

county, the hearing shall be held in that county seat closest to the affected waters, but if the area affected is totally within State waters, the hearing shall be held in Annapolis.

(e) [The] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, THE State may sell no more than 50 percent of seed oysters in excess of one million bushels produced annually in seed areas to citizens who hold valid leases under the provisions of this subtitle for no less than the prevailing price of seed oysters of similar quality in nearby states. Conditions of sale may be prescribed by rule or regulation of the Department. The proceeds from these sales shall be credited by the Comptroller to the Fisheries Research and Development Fund.

(F) (1) IN ADDITION TO THE PROVISIONS OF SUBSECTIONS (D) AND (E) OF THIS SECTION CONCERNING THE ESTABLISHMENT OF OYSTER SEED AREAS AND THE SALE OF SEED OYSTERS TO A LEASEHOLDER, THE DEPARTMENT MAY:

(I) ESTABLISH ADDITIONAL AQUACULTURE SEED AREAS NOT EXCEEDING A TOTAL AGGREGATE OF 90 ACRES IN THE STATE; AND

(II) DESIGNATE THE SEED OYSTERS PRODUCED IN THOSE ADDITIONAL AQUACULTURE SEED AREAS FOR SALE TO LEASEHOLDERS OR OTHER PERSONS WHO HAVE A RESIDENT OF THE STATE WHO HOLDS A VALID LEASE OR AN AQUACULTURE PERMIT TO CULTIVATE SHELLFISH; AND

(III) ADOPT REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS SUBSECTION.

(2) THE DEPARTMENT SHALL CREDIT THE PROCEEDS OF ANY SALE OF SEED OYSTERS UNDER THIS SUBSECTION TO THE FISHERIES RESEARCH AND DEVELOPMENT FUND IN THE DEPARTMENT FOR THE BENEFIT OF THE PUBLIC OYSTER FISHERY.

(3) THE DEPARTMENT SHALL:

(I) SELL, AT PREVAILING MARKET PRICES, SEED OYSTERS PRODUCED IN AN AQUACULTURE OYSTER SEED AREA TO A LEASEHOLDER OR OTHER PERSON WHO HAS RESIDENT OF THE STATE WHO HOLDS A VALID LEASE OR AN AQUACULTURE PERMIT TO CULTIVATE SHELLFISH;

(II) USE ANY REVENUE DERIVED FROM THE SALE OF SEED OYSTERS TO REIMBURSE THE FISHERIES RESEARCH AND DEVELOPMENT FUND FOR ANY EXPENDITURE NEEDED TO CREATE THE AQUACULTURE OYSTER SEED AREAS UNDER THIS SUBSECTION; AND

(III) CREDIT ANY NET PROCEEDS FROM THE SALE OF SEED OYSTERS REMAINING, AFTER REIMBURSEMENT IS MADE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, TO THE EXCLUSIVE USE OF THE PUBLIC OYSTER FISHERY;