

# DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL

## DIVISION OF FISH AND WILDLIFE

Statutory Authority: 7 Delaware Code, Section 2002 (7 Del.C. §2002)

7 DE Admin. Code 3801

### FINAL

Secretary's Order No: 2024-F-0014

**RE: Approving Final Amendments to 7 DE Admin. Code 3801 - *Shellfish Aquaculture***

**Date of Issuance: April 11, 2024**

**Effective Date: May 11, 2024**

### 3801 Shellfish Aquaculture

Under the authority vested in the Secretary of the Department of Natural Resources and Environmental Control ("Department" or "DNREC") pursuant to 7 Del.C. §§6006 and 6010, and all other relevant statutory authority, the following findings of fact based on the record, reasons and conclusions are entered as an Order of the Secretary in the above-referenced regulatory proceeding.

#### Background, Procedural History and Findings of Fact

This Order relates to 7 DE Admin. Code 3801 - *Shellfish Aquaculture* ("Regulation"). The Department proposes amendments to the Regulation to incorporate current aquaculture practices, simplify compliance with the regulation for Inland Bays shellfish growers, and enhance the efficiency of DNREC's administrative oversight of shellfish aquaculture leasing.

Pursuant to 7 Del. C. Chapter 20, the Department promulgated the Regulation in 2014 to lease subaqueous land for the development of shellfish aquaculture in Delaware's Inland Bays. Commencing in 2017, the Department initiated the leasing of subaqueous land for shellfish aquaculture within the Shellfish Aquaculture Development Area ("SADA") that includes Indian River, Rehoboth, and Little Assawoman Bays. After two years of implementation of the Regulation, the Department's Division of Fish and Wildlife ("DFW") conducted public outreach in 2019 to gather feedback on the leasing of subaqueous land for shellfish aquaculture.

Based on the outreach, the Department is proposing Amendments to definitions, lease issuance, application procedures, aquaculture gear, lease area marking requirements, shellfish aquaculture species, shellfish cultivation, planting and harvesting requirements and timelines, reporting requirements, lease transfer, and prohibited activities. More specifically, the Department proposes Amendments to the following sections of the Regulation:

#### **Definitions -**

- Added new definitions for language within the proposed Amendments, revised existing definitions for clarity of the regulation and adjusted the defined SADA boundaries to reflect the new boundaries delineated in 7 Del. C. §2002.

#### **Land Lease-**

- Adjusted the prerequisites for SADA and Non-SADA leases to reflect that a signed lease remains invalid until an Army Corps permit is issued.
- Removed section 3.4 to conform shellfish leases with other permits and contracts signed by the Department.

#### **Shellfish Nursery Permits and Nursery Structures -**

- Revised language to state that an upweller, downweller, or raceway within a valid lease will not need a separate nursery permit.

#### **Shellfish Aquaculture Gear-**

- Added language so that lessees may use an abbreviated lease identifier approved by DNREC's DFW to label equipment.
- Revising language regarding bottom gear by removing the mandate for the bottom gear to hold oysters no closer than four inches from the bottom of the bay and instead mandating that the bottom gear must be designed to hold oysters at least four-inch from the bottom of the bay.
- Changed the requirement for gear marking buoys from three inches by three inches by three inches to three inches in diameter and visible at the water surface.
- Added language so that buoys marking containers may be marked with an approved abbreviated lease identification.

- Added language so that support structures identified on an approved operations plan as semi-permanent can remain on the lease for up to six months without live shellfish attached.
- Revised language to state that electric and hydraulic power should not be used to clean any submerged portion of gear rather than stating "fully or partially submerged in water."

#### **Importation of Shellfish for Shellfish Aquaculture -**

- Added language to include that a permit is required for shellfish procured from other than a lease or permitted Inland Bays shellfish nursery, prior to import and planting.

#### **Shellfish Aquaculture Species -**

- Added a requirement to obtain written permission from the Director of DFW, regarding producing and culturing shellfish species, other than the Eastern oyster - *Crassostrea virginica*, in Rehoboth Bay, Indian River, and Indian River Bay.
- Added language to mean it is unlawful to produce or culture any shellfish other than the hard clam in Little Assawoman Bay, as specified in Delaware Code.

#### **Lease Marking -**

- Revised language to indicate that prior to the placement of any shellfish or gear on a leased acre, the acre must be surveyed and marked.
- Revised corner marking requirements to reflect 7 *Del. C.* §2002, which prohibits corner marking in Little Assawoman Bay with six-inch PVC poles and placards.
- Added language to specify that leases in Little Assawoman Bay shall be marked in accordance with Delaware Code.
- Added language to allow the use of abbreviated lease identifier approved by the DNREC's DFW to mark placards and corners.
- Added language to indicate that corner markers must be maintained while gear or shellfish are in a leased acre, but the leaseholder may choose to not have shellfish and gear on the acre and in that case not maintain the markings. If the leaseholder re-establishes growing shellfish on that acre, the lessee must accurately replace the corner markings and sign an affidavit.

#### **Harvesting a Shellfish Aquaculture Subaqueous Land Lease -**

- Revised language to add the use of automated systems that are designed to raise, lower, turn, or rotate cages and containers of shellfish.

#### **Active Use of Shellfish Aquaculture Subaqueous Land Lease Sites -**

- Added language to confirm that scientific leases, as in Delaware Code, Chapter 20, Section 5B, do not need to meet active use requirements.
- Revised the planting minimum requirement to be measured within the calendar year that the lease reaches 36 months.
- Revised the harvests minimum requirement to be measured within the calendar year that the lease reaches 48 months.
- Revised the planting minimum from bushels to individual oysters.
- Added language to confirm that planting activities will be credited towards the first lease recording shellfish moved into the Inland Bays and harvest will be credited to the final lease harvesting and selling shellfish outside of the Inland Bays.
- Removed the current section 16.4, as the information is already covered.
- Revised the current section 16.5, proposed as the new 16.4, to state the Department may, at its discretion, grant written exemption from the planting, harvest, or sale requirements.

#### **Reporting Requirements for Shellfish Aquaculture Subaqueous Land Leases and Shellfish Aquaculture Nursery Structures -**

- Revised to state that monthly reports are due on shellfish rather than specifically clam or oyster planting or harvest.
- Revised to state that the Department issued yearly survey will be due prior to February 1st of the following year, rather than 45 days from the date of receipt.

#### **Shellfish Aquaculture Subaqueous Land Lease Transfers -**

- Revised to state that a boundary survey on a transferred lease will not be required if the transferring party retains some portion of lease ownership.

#### **Shellfish Aquaculture Subaqueous Land Lease Expiration, Surrender, Termination and Sale -**

- Revised language to clarify that leaseholder may contest the Department's decision to terminate a lease by appealing the decision to the Environmental Appeals Board.
- Added language to implement an exception for lease transfers, as outlined in Section 19.0, into the existing language that prohibits the subleasing, renting, or selling of a shellfish aquaculture land lease.

#### **Prohibited Activities -**

- Revised language to specify hard clams, rather than using the term bivalve shellfish.

- Added language to state that it is unlawful to fix, set, or erect shellfish aquaculture gear outside the boundaries of a lawful shellfish aquaculture subaqueous land lease.
- Added language to state that it is unlawful to conduct shellfish gardening activities without the written authorization from DNREC's Division of Watershed Stewardship Shellfish and Recreational Water Program.

Lastly, within the Regulation, the Department included language to enhance the effectiveness of the Department's administrative oversight of shellfish aquaculture leasing, updated the names of DNREC programs, and corrected grammar to improve clarity to members of the regulated community. Additionally, in alignment with Delaware's regulatory style manual, written numbers were converted to numerical digits.

The Department published its initial proposed regulation Amendments in the September 1, 2023, *Delaware Register of Regulations*. Thereafter, the public hearing regarding this matter was held on September 27, 2023. There were thirteen (13) members of the public in attendance. The Department presented the proposed Amendments at its public hearing that was held on September 27, 2023.

Pursuant to 29 *Del.C.* §10118(a), the hearing record ("Record") remained open for receipt of written comment for 15 days following the public hearing. The Record formally closed for comment in this matter at close of business on October 12, 2023, with a total of sixteen (16) comments received by the Department for the formal promulgation. All notification and noticing requirements concerning this matter were met by the Department. Proper notice of the hearing was provided as required by law.

Subsequent to the close of the Record, and at the request of presiding Hearing Officer Theresa Smith, the Department's DFW staff prepared a Technical Response Memorandum ("TRM"). The Department's TRM acknowledges the comments from the public concerning the proposed Amendments and provides a thorough and balanced response to the same, accurately reflecting the Record generated in this matter. The comments expressed support for the proposed Amendments; however, concerns were raised regarding the financial barriers to entering the shellfish aquaculture industry. Specifically, concerns were voiced about the costs associated with necessary equipment such as poles, lines, anchors, and cages, which may hinder individuals from entering aquaculture farming and meeting the minimum annual planting requirement of 100,000 shellfish per acre by the third year (36 months) of the lease.

The Department recognizes the multiple comments stating that lessees need more time to learn, develop markets, and build their aquaculture leases. Therefore, the Department proposes revised Amendments to 7 DE Admin. 3801 §16.3.1 to extend the initial proposed timeframe of 36 months. Leaseholders must provide evidence that they annually plant at least 100,000 shellfish per acre leased, extending this requirement to 60 months from the date of lease issuance or transfer date. The proposed change means that lessees will have until the fifth year of the lease before the minimum planting requirement is in effect. The first five years of a lease is one-third of a lease term, and the Department believes five years is an adequate amount of time to gain experience needed to be able to meet the minimum planting requirement.

Additionally, to remain consistent with the timeline currently set between the planting and harvest minimums coming into effect on a lease, the Department also proposes a modification to 7 DE Admin. C. 3801 §16.3.2 to state that the harvest minimum will begin in the calendar year that the lease reaches 72 months. Given these prospective changes to §16.3.1 and §16.3.2, the Department also proposes a modification to clarify criteria for planting and harvest minimum exemption in 7 DE Admin. C. 3801 §16.5.

The Department has the statutory basis and legal authority to act with regard to the formal promulgation of these *revised* proposed Amendments, pursuant to 7 *Del. C.* § 2002, 2005(a) & 2006(d) & (e). The Department's *revised* proposed Amendments support the harvesting of shellfish aquaculture, while protecting public health, environmental preservation, and safeguarding of the State's natural resources. These revisions are not substantive in nature, and no further noticing or additional hearing is necessary in this matter. All notification and noticing requirements concerning this matter were met by the Department and proper notice of the hearing was provided as required by law.

Hearing Officer Theresa Smith prepared her report dated February 14, 2024 ("Report"), which expressly incorporated into the Record the *revised* proposed Amendment and the above-referenced TRM and TRM, attached thereto as Appendix "A" and Appendix "B," respectively. Mrs. Smith's Report set forth the procedural history, summarized and established the record of information ("Record") relied on in the Report and provided findings of fact, reasons, and conclusions that recommend the approval of the *revised* proposed Amendments pending before the Department.

### **Reasons and Conclusions**

Currently pending before the Department are the revised proposed regulatory amendments to 7 DE Admin. Code 3801 - *Shellfish Aquaculture*. In reviewing the applicable statutes and regulations, as well as weighing the public benefits of the *revised* proposed Amendments against potential detriments, the Department's experts in the DFW have concluded that the *revised* proposed Amendments comply with all applicable federal and state laws and regulations. Further, the proposed Amendments as published in the September 1, 2023, *Delaware Register of Regulations*, subsequently revised, are reflective of the Department's authority under 7 *Del. C.* § 2002, 2005(a) & 2006(d) & (e), to improve the aquaculture industry in Delaware's Inland Bays by proposing changes to the conditions for leasing of subaqueous bottom within Delaware's Inland Bays for the culture of shellfish. The Department's TRM, attached and incorporated into Mrs. Smith's

Report as Appendix "B," acknowledges the comments received from the public concerning the proposed Amendments, and provides a thorough and balanced response to the same, accurately reflecting the Record generated in this matter.

Based on the Record developed by the Department's experts in the Division of Fish and Wildlife, and established by the Hearing Officer's Report, I find that the revised proposed amendments to 7 DE Admin. 3801 - *Shellfish Aquaculture*, are well supported. I further find that the Department's experts fully developed the record to support adoption of these *revised* proposed Amendments. Therefore, the recommendations of the Hearing Officer are hereby adopted, and I direct that the *revised* proposed Amendments be promulgated as final.

The following reasons and conclusions are entered:

1. The Department has the statutory basis and legal authority to act with regard to this proposed regulatory promulgation, pursuant to 7 *Del. C.* § 2002, 2005(a) & 2006(d) & (e);
2. The Department has jurisdiction under its statutory authority, pursuant to 7 *Del.C.* Chapter 60, to issue an Order adopting these *revised* proposed Amendments as final;
3. The Department provided adequate public notice of the initial proposed Amendments, and subsequently the *revised* proposed Amendments, all proceedings in a manner required by the law and regulations, and provided the public with an adequate opportunity to comment on the same, including at the time of the public hearing held on September 27, 2023, and during the 15 days subsequent to the hearing (through October 12, 2023), before making any final decision;
4. Promulgation of the *revised* proposed Amendments to 7 DE Admin. 3801 - *Shellfish Aquaculture* will enable the Department to update the Regulation to incorporate current aquaculture practices, simplify compliance with the regulation for Inland Bays shellfish growers, and increase the efficiency of DNREC's administrative oversight of shellfish aquaculture leasing;
5. The Department has reviewed the *revised* proposed Amendments in light of the *Regulatory Flexibility Act*, consistent with 29 *Del.C.* Ch. 104, and believes the same to be lawful, feasible, and desirable. The Department does not anticipate additional costs to the aquaculture industry through the *revised* proposed Amendments,
6. The Department has reviewed this *revised* proposed regulatory promulgation in the light of 7 *Del.C.* §10003 and 29 *Del.C.* §10118(b)(3), and has determined that conducting such an assessment regarding the impact of this regulation on the achievement of the State of Delaware's greenhouse gas emissions reduction targets is not practical;
7. The Department's proposed regulatory Amendments, as initially published in the September 1, 2023, *Delaware Register of Regulations*, and subsequently *revised*, as set forth in Appendix "A" hereto, are adequately supported, are not arbitrary or capricious, and are consistent with the applicable laws and regulations. Consequently, they should be approved as final regulatory Amendments, which shall go into effect ten days after their publication in the next available issue of the *Delaware Register of Regulations*; and
8. The Department shall submit the proposed revised Amendments as final regulatory amendments to the *Delaware Register of Regulations* for publication in its next available issue and provide such other notice as the law and regulation require, and the Department determines is appropriate.

Shawn M. Garvin  
Secretary

## 3801 Shellfish Aquaculture

### 1.0 Introduction

These regulations provide for a shellfish aquaculture industry in Delaware's Inland Bays that is compatible with commercial and recreational finfishing and shellfishing, boating navigation and public safety, public water access and use, and native biota. Specifically, the regulations provide a structured process and set conditions for leasing of subaqueous bottom within Delaware's Inland Bays for the culture of bivalve shellfish. The regulations include requirements for lease: application, locations, issuance, marking, renewal, transfer, expiration, termination, condemnation and emergency relocation. The regulations further propose measures related to: shellfish aquaculture gear and marking, shellfish nursery permitting and structures, harvester license qualifications, bivalve species authorized for aquaculture, activities within subaqueous lease areas, and shellfish aquaculture reporting requirements.

### 2.0 Definitions

The following words and terms, when used in this regulation, have the following meaning unless the context clearly indicates otherwise:

**"Aquaculture activities"** means those activities which include the purchase, monitoring, planting, sale, possession, harvest, production, breeding, transportation, and processing of shellfish.

**"Culture"** means to cultivate bivalve shellfish at any life stage.

"Farm gate" means the dollar value paid for a cultivated product upon harvest.

"Lease" or "Shellfish Aquaculture Subaqueous Land Lease" means the acre or acres lawfully granted under a fully executed lease contract in Delaware's Inland Bays.

"Lessee" or "leaseholder" means that person, persons, or entity, lawfully granted a Shellfish Aquaculture Subaqueous Land Lease in Delaware's Inland Bays.

"Navigation corridor" means the 20-foot tract of subaqueous land that is established between two adjacent one (1) acre shellfish aquaculture leases.

"Non-Shellfish Aquaculture Development Area" or "Non-SADA" means that area of Delaware's Inland Bays outside of the boundaries of the SADA designated by the Department for the purpose of shellfish aquaculture.

"Semi-permanent" means the period of time that support structures used to secure containers with live shellfish on a lease, including fixed poles and cables, may remain on a lease.

"Shellfish Aquaculture Development Area" or "SADA" means those areas of Delaware's Inland Bays designated by the Department for the purpose of shellfish aquaculture. These distinct areas are named and their corner coordinates described for the Inland Bays as follows:

#### Rehoboth Bay

RB-A 38°39'24.0983"N, 075°04'42.58199"W and 38°39'17.11895"N, 075°04'42.61481"W and  
38°39'17.11061"N, 075°04'39.73191"W and 38°39'12.78715"N, 075°04'39.75229"W and  
38°39'12.79550"N, 075°04'42.6351"W and 38°39'06.01377"N, 075°04'42.66701"W and  
38°39'06.02967"N, 075°04'48.18045"W and 38°39'10.55082"N, 075°04'48.15929"W and  
38°39'10.58385"N, 075°04'59.69059"W and 38°39'15.10500"N, 075°04'59.66963"W and  
38°39'15.12139"N, 075°05'05.43538"W and 38°39'23.96600"N, 075°05'05.39457"W and  
38°39'23.94138"N, 075°04'56.74566"W and 38°39'42.02597"N, 075°04'56.66160"W and  
38°39'41.94333"N, 075°04'28.08202"W and 38°39'30.83816"N, 075°04'28.13487"W and  
38°39'30.85499"N, 075°04'33.90096"W and 38°39'28.59442"N, 075°04'33.91166"W and  
38°39'28.61117"N, 075°04'39.67771"W and 38°39'24.09002"N, 075°04'39.69902"W.

RB-B 38°38'58.38782"N, 075°07'50.24403"W and 38°39'02.71130"N, 075°07'50.22684"W and  
38°39'02.69716"N, 075°07'44.46135"W and 38°39'04.95775"N, 075°07'44.45231"W and  
38°39'04.95065"N, 075°07'41.56953"W and 38°39'07.21124"N, 075°07'41.56047"W and  
38°39'07.19761"N, 075°07'36.04698"W and 38°38'56.09237"N, 075°07'36.09174"W and  
38°38'56.11310"N, 075°07'44.48767"W and 38°38'58.37369"N, 075°07'44.47863"W.

RB-C 38°38'53.28583"N, 075°05'04.59609"W and 38°38'53.26192"N, 075°04'56.20029"W and  
38°38'46.67787"N, 075°04'56.23089"W and 38°38'46.68610"N, 075°04'59.11345"W and  
38°38'37.44610"N, 075°04'59.15628"W and 38°38'37.43787"N, 075°04'56.27383"W and  
38°38'30.85382"N, 075°04'56.30442"W and 38°38'30.86205"N, 075°04'59.18680"W and  
38°38'26.34089"N, 075°04'59.20776"W and 38°38'26.34909"N, 075°05'02.09010"W and  
38°38'17.10907"N, 075°05'02.13282"W and 38°38'17.10087"N, 075°04'59.25059"W and  
38°38'14.84028"N, 075°04'59.26106"W and 38°38'14.83206"N, 075°04'56.37886"W and  
38°38'05.98742"N, 075°04'56.41995"W and 38°38'06.00314"N, 075°05'01.93211"W and  
38°38'12.78489"N, 075°05'01.90075"W and 38°38'12.80939"N, 075°05'10.54730"W and  
38°38'41.99926"N, 075°05'10.41327"W and 38°38'41.98294"N, 075°05'04.64826"W.

#### Indian River Bay

IR-A 38°35'20.40778"N, 075°10'28.80060"W and 38°34'57.99926"N, 075°10'28.87580"W and  
38°34'58.03995"N, 075°10'48.78422"W and 38°35'00.30057"N, 075°10'48.77681"W and  
38°35'00.31217"N, 075°10'54.53694"W and 38°35'07.09404"N, 075°10'54.51485"W and  
38°35'07.11126"N, 075°11'03.13978"W and 38°35'13.69546"N, 075°11'03.13405"W and  
38°35'13.66661"N, 075°10'48.73298"W and 38°35'20.44847"N, 075°10'48.71073"W.

IR-B 38°35'00.26136"N, 075°04'02.56002"W and 38°34'49.15605"N, 075°04'02.61381"W and  
38°34'49.16463"N, 075°04'05.49372"W and 38°34'46.90403"N, 075°04'05.50465"W and  
38°34'46.92040"N, 075°04'11.01257"W and 38°34'49.18100"N, 075°04'11.00170"W and  
38°34'49.18952"N, 075°04'13.88161"W and 38°34'51.45012"N, 075°04'13.87076"W and  
38°34'51.45863"N, 075°04'16.75070"W and 38°34'58.04274"N, 075°04'16.71917"W and  
38°34'58.02571"N, 075°04'10.95914"W and 38°35'00.28631"N, 075°04'10.94827"W.

#### Little Assawoman Bay

LA-B 38°28'45.39471"N, 075°03'31.72841"W and 38°28'45.42021"N, 075°03'40.10457"W and  
38°29'19.13206"N, 075°03'39.93894"W and 38°29'19.12332"N, 075°03'37.06268"W and  
38°29'23.64459"N, 075°03'37.04041"W and 38°29'23.61901"N, 075°03'28.66303"W and  
38°29'16.83711"N, 075°03'28.69665"W and 38°29'16.81946"N, 075°03'22.94418"W and  
38°29'01.19271"N, 075°03'23.02199"W and 38°29'01.21916"N, 075°03'31.65017"W. 38° 29' 16.87142" N,

075° 03' 39.95005" W and 38° 29' 16.85469" N, 075° 03' 34.44911" W and 38° 28' 56.70667" N, 075° 03' 34.54853" W and 38° 28' 56.72340" N, 075° 03' 40.04904" W;

~~LA-C 38°28'33.59037"N, 075°03'29.66689"W and 38°28'33.55579"N, 075°03'18.41536"W and 38°28'22.45029"N, 075°03'18.47082"W and 38°28'22.48487"N, 075°03'29.72187"W.~~

LA-D 38°28'15.47068"N, 075°03'18.50567"W and 38°28'04.36517"N, 075°03'18.56112"W and 38°28'04.40853"N, 075°03'32.68683"W and 38°28'15.51403"N, 075°03'32.63198"W.

**"Shellfish aquaculture gear" or "gear"** means any cage, rack, tray, or other similar device for holding and protecting ~~oysters or clams~~ shellfish, including any bags, containers, nets, or floating container.

**"Shellfish gardening"** means the grow-out or holding of shellfish in protective structures such as floats, bags, cages, or nets exclusively for private, noncommercial uses.

**"Shellfish Nursery Structures"** means any structure or container, such as an upweller, downweller or raceway in Delaware's Inland Bays used to culture 1,000 or more bivalve shellfish at one physical address, and not located in a lawful Shellfish Aquaculture Subaqueous Land Lease.

**"Submerged aquatic vegetation" or "SAV"** means any rooted, vascular submerged plants.

**"Wild stock"** means larvae, spat, or seed shellfish produced naturally in Inland Bay waters, not propagated by or purchased from a hatchery or nursery.

### 3.0 Shellfish Aquaculture Subaqueous Land Lease Issuance

- 3.1 The Department shall not issue a shellfish aquaculture land lease within the boundaries of a SADA without:
  - 3.1.1 a complete and accepted SADA Shellfish Aquaculture Subaqueous Land Lease Application;
  - 3.1.2 required field assessments of each proposed one-acre plot indicating a mean density of less than ~~two (2)~~ 2 hard clams per square yard per acre;
  - 3.1.3 evidence of the required performance bond;
  - 3.1.4 evidence of the required liability coverage;
  - 3.1.5 ~~an Army Corps of Engineers permit~~ a copy of a lawfully issued U.S. Army Corps permit authorizing shellfish aquaculture activities within the boundaries of the proposed lease site to be submitted to the Department before an aquaculture lease will be valid; and
  - 3.1.6 full payment of all application and lease fees.
- 3.2 The Department shall not issue a Shellfish Aquaculture Subaqueous Land Lease for areas extending beyond or entirely outside the boundaries of a SADA without:
  - 3.2.1 a complete and accepted Non-SADA Shellfish Aquaculture Subaqueous Land Lease Application;
  - 3.2.2 required field assessments of each proposed one-acre plot indicating a mean density of less than ~~two (2)~~ 2 hard clams per square yard per acre;
  - 3.2.3 consideration of public comment;
  - 3.2.4 all required state and federal permits;
  - 3.2.5 evidence of the required performance bond;
  - 3.2.6 evidence of the required liability coverage;
  - 3.2.7 evidence that the proposed lease boundaries are at least 150 feet from existing marked navigational channels; and
  - 3.2.8 full payment of all application and lease fees.
- 3.3 The Department shall not issue a Shellfish Aquaculture Subaqueous Land Lease to persons under 18 years of age.
- 3.4 ~~Applicants denied leases may contest the Department's decision by requesting a review by the Environmental Appeals Board, to be filed no later than 30 days after the Department's written denial of lease.~~

### 4.0 SADA Shellfish Aquaculture Subaqueous Land Lease Application

- 4.1 The components of a SADA Shellfish Aquaculture Subaqueous Land Lease Application must include and fully address subsections 4.2 through 4.4.
- 4.2 A complete and accurate Shellfish Aquaculture Subaqueous Land Lease Application form.
- 4.3 A complete and accurate operations plan:
  - 4.3.1 An operations plan shall include a complete and accurate description of the location and size of the proposed lease area.
  - 4.3.2 An operations plan shall identify the species being managed or cultivated within the proposed lease area and over which the applicant shall have exclusive right to culture bivalve shellfish over the term of the lease.

- 4.3.3 An operations plan shall provide a complete and accurate description of the method and manner of management or cultivation to be performed within the proposed lease area.
- 4.3.4 An operations plan shall provide a complete and accurate description of gear to be used within the proposed lease area and include a schematic of the overhead view and cross-sectional elevation view of the gear and mooring equipment being deployed within the proposed lease area.
- 4.3.5 An operations plan shall address compatibility of the proposed operation with other existing uses to include navigation, recreation and fisheries, as well as compatibility with existing Shellfish Aquaculture Subaqueous Land Leases adjacent to the proposed lease area.
- 4.3.6 An operations plan shall completely and accurately identify the safety and security equipment used on the lease, including appropriate markings of the equipment and lease boundaries.
- 4.4 A complete and accurate shellfish aquaculture business plan.
  - 4.4.1 A shellfish aquaculture business plan shall include a timeline indicating anticipated planting of shellfish stock, tending and grow-out period, and the anticipated time of harvest.
  - 4.4.2 A shellfish aquaculture business plan shall include the anticipated cost of shellfish stock by species, a full description of shellfish aquaculture equipment, and a full description of any off-lease facilities that might be used.
  - 4.4.3 A shellfish aquaculture business plan shall demonstrate that sufficient financial resources are available to operate and maintain all aspects of the proposed aquaculture activities. Any ~~one (1)~~ 1 of the following are acceptable submissions for assessing financial capabilities:
    - 4.4.3.1 A letter from a financial institution or funding agency showing intent or willingness to commit a specified amount of funding to support the proposed aquaculture activities.
    - 4.4.3.2 The most recent corporate annual financial report and supporting documents indicating sufficient funds to finance the proposed aquaculture activities.
    - 4.4.3.3 Copies of bank statements or other evidence indicating availability of unencumbered funds.
    - 4.4.3.4 Proof that equipment or shellfish stock are available to the applicant to support the proposed aquaculture activities.
  - 4.4.4 A shellfish aquaculture business plan shall include a resume or other documentation as evidence of technical expertise and capability to accomplish the proposed project.
- 4.5 The Department may not release or make public any shellfish aquaculture business plan financial information submitted to the Department for application review, except in aggregate or summary form which does not directly or indirectly disclose the business of any person who submits such information, or as provided by court order.
- 4.6 The Department shall evaluate the SADA Shellfish Aquaculture Subaqueous Land Lease Application.
  - 4.6.1 Upon acceptance of a complete SADA Shellfish Aquaculture Subaqueous Land Lease Application, the Department shall perform a field assessment of the proposed lease site.
  - 4.6.2 The Department shall provide the basis for rejection of a SADA Shellfish Aquaculture Subaqueous Land Lease Application in writing.

## **5.0 Non-SADA Subaqueous Land Lease Application**

- 5.1 The Department shall consider lease applications for subaqueous lands situated wholly or partially beyond the boundaries of a SADA; however, the applicant bears the burden and full monetary responsibility for demonstrating to the Department's satisfaction that the proposed activities on the subaqueous lands applied for are compatible with commercial and recreational fishing, boating navigation and safety, public water access and use, and native biota.
- 5.2 The components of a Non-SADA Shellfish Aquaculture Subaqueous Land Lease Application shall include and fully address subsections 5.2.1 through 5.2.4.
  - 5.2.1 A complete and accurate Shellfish Aquaculture Subaqueous Land Lease Application form.
  - 5.2.2 A complete and accurate operations plan according to the criteria identified under subsection 4.3.
  - 5.2.3 A complete and accurate shellfish aquaculture business plan according to the criteria identified under subsection 4.4.
  - 5.2.4 A complete and accurate Non-SADA Supplemental Materials Attachment which shall include:
    - 5.2.4.1 A map or nautical chart depicting the boundaries of the proposed lease, associated depths at mean low water, and coordinates (latitude and longitude dd/mm/ss.ss) for the proposed lease corners.
      - 5.2.4.1.1 Proposed Non-SADA lease boundaries must be designed as individual square one-acre plots.

- 5.2.4.1.2 Proposed Non-SADA leases greater than one acre must reflect a 20 foot navigation channel between adjacent square one-acre parcels.
- 5.2.4.2 A full description of the proximity of the proposed lease area to any marked or maintained navigation channels and the nearest shoreline.
- 5.2.4.3 The names and addresses of riparian land owners whose property is within 150 feet of the proposed lease area.
- 5.2.4.4 A full description of the proximity of the proposed lease site to submerged aquatic vegetation (SAV), including a description and estimate of coverage of any SAV within the boundaries of the proposed lease.
- 5.2.4.5 A full description of the proximity of the lease site to any prohibited, conditionally approved, or seasonally approved Shellfish Growing Areas, as classified by Delaware Shellfish and Recreational Water Programs Program.
- 5.2.4.6 A written assessment of existing recreational and commercial uses of the proposed lease area.
- 5.2.5 The Department shall evaluate the Non-SADA Shellfish Aquaculture Subaqueous Land Lease Application.
  - 5.2.5.1 Upon acceptance of a complete Non-SADA Shellfish Aquaculture Subaqueous Land Lease Application, the Department shall perform a field assessment of the proposed lease site.
  - 5.2.5.2 The Department shall provide the basis for rejection of a Non-SADA Shellfish Aquaculture Subaqueous Land Lease Application to the applicant in writing.
- 5.2.6 A copy of a lawfully issued U.S. Army Corps of Engineers permit authorizing shellfish aquaculture activities within the boundaries of the proposed lease site is required to be submitted to the Department before an aquaculture lease will be ~~issued~~ valid.
- 5.2.7 A copy of a lawfully issued Delaware Wetlands and ~~Subaqueous Lands~~ Waterways Lease authorizing shellfish aquaculture activities within the boundaries of the proposed lease site is required to be submitted to the Department before an aquaculture lease will be ~~issued~~ valid.

## 6.0 Shellfish Aquaculture Subaqueous Land Lease Application Field Assessment

- 6.1 Upon the Department's acceptance of a complete SADA or Non-SADA Shellfish Aquaculture Subaqueous Land Lease Application, the Department shall perform a field evaluation of the naturally occurring hard clam resource within any proposed lease area outside of Little Assawoman Bay.
- 6.2 The Department shall prepare a written summary of their methods and findings of their field assessment for the applicant.
  - 6.2.1 The Department shall not issue a Shellfish Aquaculture Subaqueous Land Lease for any acreage where the Department determines the presence of a mean density of ~~two (2)~~ 2 or more hard clams per square yard per acre.
  - ~~6.2.1.4~~ 6.2.2 The Department may remove, for an indefinite period, any potential lease area where the Department determines the presence of a mean density of ~~two (2)~~ 2 or more hard clams per square yard per acre.
- 6.3 The Department may issue a SADA Shellfish Aquaculture Subaqueous Land Lease where the Department determines that there is a mean density of less than ~~two (2)~~ 2 hard clams per square yard per acre.
- 6.4 The Department may issue a Non-SADA Shellfish Aquaculture Subaqueous Land Lease where the Department determines that the mean density of clams is less than ~~two (2)~~ 2 hard clams per square yard per acre.
- 6.5 Applicants may modify a proposed lease area(s) within a SADA and their operations plan without an additional application fee for acreage where the Department has determined that mean density of ~~two (2)~~ 2 or more hard clams per square yard per acre exist, provided the total acreage accounted for in the modified application does not exceed the total acreage of the initial application and provided the proposed modification occurs within ~~one (1)~~ 1 year of the date of written field assessment findings.

## 7.0 Shellfish Aquaculture Bonds and Liability

- 7.1 Prior to obtaining a SADA Shellfish Aquaculture Subaqueous Land Lease, or a Non-SADA Shellfish Aquaculture Subaqueous Land Lease, the prospective leaseholder shall provide evidence of, and maintain for the duration of the lease, a performance bond of \$2,000 per acre leased, to provide for aquaculture equipment removal cost-recovery in the event that the prospective leaseholder fails to perform according to the conditions of the lease, or fails to maintain the lease.
- 7.2 Prior to obtaining a SADA Shellfish Aquaculture Subaqueous Land Lease or a Non-SADA Shellfish Aquaculture Subaqueous Land Lease, the prospective leaseholder shall provide evidence of, and maintain for the duration of the lease, liability insurance of at least \$1 million each occurrence and \$2 million annual



aggregate against loss or liability for bodily injury, death, property damage or destruction occurring within the leased area, or arising out of the use of the lease by the leaseholder or its agents, employees, officers, and visitors. Said policy shall be written so as to provide that the insurer waives all rights of subrogation against the State in connection with any loss or damage covered by the policy.

## **8.0 Modifications to Operations Plan**

- 8.1 Proposed modifications to an operations plan may be made at any time and shall be submitted to the Department in written form by the leaseholder or a party lawfully authorized to act on behalf of the leaseholder.
- 8.2 An approved operations plan will remain in effect until it is terminated, amended, or otherwise changed by the leaseholder or a party lawfully authorized to act on behalf of the leaseholder and said modifications are approved in writing by the Department.

## **9.0 Shellfish Nursery Permits and Nursery Structures**

- 9.1 It is unlawful to operate any upweller, downweller or raceway in or on Delaware's Inland Bays outside of a valid Shellfish Aquaculture Subaqueous Land Lease without a Department-issued Shellfish Nursery Permit. (Penalty Section 7 **Del.C.** §2012)
- 9.2 A Shellfish Nursery Permit:
  - 9.2.1 Requires an approved lease issued by the Department's Wetlands & Subaqueous Lands and Waterways Section for each shellfish nursery structure.
  - 9.2.2 A Requires a complete and accurate operations plan:
    - 9.2.2.1 An operations plan shall include a complete and accurate description of the location and size of the proposed shellfish nursery structures and area.
    - 9.2.2.2 An operations plan shall identify which species are being cultivated in the shellfish nursery structures.
    - 9.2.2.3 An operations plan shall provide a complete and accurate description of the method and manner of management or cultivation to be performed within the proposed shellfish nursery structures.
  - 9.2.3 May not be transferred.
- 9.3 The Department may revoke or suspend a Shellfish Nursery Permit at any time for any violation of ~~Sections~~ Section 12.0 or 17.0.
- 9.4 Permitted Shellfish Nurseries may be located in waters classified by Delaware Shellfish and Recreational Water ~~Programs~~ Program as approved, seasonally approved, or prohibited.
- 9.5 It is unlawful for shellfish nursery structures to contain any oysters greater than 25 mm shell length or any hard clams greater than 15 mm shell length without written authorization from the Department.
- 9.6 The shellfish nursery permittee shall:
  - 9.6.1 Follow the requirements of Delaware Shellfish and Recreational Water ~~Programs~~ Program.
  - 9.6.2 Notify the Department immediately upon discovery of any disease or mass mortality event affecting the shellfish at the facility that has the potential to contaminate native or naturalized animals.

## **10.0 Shellfish Aquaculture Harvester License**

- 10.1 The Department will provide a shellfish aquaculture harvester license to each shellfish aquaculture leaseholder upon issuance of the aquaculture lease by the Department and full payment of all lease and license fees to the Department.
- 10.2 The Department may issue shellfish aquaculture harvester licenses only to individuals aged 16 years and older.
- 10.3 A shellfish aquaculture harvester license is not transferrable.
- 10.4 It is unlawful for any leaseholder, or licensed shellfish aquaculture harvester, or persons working in the physical presence of a shellfish aquaculture license holder, to engage in shellfish aquaculture activities that are inconsistent with Delaware Shellfish and Recreational Water ~~Programs~~ Program regulations. (Penalty Section 7 **Del.C.** §2012 ~~§§2012~~ and §2013(d) ~~2013(d)~~)

## **11.0 Shellfish Aquaculture Gear**

- 11.1 ~~A Shellfish Aquaculture Subaqueous Land Leaseholder~~ The lessee shall bear the burden and responsibility for properly marking, rigging, and maintaining all shellfish aquaculture gear.
- 11.2 It is unlawful for the ~~aquaculture~~ lessee to not conspicuously, legibly and permanently mark the lease number or an abbreviated lease identifier approved by the Division of Fish and Wildlife on all equipment, gear, or manmade materials placed on an aquaculture lease site.

- 11.3 It is unlawful to use any equipment or gear that is known to leach toxic materials or violate any water quality standards on a Shellfish Aquaculture Subaqueous Land Lease.
- 11.4 It is unlawful ~~for any gear containing oysters to hold the oysters closer than four~~ to place oysters on a lease for grow-out in any container that is not designed to maintain the oysters at least 4 inches from the bottom.
- 11.5 It is unlawful for the aquaculture lessee to not mark each shellfish aquaculture container in accordance with subsection 11.2, with an all-white buoy measuring at least three (3) 3 inches by three (3) inches by three (3) inches in diameter and visible at the water's surface.
- 11.6 Notwithstanding subsection 11.5, shellfish aquaculture containers stacked vertically in the water column shall be marked with a single all-white buoy measuring at least ~~three (3) 3 inches by three (3) inches by three (3) inches~~ in diameter and visible at the water's surface, per vertical stack.
- 11.7 It is unlawful for buoys marking shellfish aquaculture containers to not have the leaseholder's lease number or an abbreviated lease identifier approved by the Division of Fish and Wildlife either on the buoy, or on a waterproof tag attached to the buoy.
- 11.8 It is unlawful for an individual gear or shellfish aquaculture container to exceed 70 cubic feet in volume.
- 11.9 It is unlawful to store equipment, materials, or any shellfish gear that do not contain live shellfish within the boundaries of a Shellfish Aquaculture Subaqueous Land Lease site; except that fixed poles, cabling and other support structures identified as "semi-permanent" in a current and approved Operations Plan may remain in place for a period not to exceed 6 months without a container of live shellfish attached for grow-out. Such "semi-permanent" structures must be removed by the lessee if more than 6 months elapse without these structures being used to secure containers of live shellfish, or if the leased acres are surrendered or terminated.
- 11.10 It is unlawful to clean, maintain or repair, except by hand tools operated without electric or hydraulic power, any submerged portion of shellfish aquaculture gear ~~while it remains fully or partially submerged in the water.~~
- 11.11 It is unlawful to rinse or clean any shellfish aquaculture gear while on the water, except within the boundaries of one's own lease site.
- 11.12 The leaseholder is responsible for all equipment, gear, cultured shellfish, or materials placed on the lease site for aquaculture purposes, and remains responsible for gear that has been found adrift or unattended outside the boundaries of the lease.  
(Penalty Section 7 **Del.C.** §2012)

## 12.0 Importation of Shellfish for Shellfish Aquaculture

- 12.1 It is unlawful to collect wild stock shellfish for the purposes of shellfish aquaculture from Delaware waters, except as authorized in writing by the Department.
- 12.2 It is unlawful to possess, place, or cause to be placed, undersized wild stock shellfish except as authorized in writing by the Department.
- 12.3 It is unlawful for a person to import or possess shellfish from outside of the State, or to plant shellfish procured from other than a lease or Shellfish Nursery, permitted as per 7 DE Admin. Code 3801, Sections 3.0 and 9.0, for the purpose of shellfish aquaculture, without first obtaining a permit from the Department.  
(Penalty Section 7 **Del.C.** §2012)

## 13.0 Shellfish Aquaculture Species

- 13.1 It is unlawful to produce or culture bivalve shellfish species other than *Crassostrea virginica*, the eastern oyster, in Rehoboth Bay, Indian River and Indian River Bay and their respective tidal tributaries without first obtaining written permission from the Director of the Division of Fish and Wildlife.
- 13.2 It is unlawful to produce or culture bivalve shellfish species other than ~~*Crassostrea virginica*, the eastern oyster, and *Mercenaria mercenaria*~~, the hard clam, in Little Assawoman Bay and its tidal tributaries.  
(Penalty Section 7 **Del.C.** §2012)

## 14.0 Lease Marking

- 14.1 ~~Following the issuance of a Shellfish Aquaculture Subaqueous Land Lease by the Department, and prior~~ Prior to placing any shellfish aquaculture gear or shellfish on a Shellfish Aquaculture Subaqueous Land Lease, each corner of each the leased one (1) 1 acre plot to be used for shellfish aquaculture must be surveyed and marked by a professional land surveyor as defined in 24 Del.C. §2702(6), or may be surveyed and marked by the Department as resources allow.
  - 14.1.1 The relative accuracy of the corner marker locations shall be equal to or less than ~~three (3) 3~~ 3 feet. Locations of all corner markers in latitude and longitude shall be provided in an ~~eight (8) 8~~ 8 digit format, as well as information on the method of measurement, make and model of equipment, on a certificate form supplied by the Department and signed by the professional surveyor or Department surveyor after the boundary survey and marking of the lease.

- 14.1.2 The leaseholder shall be responsible for supplying the anchors, lines, buoys, and poles required to mark the corner boundaries.
- 14.1.3 The leaseholder shall be responsible for all costs of professional land surveys not performed by the Department.
- 14.2 It is unlawful for the ~~aquaculture~~ lessee to not mark each corner of a Shellfish Aquaculture Subaqueous Land Lease ~~acre being used to hold any gear, equipment, or shellfish in the Rehoboth or the Indian River Bays~~ with a PVC pole or PVC pole buoy at least ~~six (6) 6~~ inches in diameter and extending at least ~~five (5) 5~~ feet above the surface of the water at mean high water. Leases in the Little Assawoman Bay shall be marked in accordance with 7 Del.C. §2002. (Penalty Section 7 Del.C. §2012)
- 14.3 The leaseholder shall affix an orange reflective diamond placard, measuring a minimum of 12 inches by 12 inches to each corner pole in the Rehoboth and Indian River Bays.
- 14.3.1 The leaseholder shall mark each corner pole in the Rehoboth and Indian River Bays with at least 24 inches of white or orange reflective material above the water line, a portion of which must be visible from all directions. The corner buoys in the Little Assawoman Bay shall be marked in accordance with 7 Del.C. §2002.
- 14.3.2 The leaseholder shall mark each corner placard in the Rehoboth and Indian River Bays with the corresponding lease number or an abbreviated lease identifier approved by the Division of Fish and Wildlife in ~~three (3) 3~~ inch black block lettering. Each corner buoy used in the Little Assawoman Bay must include corresponding lease number or abbreviated lease identifier approved by the Division of Fish and Wildlife in 3-inch black block lettering.
- 14.4 A buoy, float, sign, or other device used to mark a lease may not contain a sign, display, light, structure, figure, painting, drawing, message, plaque, placard, poster, billboard, or device that is designed, intended, or used to advertise a product or service offered by a private entity or inform the general public of anything other than that the buoy, float, sign, or other device marks the location of a shellfish aquaculture lease.
- 14.5 ~~The~~ While any gear or cultured shellfish are on a leased acre, the leaseholder shall maintain and meet any standard for corner and perimeter marker structures throughout the duration of the lease. If a leaseholder removes gear and cultured shellfish from an acre and chooses not to maintain the corner boundary markings of that acre after the initial survey, the leaseholder shall notify the Division of Fish and Wildlife of their intent to reestablish shellfish culture on that acre. Before shellfish or gear are placed on the acre, the lessee shall accurately replace corner markers at the boundary coordinates listed in the lease. The Division of Fish and Wildlife will supply the leaseholder with an affidavit listing the corner coordinates, and the lessee shall sign and return the affidavit, acknowledging replacement of boundary markings at the listed coordinates.
- 14.6 It shall be unlawful to not maintain proper lease markings in accordance with this subsection. (Penalty Section 7 Del.C. §2012)

## **15.0 Harvesting a Shellfish Aquaculture Subaqueous Land Lease**

- 15.1 It is unlawful for any person to use any device attached to a vessel powered by sail or mechanical means, or any mechanical gear in the harvesting of Shellfish Aquaculture Subaqueous Land Lease sites in Delaware's Inland Bays, except that powered winches ~~may be used to raise and lower~~ or automated systems designed to raise, lower, turn, or rotate cages or containers of shellfish may be used. (Penalty Section 7 Del.C. §2012)
- 15.2 Anyone lawfully engaged in planting, tending, or harvesting cultured shellfish in Delaware's Inland Bays shall not be bound by the seasonal restrictions of 7 **DE Admin. Code** 3772.
- 15.2.1 Notwithstanding subsection 15.2, the leaseholder, and any approved workers on the lease site shall adhere to Delaware Shellfish and Recreational Water ~~Programs'~~ Program's regulations regarding *Vibrio* and shellfish harvest.
- 15.3 The leaseholder, their licensed harvester, or anyone lawfully harvesting in the direct presence of same, may harvest oysters of any size from a Shellfish Aquaculture Subaqueous Land Lease site for which they are licensed.

## **16.0 Active Use of Shellfish Aquaculture Subaqueous Land Lease Sites**

- 16.1 The Department shall conduct an annual review of each shellfish aquaculture lease in order to determine active use of the lease in the previous year, except for scientific leases, as in 7 Del.C. §2005(b).
- 16.2 In the event that an aquaculture lease is determined by the Department not to be active for a period of ~~one (1)~~ 1 year (12 months), the lease shall be terminated and the lease site may revert to the inventory of available lease sites, except for scientific leases, as in 7 Del.C. §2005(b).
- 16.3 An active lease in Delaware's Inland Bays, except for scientific leases, as in 7 Del.C. §2005(b), must meet the following conditions:

- 16.3.1 ~~After two (2) years (24 months)~~ By December 31st of the calendar year in which the lease reaches **[36 60]** months from the date of lease issuance or transfer, leaseholders must provide evidence to the Department's satisfaction that they annually plant at least 100,000 shellfish per acre leased.
- 16.3.2 ~~After the first three years of the lease, each leaseholder~~ By December 31st of the calendar year in which the lease reaches **[48 72]** months from lease issuance or transfer, leaseholders shall annually harvest and produce proof of sale for an average of at least ~~40 bushels of 2,000~~ oysters per acre or 5,000 clams per acre, or an equivalent combination.
- 16.3.3 Shellfish transplanted between leases in the Inland Bays shall be credited as a planting or harvest effort on a single lease. The planting shall be credited to the first lessee planting the seed on an Inland Bays lease, and the harvest shall be credited to the lessee harvesting and selling the shellfish outside of the Inland Bays.
- 16.4 ~~Notwithstanding subsection 16.3, the minimum planting requirement shall not apply to the initial two (2) years (24 months) of a lease, but lessees must plant sufficient shellfish to ensure that the production requirement can be met by the end of the third year (36 months), and annually thereafter.~~
- 16.5 The Department may, at its discretion, grant written exemptions from the ~~[planting, harvest or sale requirement]~~ due to catastrophic loss or low shellfish stock availability **[minimum planting or harvest requirement based on acreage, seed availability, market volatility, natural disasters, or any other event the Department deems qualifying]**.

## **17.0 Reporting Requirements for Shellfish Aquaculture Subaqueous Land Leases and Shellfish Aquaculture Nursery Structures**

- 17.1 It is unlawful for the leaseholder to not file monthly reports by the tenth day of the following month indicating if any ~~clam or oyster~~ shellfish planting or harvest activity occurred or did not occur, including the farm gate prices paid, on forms provided by the Department.
- 17.2 It is unlawful for leaseholders and shellfish aquaculture nurseries to not completely and accurately answer a yearly questionnaire provided by the Department ~~within 45 days from the date of receipt~~ prior to February 1 of the following year.
- 17.3 It is unlawful for shellfish aquaculture nursery permittees to not file yearly reports indicating species and numbers of shellfish grown and planted or sold.  
(Penalty Section 7 **Del.C.** §2010(b))

## **18.0 Annual Shellfish Aquaculture Subaqueous Land Lease Renewal**

- 18.1 Leaseholders renewing their leases shall submit the annual lease fee and form by December 31 of their current year's lease.
  - 18.1.1 Renewal of the lease is subject to the leaseholder and operations plan meeting all criteria for leasing.
  - 18.1.2 If the Department finds that it is contrary to public interest to renew a lease, then the lease may not be renewed.
- 18.2 If a leaseholder does not renew their lease by the payment deadline, the lease may be terminated for non-payment, and the leased area described in the terminated lease shall revert to the inventory of available lease sites.

## **19.0 Shellfish Aquaculture Subaqueous Land Lease Transfers**

- 19.1 A leaseholder may apply to transfer a lease by completing a Lease Transfer Form supplied by the Department, and signed and notarized by the parties making and receiving the transfer, provided that the aquaculture operation remains the same, including size, species, gear, and method of culturing.
- 19.2 The Department shall not transfer a Shellfish Aquaculture Subaqueous Land Lease without a complete and accepted Shellfish Aquaculture Subaqueous Land Lease Application from the party to whom the lease is ~~being~~ to be transferred, a boundary survey as specified in subsection 14.1, evidence of bond and liability coverage as specified in Section 7.0, and full payment of all application and lease fees, and a boundary survey as specified in subsection 14.1. The boundary survey shall not be required when the transferring party retains some portion of the lease ownership.
- 19.3 The party to whom the lease is being transferred shall be responsible for paying the lease application fee prior to the completion of the transfer.

## **20.0 Shellfish Aquaculture Subaqueous Land Lease Expiration, Surrender, Termination and Sale**

- 20.1 A leaseholder may surrender their lease to the State, in whole, or in ~~one (1)~~ 1 acre increments, at any time during their lease ~~tenure term~~; however, the leaseholder will remain liable for the removal of shellfish aquaculture gear and cultured shellfish on the lease consistent with subsection 20.4.
- 20.2 The Department may terminate a Shellfish Aquaculture Subaqueous Land Lease at any time where the Department determines that continuing the lease does not serve the public interest of the State. Criteria for termination includes, but is not limited to:
- 20.2.1 Failure to pay the annual lease fee in advance of the year.
  - 20.2.2 Failure to file information required by the Department, or filing false information to the Department.
  - 20.2.3 Failure by new leaseholder to apply for a lease transfer.
  - 20.2.4 Failure to keep the lease boundaries marked as required in Section 14.0.
  - 20.2.5 Failure to comply with the regulations governing the use of shellfish aquaculture leases in Delaware's Inland Bays.
  - 20.2.6 Failure to file reports as required in Section 17.0.
  - 20.2.7 Evidence that the leaseholder willfully extends or causes to extend the lease boundaries.
  - 20.2.8 Failure to adhere to the operations plan.
- 20.3 The Department shall notify an aquaculture leaseholder by registered mail of its decision to terminate a lease.
- 20.3.1 A leaseholder may contest the Department's ~~proposed decision by requesting a review by~~ to terminate a lease by appealing the decision to the Environmental Appeals Board, ~~to be filed no later than 30 days after receipt of the Department's termination decision pursuant to 7 Del.C. §6008.~~
  - 20.3.2 Failure of a leaseholder to respond to the Department's notification within ~~30~~ 20 days of receipt of the notification shall cause the lease to revert to the State.
- 20.4 In the event of expiration, surrender, or termination, the leaseholder is responsible for restoring the lease area to pre-lease conditions within ~~thirty (30)~~ 30 days from the date of expiration, surrender, or termination. This shall include the removal of all cultured shellfish, structures, rafts, floats, markers, buoys, lines, cages, anchors, netting, stakes, and other equipment brought to the site lease area.
- 20.4.1 A leaseholder who does not restore the lease area to pre-lease condition within 30 days shall surrender their performance bond, in order to enable the Department to remediate the site lease area.
  - 20.4.2 Equipment that is not cleared from the site lease area within 30 days from expiration, surrender, or termination of the lease shall be considered abandoned. Abandoned equipment will be disposed of in the manner described in 7 **Del.C.** §2013(f).
- 20.5 Any person, corporation, or entity who has had their lease terminated, or has abandoned their lease may not apply for a new lease or a transfer of lease for a period of ~~five (5)~~ 5 years.
- 20.6 ~~Except as provided in Section 19.0 of these regulations providing for transfer of a Shellfish Aquaculture Subaqueous Land Lease,~~ it is unlawful to sublease, rent, or sell a Shellfish Aquaculture Subaqueous Land Lease.

(Penalty Section 7 **Del.C.** §2012)

## **21.0 Shellfish Aquaculture Subaqueous Land Lease Condemnation**

- 21.1 Any subaqueous lands leased for shellfish aquaculture in Delaware's Inland Bays and subsequently classified as prohibited, seasonally closed, or conditionally closed by the Department for the harvest of shellfish shall be governed by the following:
- 21.1.1 Leases falling under episodic closure shall adhere to the Delaware Shellfish and Recreational Water ~~Programs Program~~ Program guidelines.
    - 21.1.1.1 It is unlawful to harvest shellfish from an area that Delaware Shellfish and Recreational Water ~~Programs Program~~ Program has declared closed. Leaseholders may tend their shellfish if their lease falls under episodic closure. (Penalty Section 7 **Del.C.** §2012)
    - 21.1.1.2 Leaseholders may resume harvesting shellfish when the Delaware Shellfish and Recreational Water ~~Programs Program~~ Program reopens the area for shellfish harvest.
  - 21.1.2 Should a lease area remain under a lengthy closure, the Delaware Shellfish and Recreational Water ~~Programs Program~~ Program will consider options for relay or harvest of shellfish, at their discretion.
    - 21.1.2.1 Prior to moving any shellfish, the leaseholder shall apply for and receive a no-cost permit for this purpose issued by the Department.
    - 21.1.2.2 The Department shall not assume any liability for any changes in classification of lease area, and shall assume no liability to the lessee for damages incurred due to such actions.

## **22.0 Emergency Shellfish Lease**

- 22.1 The Department may issue an emergency shellfish lease where a leaseholder provides evidence to the Department's satisfaction that the health and safety of their current cultured shellfish are in imminent danger due to the lease location and such threat may be ameliorated by a change in location, provided the following:
- 22.1.1 The leaseholder completes an Emergency Shellfish Relocation Application.
  - 22.1.2 Emergency shellfish relocations will be made to an available location, selected at the Department's sole discretion, within an approved SADA.
- 22.2 Within 60 days of emergency shellfish relocation approval by the Department, a leaseholder must perform 1 of the following actions:
- ~~22.2.1~~ 22.2.1 ~~return~~ Return to their original lease ~~site, site~~;
  - ~~22.2.2~~ 22.2.2 ~~file~~ File an application for a new ~~lease, lease~~; or
  - ~~22.2.3~~ 22.2.3 ~~submit an~~ Submit a new Emergency Shellfish Relocation Application.
  - ~~22.2.4~~ 22.3 An emergency shellfish relocation lease is valid for no more than ~~two~~ 2 60-day lease periods.

### 23.0 Prohibited Activities

- 23.1 It is unlawful to alter the existing condition of any area for which a Shellfish Aquaculture Subaqueous Land Lease has been issued, including but not limited to, adding or removing fill, shell, or other material, without first obtaining the Department's written approval.
- 23.2 It is unlawful to culture oysters unless they are fully contained in gear.
- 23.3 It is unlawful for a Shellfish Aquaculture Subaqueous Land Leaseholder or shellfish aquaculture license holder, or those individuals working under the physical presence of a licensed shellfish harvester, to operate in any manner that is inconsistent with the operations plan governing the use of a Shellfish Aquaculture Subaqueous Land Lease.
- 23.4 It is unlawful to engage in shellfish aquaculture activities in Delaware's Inland Bays except according to the terms and conditions specified in a Department-issued Shellfish Aquaculture Subaqueous Land Lease, a Shellfish Nursery Permit, or an Emergency Shellfish Lease.
- 23.5 It is unlawful to harvest or take wild ~~bivalve shellfish~~ hard clams from permitted lease sites and any navigation corridors.
- 23.6 It is unlawful to culture any non-native shellfish species in Delaware's Inland Bays; however, triploid varieties of native species are permitted.
- 23.7 It is unlawful to prevent the public from traversing or hook and line fishing in a Shellfish Aquaculture Subaqueous Land Lease.
- 23.8 It is unlawful for boats traversing a marked navigation corridor or a marked lease to exceed a Slow-No-Wake speed, as defined in 7 **DE Admin. Code** 3100 (Section 2.0).
- 23.9 It is unlawful to interfere with the lawful tending or harvest of a Shellfish Aquaculture Subaqueous Land Lease.
- 23.10 It is unlawful for boats, other than those operated by the leaseholder, or their employees, to anchor within a shellfish aquaculture lease ~~site~~ or to tie off to any shellfish aquaculture gear or lease boundary marking.
- 23.11 It is unlawful for boats to anchor within a marked navigation corridor or to tie off to any shellfish aquaculture gear or lease boundary marking.
- 23.12 It is unlawful for anyone to culture more than 1,000 shellfish unless lawfully operating under a Shellfish Aquaculture Subaqueous Land Lease or Shellfish Nursery Permit.
- 23.13 It is unlawful to fish or crab with any gear other than hook and line within the boundaries of an active and marked Shellfish Aquaculture Subaqueous Land Lease or navigation corridor.
- 23.14 It is unlawful to use canopy predator nets, or any barrier netting out of the water on a Shellfish Aquaculture Subaqueous Land Lease or shellfish nursery structure.
- 23.15 It is unlawful to use supplemental algae to culture shellfish in Delaware's Inland Bays.
- 23.16 It is unlawful to fix, set, or erect shellfish aquaculture gear outside of the boundaries of a lawful Shellfish Aquaculture Subaqueous Land Lease.
- 23.17 It is unlawful to conduct shellfish gardening activities without the written authorization from the Delaware Shellfish and Recreational Water Program.

(Penalty Section 7 **Del.C.** ~~§2012~~ §§2012 and ~~§2013(d)~~ 2013(d))

**18 DE Reg. 151 (08/01/14)**

**27 DE Reg. 869 (05/01/24) (Final)**