

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 363 (Senator Dyson)
Economic and Environmental Affairs

Recreational Fishing Licenses - Exemptions for Senior Citizens

This bill repeals the resident consolidated senior sport fishing license and allows any individual at least 65 years old to:

- fish on nontidal waters without having an angler's license,
- fish for trout without holding a trout stamp, and
- fish for finfish in the Chesapeake Bay without holding a Chesapeake Bay sport fishing license.

The Department of Natural Resources (DNR) must provide a senior citizen exemption certificate to the above individuals in place of a Chesapeake Bay Sport Fishing License; this certificate is to be used with any striped bass stamp and tags obtained.

Fiscal Summary

State Effect: Special fund revenues would decrease by approximately \$140,000 annually. Federal fund revenues could decrease by \$50,940 to \$101,880 annually. Potential minimal decrease in special fund expenditures.

Local Effect: None.

Small Business Effect: Potential minimal impact on small businesses as discussed below.

Fiscal Analysis

State Revenues: DNR estimates that 18,193 consolidated senior sport fishing licenses were sold for the 1996 season at \$5 each, for total sales of \$90,965. Approximately 97.5% of licenses are sold by agents, who retain \$.50 for each license issued. Total revenues minus \$8,869 in agent fees amounts to \$82,096. In addition, approximately 12% of nonresident

licenses sold are issued to seniors. Under this bill, they would not need to purchase the normal nonresident license; DNR estimates that the majority of these individuals purchase both the tidal and nontidal nonresident license for a total of \$27. Revenues would decrease by \$58,945 assuming that 2,183 such licenses would normally be sold. The total revenue loss from nonresident licenses would equal \$57,881; this subtracts out the \$1,064 in agent fees. In total, license sales to resident and nonresident seniors would decrease by \$139,977.

In addition, the State receives federal matching funds for fisheries activities; only anglers who pay a license fee which at least equals the administrative cost of the license are counted in determining the federal match. The federal funds available varies from year to year; DNR estimates that it ranges from \$2.50 to \$5.00 per license. Thus, this bill could result in a loss of \$50,940 to \$101,880 in federal funds annually.

This estimate does not account for individuals who currently pay for a five-day sportfishing license rather than a seasonal license. However, DNR has no information on the number of such licenses that would be purchased by individuals that are at least 65.

State Expenditures: Should the number of senior citizen exemption certificates that are issued be significantly lower than the number of licenses currently issued, printing costs could decrease by a minimal amount.

Small Business Effect: Agents that currently sell consolidated senior fishing licenses and nonresident licenses could be minimally impacted. It is not clear how qualified individuals will receive an exemption certificate; however, even if they receive them through a licensed agent it is unlikely that DNR will allocate a fee to these businesses for distributing a free license. Approximately 20,000 fewer such licenses would be sold, at \$10,000 less in revenues through the \$.50 fee. This revenue loss would be spread among businesses throughout the State; many of the licenses are sold through large businesses.

On the other hand, should more individuals 65 and over engage in fishing activities due to the provisions of the bill, bait and tackle shops and other suppliers could realize increased fishing-related sales.

Information Source(s): Department of Natural Resources, Department of Fiscal Services

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