

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 411 (Delegate Poole, et al.)
Environmental Matters

Fisheries and Wildlife Endowment Funds - Lifetime Licenses

This bill creates a resident lifetime consolidated sport fishing license and a resident lifetime consolidated hunting license. The lifetime fishing license covers all waters of the State, and obviates the need for a trout stamp. The lifetime hunting license does not include waterfowl or bonus deer stamps.

The bill also establishes the Fisheries Endowment Fund and the Wildlife Endowment Fund as special nonlapsing funds within the Department of Natural Resources (DNR). The funds consist of proceeds from the sale of resident lifetime consolidated licenses, and any designated gifts, grants, and contributions. The funds are required to be invested and reinvested, and any investment earnings must be paid into the funds. The funds may only be used for applicable conservation, preservation, and management programs, and to administer the lifetime license programs.

The bill specifies terms and conditions for the consolidated lifetime licenses, and sets fees for the licenses based on the current age of the purchaser. DNR is also authorized to issue complimentary lifetime consolidated licenses to former prisoners of war or 100% disabled veterans.

Fiscal Summary

State Effect: Significant indeterminate special fund revenue and expenditure increases.

Local Effect: None.

Fiscal Analysis

State Revenues: The two endowment funds created by this bill could be expected to receive significant license fee and interest income over an extended period. However, the revenue generated by this bill is dependent upon the number of lifetime licenses purchased, the age of licensees, inflation, and interest rates. In addition, revenue increases will be partially offset by the lack of revenues generated through annual license sales to individuals holding lifetime licenses, particularly in the out-years. Thus the increase in State revenues cannot be reliably estimated at this time.

The bill provides for the following fee structure.

Resident Consolidated Lifetime License Fees

Age Level	Lifetime Sport Fishing License Fee	Lifetime Hunting License Fee
Age 0-15	\$650	\$725
Age 16-35	\$625	\$700
Age 36-50	\$500	\$500
Age 51-64	\$325	\$300

Note: Fees are subject to inflationary adjustment every 3 years; licenses are not transferable or refundable.

In addition, the department may charge a \$5 fee for a duplicate resident lifetime consolidated hunting license.

The Department of Fiscal Services (DFS) believes that the participation level in such lifetime license programs will be substantially dependent upon the extent to which potential licensees view participation as an opportunity for significant savings. For purposes of illustration, a hunter aged 25 and continuing to reside in the State and actively annually hunt until age 70 could save as much as \$400 over the next 45 years by purchasing the lifetime license at \$700.

It should be noted that this \$400 cost savings to the hunter does not necessarily represent a \$400 reduction in revenues to DNR. The department would offset this revenue loss through interest accumulation on the funds, a minimal decrease in departmental administrative costs for licensing, and expected revenue gains on lifetime licenses for hunters over the age of 50.

While the cost savings for hunters and anglers may appear substantial, particularly for those in the younger age brackets, it is difficult to predict the demand for these lifetime licenses. Other variables such as cash-on-hand and potential interest in moving out-of-state could outweigh the perceived savings.

Federal funds allocated to Maryland based on the number of hunting and fishing licenses sold each year would not be affected. The department plans to “purchase” annual hunting licenses each year for lifetime license holders by transferring the appropriate funds from the Wildlife Endowment Fund to the Wildlife Management Protection Fund; fishing licenses would be similarly “purchased”. This should not affect program operations, as all funds involved can be used to support functions relating to resource preservation and management.

State Expenditures: It is assumed that DNR’s expenditures for administration and preservation and conservation management will offset the earnings of the endowment funds on a dollar per dollar basis annually.

As mentioned above, there could be a minimal decrease in departmental administrative costs for licensing through the implementation of lifetime consolidated licenses.

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

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