

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1117 (Delegate Wood, et al.)
Environmental Matters

Natural Resources - Noncommercial Crabbing License

This bill establishes a noncommercial crabbing license for persons using specified crabbing equipment. Annual license fees are \$5 for a Maryland resident and \$10 for a nonresident; a commercial enterprise selling licenses as authorized by the Department of Natural Resources (DNR) may keep 50 cents for each license issued. All fees received are to be deposited in the Fisheries Research and Development Fund. Licenses are not required for persons under the age of 16 and those Maryland residents on active duty with the Armed Forces of the United States. The bill sets bushel limits for noncommercial crabbing. Crabs caught for noncommercial or recreational purposes may not be sold or knowingly purchased. Violators of this provision are guilty of a misdemeanor and subject to penalty provisions.

This bill is effective January 1, 1997.

Fiscal Summary

State Effect: Special fund revenue increase of approximately \$501,900 to \$1,027,300 due to fee collection, with a commensurate increase in special fund expenditures. Potential indeterminate increase in general fund revenues due to the bill's penalty provision.

Local Effect: None.

Fiscal Analysis

State Effect: A 1990 DNR study (Design of a Recreational Blue Crab Survey) estimated a minimum of 243,127 recreational crabbers; the maximum number of crabbers is estimated at 497,654. Approximately 36% of these use the specified crabbing gear; 30% are nonresident and 70% are resident; and 4.5% are juniors (less than 14 years old). Since the bill exempts those under the age of 16 (not just juniors under the age of 14) from having a license, the Department of Fiscal Services assumes that the underage exemption will

be approximately 6%. It is also assumed that of the 36% using the correct gear, the proportion of residents to nonresidents remains at 70/30, and that the proportion of those under 16 remains at 6%. The number of persons receiving the active duty military exemption is assumed to be minimal. Total revenues under this scenario would be \$534,782 for the estimated minimum number of crabbers, and \$1,094,640 for the estimated maximum. However, 80% of recreational licenses are sold through a commercial agent who would retain a \$0.50 fee. This yields total net revenues of \$501,872 to \$1,027,277.

It should be noted that the total number of licenses sold will depend upon a number of other factors. While 36% of noncommercial crabbers currently use the kind of gear that requires this license, those who do not want to pay a fee might switch their crabbing methods; this could decrease estimated revenues. On the other hand, tourism might grow in certain geographic locations, spurring additional numbers of nonresidents who purchase these licenses.

DNR reports that it costs \$26.40 per thousand to print additional licenses; this would result in special fund expenditures of \$2,191 to \$4,435. The remaining special funds collected under this license would be spent on fisheries research and development. For instance, surveys required for blue crab management are currently estimated to cost \$525,000.

General fund revenues could also increase due to the bill's penalty provision. Since misdemeanors with a maximum fine of under \$2,500 are heard in District Court, general fund revenues could increase under the bill's penalty provision, depending upon the number of convictions and fines imposed. First offenders could pay a fine of up to \$500; repeat offenders could pay a fine of up to \$2,000.

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

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