

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 93

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Natural
Resources)

Education, Health, and Environmental Affairs

Environmental Matters

Natural Resources - Recreational Incentives Pilot Program

This departmental bill establishes a Recreational Incentives Pilot Program in the Department of Natural Resources (DNR) to determine whether offering incentive discounts to individuals who have not purchased a specified recreational fishing or hunting license within the previous three years increases the number of such recreational licenses purchased. DNR must develop and carry out a plan to implement the pilot program that (1) identifies eligibility criteria; (2) establishes amounts for the incentive discounts; and (3) includes a marketing strategy. Incentive discounts may not exceed 50% of the underlying license fee. By September 30, 2017, DNR must submit a report to the Governor and General Assembly on the operation and results of the pilot program. DNR may adopt implementing regulations.

The bill terminates September 30, 2017.

Fiscal Summary

State Effect: Special fund revenues increase beginning in FY 2015, the magnitude of which depends on the effectiveness of the pilot program in attracting and retaining recreational fishing and hunting licensees. Implementation and reporting can be handled with existing resources.

Local Effect: None.

Small Business Effect: DNR has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law:

Recreational Fishing Licenses

DNR offers numerous types of recreational fishing licenses that authorize fishing during different time periods, for specific species, and within specific geographic locations. Among others, the fishing licenses DNR offers include the:

- 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;
- annual tidal Chesapeake Bay sport fishing license, which currently costs residents \$15 and allows licensees to fish in the Chesapeake Bay and its tributaries from January 1 through December 31; and
- annual Chesapeake Bay and Coastal sport boat fishing license, which 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.

Revenue generated from the sale of angler's licenses is deposited into the Fisheries Management and Protection Fund and used only for the scientific investigation, protection, propagation, and management of nontidal finfish. The Fisheries Research and Development Fund (FRDF) is composed of revenue from, among other things, Chesapeake Bay and coastal sport fishing licenses; commercial fishing licenses and permits; specified oyster and clam shell payments; the sale of seed oysters; specified fines or forfeitures; and general fund appropriations. FRDF revenues must be used for (1) replenishing fisheries resources and related research; (2) matching federal funds available for research and development of fishing resources; and (3) administrative costs.

Hunting Licenses

With certain exceptions, a person may not hunt or attempt to hunt during open season and in any permitted manner any game birds and mammals in the State without a resident or nonresident hunter's license. Varying fees apply for DNR hunting licenses and stamps; however, an annual resident hunting license costs \$24.50. Lower hunting license fees also apply to persons younger than age 16 and residents who are age 65 or older. A hunting license is valid for the period from August 1 through July 31 each year. Funds generated from any license, stamp, application, or permit fee under wildlife provisions in the Natural Resources Article must be credited to the State Wildlife Management and Protection Fund and used for the scientific investigation, protection, propagation, and management of wildlife.

Background: DNR indicates that the pilot program is intended to stabilize and possibly increase recreational fishing and hunting license sales. According to DNR, between 2007 and 2012, regular (excluding senior) resident hunting license sales decreased by 5%. DNR also advises that 303,000 anglers (recreational fishing licensees) were licensed in 2012, while the average from 1992 to 1996 was 530,000 anglers. The bill applies to nearly all types of recreational fishing and hunting licenses issued by DNR. In fiscal 2013, DNR received \$7.8 million and \$6.7 million in special fund revenue from recreational fishing licenses and hunting licenses, respectively.

DNR indicates that, in 2011, Wisconsin implemented a discount program for hunting and fishing licenses that requires a person to have been without a license for at least 10 years to qualify. Under the Wisconsin program, many of the discounts are greater than 50%. DNR indicates, however, that it is too early to judge the effectiveness of that program, which will depend on whether discounted licenses lead to persons renewing those licenses at the full cost in subsequent years.

State Revenues: DNR special fund revenues are expected to increase beginning in fiscal 2015, with the magnitude of the increase depending on the effectiveness of the program. The requirement that a person must not have held a license for three years to qualify for a discount is expected to result in most of the discounted licenses being sold to persons that otherwise would not have purchased a license, resulting in an overall increase in revenue. More permanent increases in revenue may result in future years if the program is successful in attracting licensees with the discount and retaining them at the full license price in subsequent years.

Federal funding that DNR receives is affected by the number of fishing and hunting licensees, but based on thresholds of numbers of licensees and not on a per licensee basis. DNR does not expect the pilot program to result in an increase in federal funding.

State Expenditures: DNR indicates that implementing the pilot program, including marketing efforts and modifying the department's online licensing and registration system, can be handled with existing resources. The required report can also be prepared with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 10, 2014
mc/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Natural Resources – Recreational Incentives Pilot Program

BILL NUMBER: SB 93

PREPARED BY: Department of Natural Resources

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS