

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

Senate Bill 146 (Senator Munson)  
Economic and Environmental Affairs

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**Natural Resources - Hunting License Fees - Nonresidents**

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This bill increases the fee for nonresident individual hunting stamps from \$10 to \$50 each. In addition, it sets a fee of \$120.50 for a nonresident basic hunting license, eliminating the reciprocity provision that allows residents of Delaware, Pennsylvania, Virginia, and West Virginia to purchase such a license for \$83 or the amount charged by that state for a similar license, whichever fee is greater.

This bill is effective August 1, 1996.

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**Fiscal Summary**

**State Effect:** Indeterminate effect on special fund revenues and expenditures. Potential decrease in federal fund revenues and expenditures.

**Local Effect:** None.

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**Fiscal Analysis**

**Background:** Currently, nonresident hunters in Maryland can purchase a nonresident basic hunting license, which ranges in price from \$83 to \$120.50, depending on the hunter's state of origin. Alternatively, the hunter can purchase a nonresident three-day hunting license for \$35. In addition, the hunter needs to purchase stamps for certain types of hunting. The following stamps can be purchased at a cost of \$10 each:

- Deer stamp
- Second Deer stamp (for each deer hunting season)
- Bow and Arrow stamp
- Black Powder stamp

- Maryland Migratory Wild Waterfowl stamp

**State Effect:** Special fund revenues due to nonresident basic hunting licenses and stamp purchases will most likely increase. However, the actual amount of the increase cannot be predicted at this time, and there is a chance that revenues could actually decrease. Because the fee increases are significant, there could be a decline in license sales. If the magnitude of license sale decreases eclipses the effect of per license revenue increases, then overall revenues would decrease.

Currently, most of the nonresident basic hunting licenses are purchased by individuals from surrounding states. The price they pay is set by what Maryland residents pay for a similar license in that state (but must be at least \$83). It should be noted that current fees charged for similar licenses in neighboring states average \$3 to \$4 higher than Maryland’s 1995 fees. However, in many of these states the number of special stamps that need to be purchased is reduced. **Exhibit 1** details the number and price of nonresident licenses sold in Maryland.

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Exhibit 1

**1995 Nonresident Licenses in the State of Maryland**

State	Price per license	Number of Licenses purchased	Total Revenues
Delaware	\$83.00	1,980	\$164,340
Pennsylvania	\$83.00	5,051	\$419,233
Virginia	\$120.00	1,046	\$125,520
West Virginia	\$85.00	540	\$45,900
All Others	\$120.50	1,544	\$186,052
Total	N/A	10,161	\$941,045

Source: Department of Natural Resources; Department of Fiscal Services

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Of the total revenues from the sale of basic nonresident hunting licenses, approximately 80% come from sales to residents of adjacent states. Most residents from these states would see a price increase of \$35.50 to \$37.50 for the basic license itself. While residents of Virginia would only see a \$0.50 increase in the price of the basic license, they, like all other nonresident hunters, would be significantly impacted by the change in price of stamps from \$10 to \$50.

It is likely that some hunters would decide not to hunt in Maryland due to the cost increase. This would affect the sales of stamps as well as sales of basic nonresident hunting licenses and three-day licenses. While the price of three-day nonresident hunting licenses is not changed by this legislation, the sales of these licenses are also likely to be impacted by the increase in price for stamps. A Pennsylvania hunter who purchases a three-day hunting license (\$35) and a “Migratory Waterfowl” stamp (\$10) currently pays a total of \$45 in license fees for a three-day hunting trip. That same hunter would pay \$85 in license fees for a similar trip under this legislation.

It is not feasible to predict the amount by which the number of licenses will decrease, since no information is available on the price elasticity of hunting licenses. If hunting in Maryland is seen as a luxury item by nonresidents, then the increase in special fund revenues will be minimal or even nonexistent as far fewer individuals would purchase nonresident licenses and stamps. If hunters are likely to continue hunting in Maryland regardless of the price, then special fund revenues could increase significantly.

Any decrease in the number of licenses sold would affect federal fund revenues, since such funds are allocated to states based on the number of licenses sold, not the value of the licenses sold. These federal funds result from a national tax on firearms and ammunition and are distributed to the states based on the area of the state and the total number of hunting licenses sold in that state.

State expenditures on wildlife resource management will increase or decrease depending on the funding available.

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

**Fiscal Note History:** First Reader - January 26, 1996

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