



RHODE ISLAND

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

DIVISION OF MARINE FISHERIES

Three Fort Wetherill Road

Jamestown, Rhode Island 02835

Regulatory Analysis

Proposed Amendments to RIDEM Marine Fisheries Regulations “Part 7 – Dealers”

INTRODUCTION

The Rhode Island Department of Environmental Management (Department) Division of Marine Fisheries (DMF) is proposing regulatory changes to 250-RICR-90-00-7 – Dealers. Specifically, DMF is proposing the following regulatory amendments:

- 1) Amend dealer regulations to require that all applicants for a RI dealer's license (finfish, shellfish, crustacean, and multi-purpose) provide documentation attesting that they, or their registered agent, maintain a fixed place of business in the state (7.6(B), 7.7(B), 7.8(B), & 7.9(B)).

This regulatory analysis has been prepared to estimate the impact of the proposed regulatory changes pursuant to the Administrative Procedures Act (APA), R.I. Gen. Law § 42-35-2.9.

For all proposed regulatory amendments, fishing behavior, market conditions, or market changes, cannot be traced in this analysis to these regulations. This is due to the fact that the costs and/or benefits generated from a commercial fishing business, or commercial harvester, are largely dependent on a wide variety of variables including, but not limited to: license type; license endorsement(s); effort (full or part-time); target species; market prices for target species; state quotas; possession limits; gear type; fishing mode (shore or vessel); vessel size; crew; upfront investments for vessel, gear, and administrative tasks; possession of a federal permit; seasonality of fisheries; weather; and catastrophic events. As a result, it is impossible to quantitatively estimate costs and/or benefits to stakeholders under the proposed policy alternatives and this regulatory analysis is strictly qualitative in nature.

BACKGROUND

The DMF received comments from the Division of Law Enforcement (DLE) that they have identified several out-of-state dealers who have a RI dealer's license that are listing a RI fixed place of business without the business/property owner's permission or knowledge.

STATEMENT OF THE PROBLEM

The DMF current rule requires that applicants, or their registered agent, applying for a finfish, shellfish, crustacean, and multi-purpose dealers license to maintain a fixed place of business in that state. Currently, no documentation is required to verify the fixed place of business. Several out-of-state dealers are using a RI address without the business/property owners' knowledge. The policy alternatives presented in this regulatory analysis are being put forward to satisfy R.I. Gen. Laws § 42-35-2.9 Regulatory Analysis.

SCOPE OF THE REGULATORY ANALYSIS

The proposed regulatory amendments are for 2026 only. The proposed regulatory amendments are expected to be re-evaluated annually and subject to amendments each year. As a result, the scope of this analysis is discrete and limited to 2026.

The fiscal note associated with the proposed policy alternatives presents three years of fiscal impact even though these policies are expected to be re-visited annually.

BASELINE

The baseline for this analysis, or what we anticipate would happen with no regulatory change, is maintaining the current statutory reference in rule.

STAKEHOLDERS AFFECTED

The stakeholders affected by the proposed regulatory amendments and policy alternatives would be all stakeholders who currently hold a RI finfish, shellfish, crustacean, and multi-purpose dealer's license or plan to do so in the future.

COSTS AND BENEFITS

For the proposed regulatory amendments and the alternatives considered, data does not exist on how many finfish, shellfish, crustacean, and multi-purpose dealers within RI are using a false address without the business/property owner's knowledge. As a result, costs and benefits in this analysis are largely qualitative.

Additionally, the costs and/or benefits generated from the proposed regulatory amendments and alternatives may be largely dependent on fishing behavior. Changes in fishing behavior may be impacted by: effort (full or part-time); market prices; possession limits; gear type; fishing mode (shore or vessel); vessel size; crew; upfront investments for vessel, gear, and administrative tasks; seasonality of fisheries; weather; and catastrophic events. As a result, it is impossible to quantitatively estimate costs and/or benefits to stakeholders under the proposed policy alternatives and this regulatory analysis is largely qualitative in nature.

The proposed regulatory amendments include:

- 1) Amend to include language requiring documentation attesting that the applicant, or their registered agent, maintains a fixed place of business in the state. Documentation may consist of:
 - a. A current tax bill
 - b. A lease
 - c. A notarized letter from an eligible landowner or leaseholder granting permission to use their address/business as their fixed place of business
 - d. Any other documentation deemed acceptable by the Department

Should the proposed regulatory amendment 1) be adopted, there could be a cost to all stakeholders who currently hold a RI finfish, shellfish, crustacean, and multi-purpose dealer's license or plan to do so in the future. This regulatory amendment will require applicants to provide documentation attesting to their fixed place of business. This will require additional time for applicants to acquire and submit the required documentation. Out of state dealers will have to ensure they have an agent within the state and permission to use their business/property.

There will be a benefit to DLE by ensuring that all dealers have a fixed place of business where all transactions can be inspected when pursuing violations. It will prevent dealers from using a faulty address and preventing DLE from inspecting their records. This will increase enforcement capacity and also benefit all fisheries stocks by helping to increase compliance with regulations.

The following are proposed as regulatory alternatives to regulatory amendment 1):

- a) Require documentation but do not specify the type of documentation.
- b) Do not require documentation but add a line to the dealer license application whereby the applicant is signing and attesting to their fixed place of business..

Should the proposed regulatory alternative a) be adopted, there would be less of a cost to stakeholders by allowing them to choose the type of documentation they provide. There would be a cost to the DEM Division of boating and licensing as they will not have clear guidance on what documentation is appropriate. There would be a loss to DLE if applicants are able to provide any documentation they want. If documentation is falsified, DLE will lose its ability to inspect transaction records and pursue violations. There will also be a loss to many fisheries stocks by having reduced enforcement of recreational rules.

Should the proposed regulatory alternative b) be adopted, there would be less of a cost to stakeholders compared to the proposed regulatory amendment and regulatory alternative a). There would be a loss to DLE by preventing them from inspecting records if applicants are providing false addresses. There will also be a loss to many fisheries stocks by having reduced enforcement of rules.