

Department of Legislative Services
 Maryland General Assembly
 2010 Session

FISCAL AND POLICY NOTE

House Bill 673 (Delegate Dwyer, *et al.*)
 Environmental Matters

Hunting and Fishing - Veterans - Complimentary Licenses

This bill expands eligibility for lifetime complimentary angler, Chesapeake Bay sport fishing, and hunting licenses from 100% service-connected disabled American veterans to *all* veterans. A “veteran” is an individual who served on active duty in the armed forces of the United States, other than for training, and was discharged or released under conditions other than dishonorable.

Fiscal Summary

State Effect: Department of Natural Resources (DNR) special fund revenues decrease by \$720,600 in FY 2011 and by \$960,800 in FY 2012 and future years. DNR federal fund revenues decrease by \$188,500 in FY 2013 and future years. Expenditures are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
SF Revenue	(\$720,600)	(\$960,800)	(\$960,800)	(\$960,800)	(\$960,800)
FF Revenue	\$0	-	(\$188,500)	(\$188,500)	(\$188,500)
Expenditure	0	0	0	0	0
Net Effect	(\$720,600)	(\$960,800)	(\$1,149,300)	(\$1,149,300)	(\$1,149,300)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Current Law: Generally, fishing or hunting licenses must be obtained from DNR, or an authorized agent of DNR, in order to fish or hunt in Maryland and its waters. DNR may issue:

- an annual complimentary angler's or hunter's license to the President of the United States, the governor of any state, and any official of the game and fish department of any other state; and
- a lifetime complimentary Chesapeake Bay sport fishing, angler, or hunting license to any Maryland resident who certifies that the resident is a former prisoner of war or 100% service-connected disabled American veteran.

These complimentary licenses are not transferable and must be issued on DNR-approved forms. Not more than 20 complimentary angler's licenses for each state other than Maryland may be outstanding at any time.

Background: DNR offers numerous types of hunting and fishing licenses. The various licenses authorize hunting and fishing during different time periods, for specific animal species, and within specific geographic locations. Among others, the fishing and hunting licenses DNR offers include the:

- annual tidal Chesapeake Bay sport fishing license, which currently costs \$15 and allows licensees to fish in the Chesapeake Bay and its tributaries from January 1 through December 31;
- annual nontidal fishing license, which currently costs residents \$20.50 and allows licensees to fish in the State's fresh waters from January 1 through December 31;
- consolidated Chesapeake Bay sport boat fishing license, which currently costs \$50 annually and allows everyone on board a vessel used for pleasure to recreationally fish in the Chesapeake Bay and its tributaries in lieu of individual licenses; and
- full season resident hunting license, which currently costs \$24.50 and authorizes hunting of all legal game birds and mammals in season without the need for additional stamps, excluding deer bow and muzzleloader season, migratory game birds, and furbearers.

In accordance with Chapter 217 of 2007, which increased license fees for some fishing licenses for a three-year period, several fishing license fees revert to the lower fiscal 2007 fee level after June 30, 2010.

Between 2007 and 2009, DNR issued an annual average of 151 complimentary lifetime nontidal fishing licenses, 217 complimentary Chesapeake Bay sport fishing licenses, and 81 complimentary hunting licenses to former prisoners of war or 100% service-connected disabled American veterans.

State Revenues: DNR special fund revenues decrease by an estimated \$720,637 in fiscal 2011, which reflects the bill's October 1, 2010 effective date, and \$960,849 in fiscal 2012 and annually thereafter. This estimate reflects the following assumptions:

- 90.7% of hunters in the State are adults, 11.9% of Maryland's adult population is composed of veterans, and 1% of veterans are 100% service-connected disabled and are already eligible;
- all non-100% service-connected disabled veterans seek hunting and fishing licenses;
- the number of licenses sold does not change and remains at 2009 levels;
- all licenses and stamps are sold through agents;
- the regular hunting license, bonus deer stamp, resident bow stamp, resident muzzleloader stamp, migratory game bird stamp, and furbearer permit are affected by the bill;
- the resident nontidal license, resident five-day nontidal license, resident three-day nontidal license, resident bay sport license, resident five-day bay sport license, and the consolidated bay sport boat license are affected by the bill; and
- specified license fees revert to the lower fiscal 2007 fee level as of June 30, 2010, pursuant to current law.

DNR receives \$18.00 in federal Pittman Robertson Wildlife Restoration Act funds for every hunting license purchased in the State. Assuming the estimated veterans purchase 11.8% of regular hunting licenses and license sales remain steady at 88,888 annually, license sales will decrease by 10,472, effectively reducing DNR's federal funding by \$188,496 in fiscal 2013 and annually thereafter. The number of hunting licenses sold in fiscal 2011 drives federal funds provided in fiscal 2013.

To the extent the bill reduces the number of fishing licenses sold, DNR may lose federal Aid in Sport Fish Restoration Act (Wallop-Breaux Act) funding starting in fiscal 2012. The bill makes it more difficult for DNR to increase sales and exceed the minimum threshold necessary to qualify for additional federal funds.

New federal angler registry requirements went into effect in January 2010, requiring DNR to track specified information about all individuals who hold tidal fishing licenses. To comply with this new requirement, DNR must periodically gather updated information from complimentary license recipients. Thus, increasing the number of complimentary licensees will increase DNR's workload associated with this activity.

Small Business Effect: DNR works with agents, which in most cases are small businesses, to issue hunting and fishing licenses. Generally, agents retain \$1 per nontidal and tidal license that they issue. If DNR issues these complimentary licenses, it will most likely be through DNR's service centers and not an agent. Assuming all of the 46,705 estimated veterans get complimentary nontidal and tidal fishing licenses from agents, agents lose \$45,428 in annual fee revenue. Also, agents receive \$1.50 for each resident hunting license sold and \$0.75 for each hunting stamp sold. A potential reduction in sales of 10,472 hunting licenses and 19,705 hunting stamps reduces agent revenue by approximately \$30,487 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources, Department of Veterans Affairs, Department of Legislative Services

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