragraph B; 3 (5) Including an environmental evaluation of the site upon which the decision to seek an expansion of the lease was made. The evaluation must include, but is not 4 limited to, bottom characteristics, resident flora and fauna and hydrography of the 5 site if appropriate for the proposed lease; and 6 (6) Including a nonrefundable application fee of at least \$100, but not more than 7 8 \$2,000, the amount to be set by the commissioner depending on the proposed acreage, type of aquaculture proposed and complexity of the expansion 9 10 application. 11 B. The commissioner shall review the application. When the commissioner has determined that the application for the lease expansion is complete, the commissioner 12 shall provide notice to the known riparian owners and to the municipal officers of the 13 14 municipality or municipalities in which or adjacent to which the lease expansion is proposed. The commissioner applicant shall publish in a newspaper of general 15 circulation in the municipality or municipalities in which the lease expansion is 16 proposed a summary of the application and notice of the opportunity to submit 17 comments regarding the proposed lease expansion to the commissioner during a 18 period of at least 30 days following the date of publication of the lease expansion 19 summary. 20 C. The commissioner may conduct an assessment of the proposed lease expansion 21 area to determine possible effects of the lease on commercially and ecologically 22 significant flora and fauna. 23 24 D. The commissioner shall consider comments received during the period for comments set pursuant to paragraph B. 25 E. If the commissioner determines that, based upon the application and comments 26 received, the lease expansion meets the requirements of subsection 7-A, the 27 28 commissioner may approve the request for the lease expansion. Sec. 6. 12 MRSA §6072, sub-§13, as amended by PL 2017, c. 159, §5, is further 29 amended to read: 30 **13. Regulations Rules.** The commissioner may adopt or amend regulations rules: 31 A. Establishing minimum standards for maintaining leases; 32 33 B. For procedures to issue, transfer, review, assign, expand or revoke leases; C. For notices and hearings to the extent that those procedures are not established by 34 this section or the Maine Administrative Procedure Act, Title 5, chapter 375; 35 D. For regulating the harvest of wild organisms to be cultured on aquaculture leases; 36 E. For establishing and revaluing fees and rents related to aquaculture. In addition to 37 fees authorized under this section, the commissioner may establish fees for services 38 provided by the department to lease holders if they request testing or location-specific 39 studies to ensure their products are safe for human consumption; 40

F. For defining application requirements, an application review process and decision
 criteria;

3 G. For modifying operations or adding or deleting authorization for the holder of an aquaculture lease to grow specific species and or to use specific gear on the lease site. 4 A change in authorization is These changes are not an adjudicatory proceeding 5 proceedings. The commissioner shall establish by rule the fee for modifying a lease 6 under this paragraph, which may not exceed \$200. The regulations rules must 7 provide for notice of proposed changes in gear authorization to the public, riparian 8 landowners and the municipality in which the lease is located and an opportunity to 9 submit written comments on the proposal. Authorization to add species or gear must 10 be consistent with the findings made under subsection 7-A when the lease was 11 12 approved; and

13 H. For establishing fallowing requirements and procedures.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,
 chapter 375, subchapter 2-A.

Sec. 7. 12 MRSA §6072-A, sub-§8, as amended by PL 2013, c. 509, §4, is
 further amended to read:

8. Rules; general and lease application. The commissioner may adopt rules to 18 19 implement the provisions of this section. Within 180 days of the effective date of this section, the commissioner shall adopt rules regarding a limited-purpose lease application. 20 The rules must require an applicant to, at a minimum, meet the requirements of section 21 6072, subsection 2, paragraph E and subsection 4, paragraphs A, B, C, E, F, G and J. The 22 rules must also require an applicant to provide to the department proof of access to the 23 lease area. If access will be across riparian land, the applicant shall provide to the 24 department the written permission of every riparian owner whose land will be used to 25 access the lease area. The commissioner may adopt rules to add or delete authorization 26 for the holder of an aquaculture lease to grow specific species and to use specific gear on 27 the lease site. A change in authorization is not an adjudicatory proceeding. The rules 28 must provide for notice of proposed changes in gear authorization to the public, riparian 29 30 landowners and the municipality in which the lease is located and an opportunity to submit written comments on the proposal. Authorization to add species or gear must be 31 consistent with the findings made under subsection 13 when the lease was approved. 32

33 Sec. 8. 12 MRSA §6072-C, sub-§2, as amended by PL 2017, c. 159, §6, is
 34 further amended to read:

2. Licensed activities. The holder of a limited-purpose aquaculture license may place marine organisms on the ocean bottom without gear or utilize approved aquaculture gear in a site in the coastal waters of the State to engage in certain aquaculture activities that meet the criteria established in subsection 2-A and in rules adopted by the commissioner. The license also authorizes unlicensed individuals to assist the license holder in the licensed activities with the written permission under the direct supervision of the license holder.

1 2	Sec. 9. 12 MRSA §6072-C, sub-§6, as amended by PL 2009, c. 229, §7, is further amended to read:
3 4 5 6	6. Fee. The application fee for a resident limited-purpose aquaculture license is $$50$ \$100 and $$300$ $$400$ for a nonresident limited-purpose aquaculture license. The application fee is nonrefundable. All fees collected under this subsection must be deposited in the Aquaculture Research Fund established in section 6081.
7	SUMMARY
8	This bill amends the aquaculture leasing and licensing statutes to:
9 10	1. Provide that the Department of Environmental Protection receives notices only of those lease applications that involve activities that have a discharge;
11 12 13	2. Expand the reasons under which the Commissioner of Marine Resources may initiate lease revocation proceedings to include operating in a manner substantially injurious to public health or violating minimum lease standards;
14 15	3. Reduce the number of days in advance of which an individual must apply for the renewal of a lease from 90 days prior to the expiration to 30 days prior to the expiration;
16	4. Clarify notice requirements when a standard lease is proposed for renewal;
17 18	5. Require the fee for a lease transfer to be paid upon application for the transfer instead of at the execution of the lease;
19 20	6. Specify that a person may not apply for an expansion of a lease until the person has held that lease for a minimum of 2 years;
21 22 23 24	7. Move the responsibility for notifying riparian landowners of an application for a lease expansion from the applicant to the Department of Marine Resources and move the responsibility for providing public notice in the newspaper from the department to the applicant;
25 26 27	8. Establish the rule-making authority for the commissioner to establish fees for services provided by the department to lease holders if they request testing or studies to ensure their products are safe for human consumption;
28 29	9. Broaden the language allowing changes to leases and require the commissioner to establish a fee for making changes to a lease;
30 31	10. Remove the commissioner's rule-making authority regarding changes to limited- purpose leases;
32 33 34	11. Limit the ability of the holder of a limited-purpose aquaculture license to have unlicensed individuals participate in the licensed activities by requiring their direct supervision by the license holder; and

1 12. Raise the fee for a limited-purpose aquaculture license from \$50 to \$100 for a 2 resident and from \$300 to \$400 for a nonresident.