

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB645

Patron: Kent

Bill Title: Marine Resources Commission; marking of commercial fishing boats, nets, and other devices.

Bill Summary: Provides that license tags or identification numbers for commercial fishing boats, nets, and other devices shall be attached and displayed in a manner prescribed by the Marine Resources Commission and repeals a provision that requires a licensee to apply for a new tag within 24 hours after the discovery of the destruction or loss of the original tag. Currently, the requirements for attaching and displaying license tags or identification numbers are set forth in state law.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: This bill involves the Marine Resources Commission (MRC); however, no budget action is required. See Fiscal Analysis section, below.

Fiscal Summary: It is anticipated that this bill may have an indeterminate expenditure and revenue impact on MRC. MRC's expenditures may decrease due to an eliminated cost of providing license tags to licensing agents. State revenues may increase by allowing commercial gear licenses to be purchased directly from the agency rather than through a licensing agent, eliminating a licensing agent fee.

Fiscal Analysis: This impact statement is preliminary and will be updated as information is received.

This legislation removes the requirement for physical tags on permitted commercial fishing gears and allows for license tags or identification numbers to be attached and displayed as prescribed by MRC. The agency anticipates that the provisions of this bill will reduce agency material costs for purchasing tags and increase state-retained license fee revenue. MRC currently works with 11 licensing agents that issue license tags for commercial fishing gear. The agency purchases the physical tags, which are provided to licensing agents at no cost. This bill would eliminate this expenditure. The Commission spent approximately \$2,600 on tags for licenses last license year.

Agents currently retain \$1.00 of each applicable license sold and the agency receives the remaining revenue, which is either deposited into its Marine Fishing Improvement Fund or sent to the Marine Products Board under the Virginia Department of Agriculture and Consumer Services. This change would eliminate the agent fee, as licenses would be purchasable directly from the agency, and likely increase state revenues. The agency currently offers 34 licenses that require physical tags for gear. Last fiscal year, the agency sold 6,280 of these licenses and generated \$212,667 in revenue, with MRC retaining \$76,981.50, licensing agents \$6,280, and the Marine Products Board \$129,405.50. Because physical tags would no longer need to be placed on gear but license purchasing would still be required, the legislation is not anticipated to impact license sales.

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The agency may need to implement a short-term education and outreach campaign for enforcement officers and industry participants to ensure parties are aware of this change, which would result in an absorbable increase in workload.

Other: None.