#### GENERAL ASSEMBLY OF NORTH CAROLINA

#### **SESSION 1993**

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#### **HOUSE BILL 297\***

Short Title: Marine Fisheries License to Sell.	(Public)
Sponsors: Representatives Redwine and James.	_
Referred to: Agriculture.	_

# February 25, 1993

1 A BILL TO BE ENTITLED

2 AN ACT TO REQUIRE A LICENSE TO SELL FISH TAKEN FROM COASTAL 3 FISHING WATERS AND TO AMEND OTHER MARINE FISHERIES 4 STATUTES.

The General Assembly of North Carolina enacts:

Section 1. Article 14 of Chapter 113 of the General Statutes is amended by adding a new section to read:

### "§ 113-154.1. License to sell fish.

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- (a) License Requirements. Except as otherwise provided in this section, it is unlawful for any person who takes or lands any species of fish under the authority of the Marine Fisheries Commission from coastal fishing waters by any means whatever, including aquaculture operations, to sell, offer for sale, barter or exchange for merchandise such fish, without having first procured a current and valid individual license to sell fish. It is unlawful for fish dealers to buy fish unless the seller presents a current and valid license to sell at the time of the transaction. Any subsequent sale of fish shall be subject to the licensing requirements of fish dealers under G.S. 113-156.
- (b) Fees. The annual fee for a license to sell fish for a resident of this State is thirty-five dollars (\$35.00) and for a nonresident of this State two hundred fifty dollars (\$250.00) or an amount equal to the nonresident fee charged by the nonresident's state, whichever is greater. The license shall be valid for the period July 1 through June 30 of a given year. A replacement license to sell fish may be issued by the Marine Fisheries Commission for a lost or destroyed license upon receipt of a proper application together
- 23 with a five dollar (\$5.00) fee.

- (c) <u>License Format.</u> The format of the license shall include the name of the licensee, date of birth, social security number, expiration date of the license, and any other information the Division deems necessary to accomplish the purposes of this Subchapter. The license shall be issued on a card made of hard plastic or metal capable of being used to make imprints of the sale or transaction.
- (d) Application for License. An application for issuance or renewal of a license to sell shall be filed with the Morehead City offices of the Division of Marine Fisheries or license agents authorized to sell licenses under this Article. An application shall be accompanied by the fee established in subsection (b) of this section. Applications shall not be accepted from persons ineligible to hold a license issued by the Marine Fisheries Commission, including any applicant whose license is suspended or revoked on the date of the application. The applicant shall be provided with a copy of the application marked received. The copy shall serve as the license to sell, until the license issued by the Division is received or the Division determines that the applicant is ineligible to hold a license. In addition to the information required in subsection (c) of this section, the applicant shall disclose on the application a valid address, and each license issued by the Commission to the applicant or any business owned in whole or in part by the applicant, that is suspended or revoked on the date of the application and such other information as the Division may require.
- (e) Application for Replacement License. A replacement license shall only be obtained from the Morehead City offices of the Division of Marine Fisheries. The Division shall not accept an application for a replacement license unless the Division determines that the applicant's current license has not been suspended or revoked. A copy of an application duly filed with the Division shall serve as the license until the replacement license has been received.
- (f) Sale of Fish. It is unlawful for any person licensed under this section to sell fish taken outside the territorial waters of North Carolina or to sell fish taken from coastal fishing waters except to:
  - (1) Fish dealers licensed under G.S. 113-156; or
  - (2) The public, if the seller is also licensed as a fish dealer under G.S. 113-156.
- (g) Recordkeeping Requirements. The fish dealer shall record each transaction on a form provided by the Department. The transaction form shall include the information on the license to sell of the seller, the quantity of the fish, the identity of the fish dealer, and such other information as the Division deems necessary to accomplish the purposes of this Subchapter. The person who records the transaction shall provide a completed copy of the transaction form to the Department, and to the other party of the transaction. The Department copy of each transaction from the preceding month shall be transmitted to the Department by the fish dealer on or before the tenth day of the following month.
- (h) <u>License Nontransferable. A license to sell fish issued under this section is nontransferable.</u> It is unlawful to use a license to sell issued to another person in the sale or attempted sale of fish or for a licensee to lend or transfer a license to sell with the following two exceptions: (i) an individual under the age of 16 may sell fish under the

- license of a relative or guardian; or (ii) a license may be transferred within a single fishing operation if the person to whom it is transferred is a U.S. citizen. It is unlawful for a licensee to lend or transfer a license to sell for the purpose of circumventing the requirements of this section.
- (i) Penalties. Any person who violates any provision of this section or any rule by the Marine Fisheries Commission to implement this section is guilty of a misdemeanor.
  - (1) A violation of subsections (a), (f), or (h) or a rule of the Marine Fisheries Commission implementing any of those subsections is a misdemeanor punishable as follows:
    - a. For a first conviction, a fine of not less than fifty dollars (\$50.00) or double the value of the fish which are the subject of the transaction, whichever is greater, not to exceed two hundred fifty dollars (\$250.00), or imprisonment not to exceed 30 days.
    - b. For a second conviction within three years, a fine of not less than two hundred fifty dollars (\$250.00) or double the value of the fish which are the subject of the transaction, whichever is greater, not to exceed five hundred dollars (\$500.00), or imprisonment not to exceed 90 days, or both.
    - c. For a third or subsequent conviction within three years, a fine of not less than five hundred dollars (\$500.00) or double the value of the fish which are the subject of the transaction, whichever is greater, or imprisonment not to exceed six months, or both.
  - (2) A violation of any other provision of this section other than subsections (a), (f), or (h), or of any rule of the Marine Fisheries Commission other than a rule implementing subsections (a), (f), or (h), is punishable under G.S. 113-135(a).
- (j) Proceeds of Sale. Income received by the State from the sale of licenses to sell fish under G.S. 113-154.1 shall be used to defray the costs of the fisheries data information system of the Division of Marine Fisheries and for new or expanded marine fisheries programs or research projects which enhance knowledge of and use of marine and estuarine resources. The fisheries data information system operated by the Division of Marine Fisheries or its contract agent shall be used to compile fisheries data in conjunction with the licensing program established in this section."
  - Sec. 2. G.S. 113-152(a) reads as rewritten:
- "(a) The following vessels are subject to the licensing requirements of this section:
  - (1) All vessels engaged in commercial fishing operations in coastal fishing waters;
  - (2) All North Carolina vessels engaged in commercial fishing operations without the State which result in landing and selling—fish in North Carolina. North Carolina vessels are those which have their primary situs in North Carolina. Motorboats with North Carolina numbers under the provisions of Chapter 75A of the General Statutes are

deemed to have their primary situs in North Carolina: documented vessels which list a North Carolina port as home port are deemed to have their primary situs in North Carolina; and

(3) All nonresident vessels engaged in commercial fishing operations within the State or engaged in commercial fishing operations without the State that result in landing and selling-fish in North Carolina.

'Commercial fishing operations' are all operations preparatory to, during, and subsequent to the taking of fish:

- (1) With the use of commercial fishing equipment; or
- (2) By any means, if a primary purpose of the taking is to sell the fish.

Commercial fishing operations also includes taking people fishing for hire.

It is unlawful for the owner of a vessel subject to licensing requirements to permit it to engage in commercial fishing operations without having first procured the appropriate licenses including vessel, gear, or other license required by the Commission. It is unlawful for anyone to command such a vessel engaged in commercial fishing operations without complying with the provisions of this section and of rules made under the authority of this Article. It is unlawful for anyone to command such a vessel engaged in commercial fishing operations that does not meet the license requirements of this Article or of rules made under the authority of the Article, or without making reasonably certain that all persons on board are in compliance with the provisions of this Article and rules made under the authority of this Article. It is unlawful to participate in any commercial fishing operation in connection with which there is a vessel subject to licensing requirements not meeting the licensing requirements under the provisions of this Article or of rules made under the authority of this Article.

Nothing in this section shall require the licensing of any vessel used solely for oystering, scalloping, or clamming by a person not required to have an oyster, scallop, and clam license under the provisions of G.S. 113-154. Spears or gigs shall not be deemed commercial fishing equipment unless used in an operation the purpose of which is the taking of fish for commercial purposes."

Sec. 3. G.S. 113-153 reads as rewritten:

# "§ 113-153. Vessels fishing beyond territorial waters.

- (a) Persons aboard vessels not having their primary situs in North Carolina which are carrying a cargo of fish taken outside the waters of North Carolina may land and sell their catch in North Carolina by complying with the licensing provisions of G.S. 113-152 with respect to the vessel in question. The Marine Fisheries Commission may by rule modify the licensing procedure set out in G.S. 113-152 in order to devise an efficient and convenient procedure for licensing out-of-state vessels after landing in order to permit sale of cargo. Provided, that persons aboard vessels having a primary situs in a jurisdiction that would allow North Carolina vessels without restriction to land and sell-their catch, taken outside such jurisdiction, may land and sell-their catch in North Carolina without complying with this section if such persons are in possession of a valid license from their state of residence.
- (b) It is unlawful for a person aboard a vessel not having a primary situs in North Carolina to sell fish taken in a fishing operation involving the vessel without first having

 procured a license to sell fish under G.S. 113-154.1. An out-of-state vessel must comply with G.S. 113-152 in order to be eligible for a license to sell fish under G.S. 113-154.1."

Sec. 4. G.S. 113-154 reads as rewritten:

### "§ 113-154. Oyster, scallop and clam-Shellfish and crab licenses.

- (a) In addition to all other license requirements, every individual engaged in taking oysters, scallops, or clams—It is unlawful for an individual to take shellfish or crabs from the public or private grounds of North Carolina by mechanical means or for commercial use by any means whatever must have without having first procured an individual oyster, scallops, and clam-shellfish and crab license.
- (b) It is unlawful for any individual to take oysters, scallops, or clams shellfish or crabs for commercial use from the public or private grounds of North Carolina without having ready at hand for inspection a current and valid oyster, scallop, and clam-shellfish and crab license issued to him personally and bearing his correct name and address. It is unlawful for any such individual taking or possessing freshly taken oysters, scallops, or clams shellfish or crabs to refuse to exhibit his license upon the request of an officer authorized to enforce the fishing laws.
- (c) Oyster, seallop, and clam Shellfish and crab licenses are issued annually on a fiscal year basis upon payment of a fee of four dollars (\$4.00) fifteen dollars (\$15.00) upon proof that the license applicant is a resident of North Carolina: Provided, that persons under 16 years of age are exempt from the license requirements of this section if they are accompanied by their parent or guardian who is in compliance with the requirements of this section or if they have in their possession their parent's or guardian's oyster, seallop, and clam shellfish and crab license.
- (d) In the event an individual possessing an oyster, seallop, and clam a shellfish and crab license changes his name or address or receives one erroneous in this respect, he must within 30 days surrender the license for one bearing the correct name and address. An individual prosecuted for failure to possess a valid license is exonerated if he can show that the invalidity consisted solely of an incorrect name or address appearing in a license to which he was lawfully entitled and that the erroneous condition had not existed for longer than 30 days.
- (e) It is unlawful for an individual issued an oyster, seallop, and clam a shellfish and crab license to transfer or offer to transfer his license, either temporarily or permanently, to another. It is unlawful for an individual to secure or attempt to secure an oyster, seallop, or clam a shellfish and crab license from a source not authorized by the Marine Fisheries Commission."

Sec. 5. G.S. 113-156 reads as rewritten:

# "§ 113-156. Licenses for fish dealers.

(a) <u>License Requirement.</u> Except as otherwise provided in this Article, every person who sells fish or has any connection whatever with fish that results in his enrichment is a fish dealer, provided that individual employees of fish dealer's are not fish dealer's merely by virtue of transacting the business of their employers. <u>section</u>, it is unlawful for any person involved in a fishing operation not licensed pursuant to this section:

- To buy fish for resale from any person involved in a coastal fishing (1) operation that takes any species of fish under the authority of the Marine Fisheries Commission from coastal fishing waters. For purposes of this subdivision, a retailer who purchases fish from a fish dealer shall not be liable if the fish dealer has not complied with the licensing requirements of this act: To sell fish to the public subject to the licensing requirements of G.S. (2)
  - (2) To sell fish to the public subject to the licensing requirements of G.S. 113-153(b); or
  - (3) To sell to the public any species of fish under the authority of the Marine Fisheries Commission taken from coastal fishing waters by that coastal fishing operation.

Any person subject to the licensing requirements of this section is a fish dealer. Any person subject to the licensing requirements of this section shall obtain a separate license or set of licenses for each location conducting activities required to be licensed under this section.

- (b) Exceptions to License Requirements. The Marine Fisheries Commission may make reasonable rules to implement this section by clarifying the status of particular classes of persons as regards fish dealerships. subsection including rules to clarify the status of the listed classes of exempted persons, require submission of statistical data and require that records be kept in order to establish compliance with this section. Any person not licensed pursuant to this section is exempt from the licensing requirements of this section if all fish handled within any particular licensing category meet one or more of the following requirements:
- Persons all of whose dealings with a category of fish fall under one or more of the following headings are not fish dealers as respects that category:
  - (1) Persons—The fish are sold by persons whose dealings in fish are primarily educational, scientific, or official. Scientific, educational, or official agencies—official, and who have been issued a permit by the Division that authorizes the educational, scientific, or official agency to may sell fish harvested or processed in connection with research or demonstration projects—projects; without being deemed dealers, but such sales are subject to such reasonable rules as the Marine Fisheries Commission may make governing such sales.
  - (2) Individuals selling legally acquired fish other than oysters and clams to individuals other than dealers on a casual, noncommercial basis, provided that such sales do not net in excess of five hundred dollars (\$500.00) in cash or equivalent value in any 12-month period. Any public offer to sell, or peddling of fish, is deemed commercial.
  - (3) Fishermen who sell their catch exclusively to fish dealers licensed under this section if the fish taken by any fisherman meets one of the following requirements:
    - a. The fish were taken lawfully in coastal fishing waters other than through the use of a vessel licensed under G.S. 113-152, and the

value of such fish sold does not exceed five hundred dollars 1 2 (\$500.00) in any 12-month period. 3 The fish were taken in a commercial fishing operation meeting b. all licensing requirements, and he was a party to the operation. 4 5 The fish were taken by him, whether by sports or commercial e. 6 methods, through the use of a vessel currently and validly 7 licensed under G.S. 113-152. 8 The fish were taken by him in inland fishing waters in <del>d.</del> 9 conformity with the laws and rules administered by the Wildlife 10 Resources Commission and are of a type permitted to be sold by the Wildlife Resources Commission. 11 12 The fish taken were oysters, scallops, or clams and the person e. 13 satisfies the dealer that he took them or participated in the 14 taking, that he then had a current and valid oyster, scallop, and 15 clam license issued to him personally, and that they were taken 16 lawfully. 17 Every fish dealer is subject to the licensing requirements of this section unless 18 all fish handled within any particular licensing category meet one or more of the following requirements: 19 20 The fish are sold by individual employees of fish dealers when (2) 21 transacting the business of their duly licensed employer; (1)(3) The fish are shipped to him-a person by a dealer from without the State. 22 23 State: 24 The fish are nongame fish taken in inland fishing waters. (2)25 (3)(4) The fish are of a kind the sale of which is regulated exclusively by the Wildlife Resources Commission. Commission; or 26 27 (4)(5) The fish are purchased from a licensed dealer. dealer. In the event the seller is a licensed fish dealer, he must satisfy any purchasing fish 28 29 dealer, whether licensed or unlicensed, that the fish were acquired in conformity with 30 law. It is unlawful for a fish dealer to purchase or sell or in any manner deal in fish 31 except in conformity with the provisions of this section. 32 (d) Every fish dealer subject to the licensing provisions of this section must secure a 33 separate license or set of licenses for each established location. 34 (c) Fees. – Every fish dealer subject to licensing requirements must secure an 35 annual license at each established location for each of the following activities transacted there, upon payment of the fee set out: 36 37 Dealing in oysters: (1) 38 Oyster shucker-packer (including sale of shell stock), one a. 39 hundred dollars (\$100.00). Oyster shell stock shipper, fifty dollars (\$50.00). 40 b. Dealing in scallops: 41 (2) 42 Scallop shucker-packer (including sale of shell stock), one a. hundred dollars (\$100.00). 43

Scallop shell stock shipper, fifty dollars (\$50.00).

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1 (3) Dealing in clams:

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- 2 a. Clam shucker-packer (including sale of shell stock), one hundred dollars (\$100.00).
  - b. Clam shell stock shipper, fifty dollars (\$50.00).
  - (4) Dealing in hard and soft crabs:
    - a. Crab processor (including dealing in unprocessed crabs), one hundred dollars (\$100.00).
    - b. Unprocessed crab dealer, fifty dollars (\$50.00).
  - (5) Dealing in shrimp:
    - a. Shrimp processor (including dealing in unprocessed shrimp), one hundred dollars (\$100.00).
    - b. Unprocessed shrimp dealer, fifty dollars (\$50.00).
  - (6) Dealing in finfish:
    - a. Finfish processor (including dealing in unprocessed finfish), one hundred dollars (\$100.00).
    - b. Unprocessed finfish dealer, fifty dollars (\$50.00).
  - (7) Operating menhaden processing plant, one hundred dollars (\$100.00).
  - (8) Operating any other fish-dehydrating or oil-extracting plant, fifty dollars (\$50.00).

Any person subject to fish-dealer licensing requirements who deals in fish not included in the above categories must secure a finfish dealer license. The Marine Fisheries Commission may make reasonable rules implementing and clarifying the dealer categories of this subsection.

- (d) <u>License Format.</u> The format of the license shall include the name of the licensee, date of birth, social security number, name and address of each business location, expiration date of the license, and any other information the Division deems necessary to accomplish the purposes of this Subchapter.
- Application for License. An application for a fish dealer's license shall be filed with the Morehead City offices of the Division of Marine Fisheries. application shall be accompanied by the fee established in subsection (c) of this section. Applications shall not be accepted from persons ineligible to hold a license issued by the Marine Fisheries Commission, including any applicant whose license is suspended or revoked on the date of the application. The applicant shall be provided with a copy of the application marked received. The copy shall serve as the fish dealer's license until the license issued by the Division is received or the Division determines that the applicant is ineligible to hold a license. Where a dealer an applicant does not have an established location for transacting the fisheries business within the State, the license application must be denied unless the applicant satisfies the Secretary that his residence. or some other office or address, within the State, is a suitable substitute for an established location and that records kept in connection with licensing, sale, and tax purchase requirements will be available for inspection when necessary. Fish dealers' licenses are issued on a fiscal year basis upon payment of a fee as set forth herein upon proof, satisfactory to the Secretary, that the license applicant is a resident of North Carolina.

- (f) Application for Replacement License. A replacement license shall only be obtained from the Morehead City offices of the Division of Marine Fisheries. The Division shall not accept an application for a replacement license unless the Division determines that the applicant's current license has not been suspended or revoked. A copy of an application duly filed with the Division shall serve as the license until the replacement license has been received.
- (g) Purchase and Sale of Fish. It is unlawful for a fish dealer to buy fish unless the seller possesses a current and valid license to sell and the dealer records the transaction on a form provided by the Department consistent with the recording requirements of G.S. 113-154.1. It is unlawful for a fish dealer to possess or sell fish taken from coastal fishing waters in violation of this Subchapter or the rules adopted by the Marine Fisheries Commission implementing this Subchapter.
- (h) <u>License Nontransferable. Any fish dealer license issued under this section is nontransferable.</u> It is unlawful to use a fish dealer license issued to another person in the sale or attempted sale of fish or for a licensee to lend or transfer a fish dealer license for the purpose of circumventing the requirements of this section.
- (i) Penalties. Any person who violates any provision of this section or any rule by the Marine Fisheries Commission to implement this section is guilty of a misdemeanor.
  - (1) A violation of subsections (a), (g), or (h) or a rule of the Marine Fisheries Commission implementing any of those subsections is a misdemeanor punishable as follows:
    - a. For a first conviction, a fine of not less than fifty dollars (\$50.00) or double the value of the fish which are the subject of the transaction, whichever is greater, not to exceed two hundred fifty dollars (\$250.00), or imprisonment not to exceed 30 days.
    - b. For a second conviction within three years, a fine of not less than two hundred fifty dollars (\$250.00) or double the value of the fish which are the subject of the transaction, whichever is greater, not to exceed five hundred dollars (\$500.00), or imprisonment not to exceed 90 days, or both.
    - c. For a third or subsequent conviction within three years, a fine of not less than five hundred dollars (\$500.00) or double the value of the fish which are the subject of the transaction, whichever is greater, or imprisonment not to exceed six months, or both.
  - (2) A violation of any other provision of this section other than subsections (a), (g), or (h), or of any rule of the Marine Fisheries Commission other than a rule implementing subsections (a), (g), or (h), is punishable under G.S. 113-135(a)."

Sec. 6. G.S. 113-161 reads as rewritten:

### "§ 113-161. Nonresidents reciprocal agreements.

Persons who are not residents of North Carolina are not entitled to obtain licenses under the provisions of G.S. 113-152 or G.S. 154.1 except as hereinafter provided. Residents of jurisdictions which sell commercial fishing licenses to North Carolina

- residents are entitled to North Carolina commercial fishing licenses under the provisions of G.S. 113-152 or G.S. 154.1. Such licenses may be restricted in terms of area, gear and fishery by the commission Marine Fisheries Commission so that the nonresidents are licensed to engage in North Carolina fisheries on the same or similar terms that North Carolina residents can be licensed to engage in the fisheries of such other jurisdiction. The Secretary may enter into such reciprocal agreements with other jurisdictions as are necessary to allow nonresidents to obtain commercial fishing licenses in North Carolina subject to the foregoing provisions."
  - Sec. 7. Article 15 of Chapter 113 is amended by adding a new section to read:
  - "§ 113-168. Combined Fisheries License. The Marine Fisheries Commission may adopt rules to authorize the Division to issue a consolidated license of two or more of the required individual licenses under this Article. The fee for each individual license issued through the combined license shall be paid when the application for the combined license is submitted."
    - Sec. 8. G.S. 113-129(14) reads as rewritten:
    - "(14) Shellfish. Mollusca, specifically including oysters, clams, mussels, and seallops. scallops, conchs and whelks."
  - Sec. 9. The Marine Fisheries Commission may use such powers as may be reasonably necessary to accomplish the purposes of this act. The Marine Fisheries Commission shall report to the Joint Legislative Commission on Seafood and Aquaculture on its progress toward implementation of the Combined Fisheries License set forth in Section 7 of this act and on the license to sell established by this act by October 1, 1993.
  - Sec. 10. This act becomes effective upon ratification, except any new or increased fees for licenses are applicable to licenses that become effective on July 1, 1993. This act shall sunset on July 1, 1996.