

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1148

(Delegate Luedtke, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Natural Resources - Shark Fins - Restriction on Possession or Distribution

This bill generally prohibits a person from possessing, selling, offering for sale, trading, or distributing a shark fin. A person may possess a shark fin if (1) the person holds the appropriate State or federal license or permit authorizing the taking or landing of a shark for recreational or commercial purposes; (2) it is taken from a shark that the person has taken or landed; and (3) it is taken in a manner consistent with the person's license. A museum, college, or university may possess a shark fin if the shark fin is used solely for display or research purposes. A "shark" is any species of the subclass Elasmobranchii and does not include Smooth Hounds, Spiny Dogfish, or species in the superorder Batoidea (generally, skates, sawfishes, and specified rays). A "shark fin" is the raw, dried, or otherwise processed detached fin or tail of a shark. The Department of Natural Resources (DNR) must adopt implementing regulations.

Fiscal Summary

State Effect: This estimate assumes that DNR can enforce and implement the bill with existing budgeted resources. The application of existing penalty provisions to the bill's prohibition is not expected to materially affect State finances.

Local Effect: The bill is not expected to materially affect local operations or finances. The application of existing penalty provisions to the bill's prohibition is not expected to materially affect local finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The Secretary of Natural Resources is responsible for conservation management of the fish, fisheries, fish resources, and aquatic life within the State. Current State regulations require all sharks harvested by (1) recreational anglers to have heads, tails, and fins attached naturally to the carcass through landing and (2) commercial watermen to have the tails and fins attached naturally to the carcass through landing.

Generally, for a first offense, a person who violates fish and fisheries provisions of the Natural Resources Article is guilty of a misdemeanor and, upon conviction, is subject to a fine of up to \$1,000, with costs imposed in the discretion of the court. For a second or subsequent offense, a person is subject to a fine of up to \$2,000 and/or imprisonment for up to one year, with costs imposed in the discretion of the court. A second or subsequent offense is one which has occurred within two years of any prior violation.

Among other things, the federal Shark Conservation Act of 2010 (H.R. 81) requires that all sharks in the United States be brought to shore with their fins naturally attached. The Act applies to 40 shark species (*e.g.*, Hammerhead, Mako, Tiger, and White sharks) and the Spiny Dogfish. Due to concerns expressed by watermen, the Smooth Hound may be exempted from the Act via anticipated federal implementing regulations.

Background: DNR's Fisheries Service is responsible for managing commercial and recreational fishing in the State. The Fisheries Service seeks to develop a management framework for the conservation and equitable use of fishery resources; manage fisheries in balance with the ecosystem for present and future generations; monitor and assess the status and trends of fishery resources; and provide high-quality, diverse, and accessible fishing opportunities. Maryland manages sharks under the Atlantic States Marine Fisheries Commission's Interstate Fishery Management Plan for Atlantic Coastal Sharks.

There is a small recreational and commercial shark fishery in Maryland. Approximately 15 commercial watermen report landing sharks in State waters every year. **Exhibit 1** illustrates that the State's 2011 reported shark harvest totaled over 1.5 million pounds, with a dockside value of over \$653,000. The majority of the harvest was composed of Spiny Dogfish, which are typically sold whole for their meat. Data on the number and type of rays harvested and processed in the State is not readily available; however, DNR advises that wholesalers/dealers in Maryland do process rays.

While Maryland does not allow shark finning, shark fins may be sold and fins removed after the shark is landed or under specified ratios provided under federal and interstate management. Shark finning is a widespread practice that has contributed to a significant decline in some shark species. Shark finning refers to the removal and retention of shark

fins and the discarding of the rest of the fish. There is an international demand for shark fins to use in soup, among other purposes.

Exhibit 1
2011 Reported Shark Harvest in Maryland

<u>Shark Species</u>	<u>Total Harvest (pounds)</u>	<u>Total Dockside Value</u>
Smooth Hound	394,208	\$373,177
Spiny Dogfish	1,099,869	255,843
Other	14,293	24,095
Total	1,508,370	\$653,115

Note: The dockside values may be for whole sharks, fins, or a combination of both.

Source: Department of Natural Resources; Atlantic Coastal Cooperative Statistics Program

Several states have passed laws that seek to limit or prohibit the possession, sale, trade, and/or distribution of shark fins, including California, Hawaii, Oregon, and Washington.

Small Business Effect: The bill has a potentially meaningful impact on small fishing businesses that harvest certain species of shark as well as seafood wholesalers, dealers, truckers, and restaurants that process, transport, or sell certain species of shark and/or shark fins. Because the bill limits the possession of certain species of shark fins, it may limit the State's commercial shark fishery, affecting approximately half a dozen small shark fishing businesses. The bill has a negative impact on small seafood wholesalers/dealers, stores, and restaurants to the extent that they can no longer use or sell certain species of shark fins. DNR advises that 10 restaurants in the State are known to serve shark fin soup. The total number of small businesses impacted by the bill cannot be reliably estimated at this time.

Additional Comments: The bill's definition of shark is unclear because the superorder Batoidea is no longer considered a valid term in accordance with the Integrated Taxonomic Information System. DNR advises that Batoidea has, generally, been replaced with the superorder Euselachii and order Rajiformes.

Additional Information

Prior Introductions: Legislation prohibiting the possession, sale, trade, or distribution of a shark fin was introduced during the 2012 session as SB 465/HB 393. SB 465 passed the Senate with amendments. The House Environmental Matters Committee held a hearing on both bills, but no further action was taken on either bill.

Cross File: SB 592 (Senator Frosh, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Natural Resources, Humane Society, World Wildlife Fund, Department of Legislative Services

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Analysis by: Amanda Mock

Direct Inquiries to:
(410) 946-5510
(301) 970-5510