

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 458 (Chairman, Environmental Matters Committee)
(Departmental - Natural Resources)

Environmental Matters

Department of Natural Resources - Miscellaneous Fees - Tidal Fish Licenses

The bill increases the fees charged by the Department of Natural Resources (DNR) for various boating certificates, registration cards, and titles. The bill also authorizes DNR to impose a \$25 fee for returned checks. Specifically, the bill (1) increases the application fee from \$10 to \$24 for a Maryland use sticker (documented United States Coast Guard vessel); (2) increases the fee from \$2 to \$5 to issue a certificate of title, a transfer of title or corrected certificate of title; and (3) establishes a \$2 fee to issue a duplicate certificate of title.

This bill also extends indefinitely the date from which the Department of Natural Resources may convert a tidal fish license with a minimum of three authorizations, of which one is a crabbing authorization, to an unlimited tidal fish license at the time of renewal. Under current law this practice is only in effect for the license year beginning September 1, 1998.

The target number of tidal fish license authorizations must include authorizations that are renewed between September 1, 1998 and March 31, 1999. Under current law, targets are to be based on the number of authorizations issued in that time period. DNR is authorized to modify the target number of tidal fish license authorizations based on the number of tidal fish licenses with a minimum of three license authorizations, of which one is a crabbing authorization, relinquished annually to the department for conversion to an unlimited tidal fish license.

The bill also repeals the December 31, 2000 sunset date applicable to the apprenticeship program for tidal fish licenses that allows persons to acquire practical experience while on the apprenticeship waiting list.

This bill takes effect July 1, 1999 except for the section dealing with boating fees which takes effect January 1, 2000.

Fiscal Summary

State Effect: Special fund revenue increase of \$249,800 in FY 2000. Future year estimates reflect biennial registration of Maryland use stickers and a constant number of boat registrations. No effect on expenditures.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
SF Revenues	\$249,800	\$117,600	\$249,800	\$117,600	\$249,800
SF Expenditures	0	0	0	0	0
Net Effect	\$249,800	\$117,600	\$249,800	\$117,600	\$249,800

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: The Department of Natural Resources has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

Background: Chapters 418 and 419 of 1998 (Senate Bill 679 and House Bill 1260) were the product of a workgroup convened by the Department of Natural Resources to develop a viable program that would maintain a control on fishing efforts and at the same time incorporate an avenue for new participants in the fishery. The new limited entry law made three major changes to the management of Maryland fisheries. First, the law altered the process for issuing tidal fish licenses by providing that the individuals on the primary waiting list as of December 31, 1997 would receive a license. Second, an apprenticeship program was established to provide a mechanism for individuals to enter the commercial fishery after acquiring practical experience relating to commercial fishing activities. Finally, the law provided for the licensing and regulation of noncommercial crabbing. The law established recreational crabbing license fees for residents and nonresidents and required all fees collected to be deposited in the Fisheries Research and Development Fund for research related to the noncommercial crab catch.

One provision of last year's bill allowed commercial fish licensees with three authorizations to convert those authorizations to an unlimited tidal fish license for the license year beginning September 1, 1998 in order to establish caps on the various authorizations and licenses. DNR advises that 100 licensees converted to the unlimited tidal license last year. The bill would allow this practice to continue each year. DNR estimates that 75 licensees could convert this year.

The new limited entry law has been in effect since June 1, 1998. As required by the law, the approximately 650 candidates on the primary waiting list as of December 1, 1997 have been offered tidal fish licenses, bringing the total number of licensees to 6,936. In addition, 186 individuals on the secondary waiting list have entered the apprenticeship program established by the new law. As of November 1998, there were 420 individuals on the waiting list to enter the apprenticeship program.

State Effect: The bill increases the fees charged by DNR for various boating stickers and titles. In addition, the bill establishes a \$25 fee for all returned checks.

The following chart summarizes the bill's fee increases and resulting revenue.

Certificate, Sticker, Title/(Number of)	Current Fee	Proposed Fee	FY 2000 Revenue Increase	FY 2001 Revenue Increase
Maryland Use Sticker - Documented USCG Vessels/(9,444)	\$10	\$24 <i>(\$14 increase)</i>	\$132,216	\$0 ¹
Vessel Titles/(38,333)	\$2	\$5 <i>(\$3 increase)</i>	\$114,999 (38,333 x \$3)	\$114,999 (38,333 x \$3)
Check Return Fee - Boating/(80)	\$5	\$25 <i>(\$20 increase)</i>	\$1,600	\$1,600
Check Return Fee - Hunting, Fishing, Commercial/(40)	\$0	\$25	\$1,000	\$1,000
Total			\$249,815	\$117,599

¹ Reflects biennial registration for Maryland use stickers.

This revenue trend would continue to alternate every other year as Maryland use stickers are renewed on a biennial basis. This estimate is based on prior and current boating registration data and assumes that boating registration figures will remain relatively constant.

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

Fiscal Note History: First Reader - February 17, 1999

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