

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

Senate Bill 213 (Senators Frosh and Stoltzfus)  
(Chesapeake Bay Commission)

Economic and Environmental Affairs

Referred to Environmental Matters

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**Natural Resources - Noncommercial Crabbing License**

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This amended bill establishes a noncommercial crabbing license for persons using specified crabbing equipment. Annual license fees are \$5 for a Maryland resident, \$2 for a Maryland resident possessing a Chesapeake Bay Sport Fishing License, and \$10 for a nonresident. A commercial enterprise selling noncommercial crabbing 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 to be used for research to determine the extent of the noncommercial crab catch; the amount of funds spent on crab research may not exceed \$150,000. Any remaining funds must be used for enforcement. The bill sets bushel limits for noncommercial crabbing. Crabs caught for noncommercial or recreational purposes may not be sold or knowingly purchased. Violators of these provisions are guilty of a misdemeanor and subject to penalty provisions.

DNR must report annually on crab research findings and costs. The bill sunsets December 31, 2002.

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**Fiscal Summary**

**State Effect:** Special fund revenue increase of approximately \$535,000 annually 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 provisions.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful impact on small businesses as discussed below.

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## **Fiscal Analysis**

**State Effect:** A 1990 DNR study (Design of a Recreational Blue Crab Survey) estimated a minimum of 243,000 recreational crabbers; the maximum number of crabbers is estimated at 497,000. For the purposes of this fiscal note, the average number of 370,000 crabbers is used.

Licensing data from 1993 sport crabber licenses indicate that 88% of license holders were residents and 12% were nonresidents. Approximately 33% of residents would use the specified crabbing gear, and 63% of nonresidents. Given the ratio of residents with sport fishing, licenses to projected recreational crabbers, it is assumed that 67% of noncommercial crabbing license holders will have a sport fishing license and thus qualify for the \$2 fee. Total revenues under this scenario would be \$601,000. However, 97.5% of recreational licenses are sold through a commercial agent who would retain a \$0.50 fee. This yields total net revenues of \$535,000.

It should be noted that the total number of licenses sold will depend upon a number of factors. While a certain percentage 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. Or, the number of noncommercial crabbers who would own a sport fishing license may be less than projected.

DNR advises that these funds would be similar to the sport fishing license fees, and that 25% of the amount collected (\$133,700) would be used to pay overhead expenditures such as the cost of the licensing department. The remaining special funds collected under this license would be spent on research to determine the extent of the noncommercial crab catch and enforcement activities.

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. Fines under the bill range from \$500 to \$2,000.

**Small Business Effect:** Small businesses that sell fishing licenses will benefit under this legislation. There are 475 to 500 fishing license agents throughout the State; approximately 400 of these are small businesses. Agents would retain a \$.50 fee for each license sold, for a total of approximately \$66,017 assuming 135,420 crabbers. Since this is a new category of license, it is assumed that some percentage of the individuals that would enter the store to

purchase the licenses would make other purchases associated with recreational crabbing at the store as well. However, the number and value of any additional sales that might be made cannot be determined at this time.

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

**Fiscal Note History:** First Reader - February 13, 1997

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Revised - Senate Third Reader - March 17, 1997

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