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DNR-FS-2024-1

**SMALL BUSINESS COMPLIANCE GUIDE**

Amendment to Subtitle 02 Fisheries Service

Regarding the Department's Creation of the Shell Recycling Tax Grant Program

Repeal COMAR 08.02.26.03, .04, .05 Amend Regulation .01 and .02, and amend and recodify

Regulation .06 to .03 under COMAR 08.02.26 Shellfish Recycling Tax Credit

Released January 12, 2024

Updated August 23, 2024

This Guide is prepared in accordance with the requirements of State Government Article, §10-110, Annotated Code of Maryland. It is intended to help small businesses comply with the revised rules adopted in the above-referenced sections of the Code of Maryland Regulations. This Guide is not intended to replace or supersede these rules, but to facilitate compliance with the rules. Although we have attempted to cover all parts of the rules that might be especially important to small businesses, the coverage may not be exhaustive. This Guide cannot anticipate all situations in which the rules apply.

The Department will clarify or update the text of the Guide as an idea moves through the regulatory process. Direct your comments and recommendations, or calls for further assistance, to Fishing and Boating Services Regulatory Division:

410-260-8300

410-260-8DNR; toll free in Maryland 877-620-8DNR; TTY Users Call via the Maryland Relay

## SUMMARY & FAQs

### **What has been proposed?**

The Department has proposed eliminating its rules regarding the Shell Recycling Tax Credit program and creating rules for the Shell Recycling Grant Program due to the passage of House Bill 1228 in 2022. Much of the logistics will look the same for individuals who previously participated in the tax credit program. Interested entities will register with the Department to become Authorized Shell Recycling Collectors. Those collectors are responsible for maintaining records of who donated shell to the program and the amount of shell donated. By January 31 of each year, those collectors will submit their records to the Department. The Department will issue grant money to each collector, who will, in turn, disburse the grant money to all of the shell recyclers who donated shell the previous year. Lastly, the Department has also proposed to rename the chapter Shell Recycling Grant Program to reflect the new nature of the program.

### **Why is this change necessary?**

This change is necessary due the passing of House Bill 1228 in 2022.

### **Who will this affect?**

This will affect nonprofit organizations, community associations, restaurants, seafood processors, and seafood dealers donating shells to authorized shell recycling collectors.

### **Has this change been discussed with stakeholders?**

No.

### **What is the specific regulatory action?**

Repealing Regulations .03, .04, and .05, amending Regulations .01 and .02, and amending and recodifying Regulation .06 to .03 under COMAR 08.02.26 Shellfish Recycling Tax Credit.

## **II. RECORDKEEPING AND REPORTING REQUIREMENTS**

This action will create new recordkeeping or reporting requirements. Authorized Shell Recycling Collectors will be required to keep records of shells recycled by Shell Recyclers. Collectors will also be required to submit those records to the Department by January 31 of each year in order to receive the grant money. Collectors will also be required to disburse the grant money within 30 days of receiving the grant money from the Department.

## **III. REGULATORY PROCESS**

The Department followed our normal scoping and proposal procedures.

During the scoping process, the Department gathers suggestions and ideas from stakeholders and others about how to solve a fishery problem or address a need. The goal of scoping is to identify issues, potential impacts, and reasonable alternatives associated with the issues so that management actions can be developed. After the public has had an opportunity to comment on possible management actions during the scoping process, the Department considers these comments and develops an appropriate management strategy. This proposal was scoped from July 29 — August 15, 2022.

At the conclusion of the scoping process, the Department determined that the action is necessary and appropriate. The rules were promulgated following the Administrative Procedures Act described in Title 10, Subtitle 1 of the State Government Article Annotated Code of Maryland.

- The General Assembly’s Administrative, Executive, and Legislative Review Committee reviews the regulatory proposal for fiscal and legal analysis.
- The proposal was printed by the Division of State Documents in the Maryland Register on January 12, 2024.
- A 30 day public comment period began on the day of publication. The comment period closed at 11:59 p.m. February 12, 2024.
- After review of the comments, the Department decided to adopt the changes as proposed.
- The final action adopting the regulation change was published in the Maryland Register on August 23, 2024.

#### **IV. IMPLEMENTATION DATE**

This regulation change is effective September 2, 2024.