

(i) Establish aquaculture seed areas not exceeding a total aggregate of 90 acres in the State;

(ii) Designate the seed oysters produced in those aquaculture seed areas for sale to 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 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;

(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;

(iv) Maintain for each aquaculture seed area a record detailing all expenditures required to create and maintain the seed area and all proceeds of the sale of seed oysters produced in the seed area;

(v) In establishing and maintaining the aquaculture seed areas, limit expenditures to \$200,000 annually, and after the first year, any expenditure required to maintain the seed areas shall be funded only from revenues derived from the sale of seed oysters produced in the seed areas; and

(vi) Consult with the County Oyster Propagation Committee in establishing an aquaculture seed area in that county.

(4) The Department may not create aquaculture seed areas within the jurisdictional boundaries of Dorchester, Kent, Queen Anne's, Somerset, or Talbot counties, or in the tidewater tributaries of Charles County, except the Patuxent River.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Approved May 26, 2004.