

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 407 (Chairman, Environmental Matters Committee)
(Departmental - Natural Resources)

Environmental Matters

Tidal Fish License - Transfer and Authorization Provisions

This departmental bill authorizes the Department of Natural Resources (DNR) to permanently transfer a tidal fish license or authorization to a specified family beneficiary upon the death of a licensee, if the licensee or an *authorized representative* of the licensee indicates or had indicated that person's name to DNR. The bill also provides for the transfer of a tidal fish license or authorization from an authorized representative of a deceased licensee to an eligible third party.

The bill also allows a licensee who possesses three or more specified tidal fish license authorizations to, at the time of license renewal, relinquish each authorization and receive an unlimited tidal fish license authorization. DNR must adjust the number of authorizations to reflect the number of license conversions. The bill also allows DNR to modify by regulation the target number of tidal fish license authorizations based on the number of authorizations relinquished to DNR pursuant to the bill.

The bill takes effect June 1, 2000.

Fiscal Summary

State Effect: General fund expenditure increase of \$10,400 in FY 2001 only to upgrade DNR's information network system and application forms. To the extent that license fees for relinquished and new licenses vary, the bill could affect special fund finances.

Local Effect: None.

Small Business Effect: DNR has determined that this bill will have a meaningful impact on small business (attached). Legislative Services concurs with this assessment. (The attached

assessment does not reflect amendments to the bill).

Analysis

Current Law: DNR must issue a tidal fish license authorizing participation in a particular fishing activity to a person who has completed the requirements of an apprenticeship. DNR by regulation must set targets for the number of tidal fish license authorizations to be the number issued between September 1, 1998, and March 31, 1999. DNR by regulation may modify the target number of authorizations based on specified recommendations and factors. DNR must provide in its regulations for reallocation of any authorizations that may be revoked or voluntarily relinquished to DNR. Fees for tidal fish licenses that could be relinquished pursuant to the bill range from \$37.50 to \$250. The unlimited tidal fish license fee is \$300. License fees are paid into the Fisheries Research and Development Fund.

Upon the death of a licensee, DNR is authorized to permanently transfer a tidal fish license or authorization to a specified family beneficiary if the licensee had indicated that person's name on the license application to DNR. There is no provision allowing for the transfer of a tidal fish license or authorization to an authorized representative of the deceased licensee. DNR is also authorized to approve a permanent transfer of a tidal fish license or authorization from a licensee who has held a valid license for the three preceding seasons to a person who has: (1) purchased a vessel used for commercial fishing from the license holder or purchased equipment and assets with a minimum value of \$2,000 and the commercial fishing business from the license holder; (2) been a crew member for at least two years in any commercial fishery as certified by three tidal fish licensees; (3) paid the fee for the license or authorization; and (4) provided a notarized bill of sale. There is no provision allowing for the transfer of a tidal fish license or authorization from an authorized representative of a deceased licensee to an eligible third party.

Background: As of March 1999, DNR had issued 8,662 tidal fish licenses. Chapters 418 and 419 of 1998 (SB 679 and HB 1260) established an apprenticeship program to provide a mechanism for individuals to enter the commercial fishery after acquiring practical experience relating to commercial fishing activities. To date, DNR has issued 184 permits to participate in the apprenticeship program. DNR advises that 525 people are on the waiting list for the apprenticeship program. Chapters 418 and 419 of 1998 also allowed for the license year beginning September 1, 1998 only, a licensee to convert three specified tidal fish licenses to an unlimited tidal fish license at the time of license renewal.

Chapter 286 of 1999 (HB 1075), an emergency measure, contains a provision authorizing DNR to approve the permanent transfer of a tidal fish license to specified family members upon the death of a licensee, if the licensee or an authorized representative of the licensee indicates or had indicated that person's name to DNR. That provision was effective only

through December 31, 1999.

State Fiscal Effect: General fund expenditures would increase by an estimated \$10,400 in fiscal 2001 only. This estimate includes \$10,000 for DNR to upgrade its existing consumer-oriented information network system and \$400 to update the annual tidal fish application renewal forms to include transfer provisions. DNR could handle any increased workload related to transfers with existing resources.

To the extent that individuals take advantage of the bill's flexibility relating to relinquishing and obtaining new tidal fish licenses, the bill could result in a net increase in special fund revenues or a net increase in special fund expenditures. Fees for those licenses that could be relinquished pursuant to the bill range from \$37.50 to \$250. The fee for an unlimited tidal fish license is \$300. It is assumed that any difference between the total fees for relinquished licenses and the fee for an unlimited tidal fish license would be paid by the licensee (if the total fees for the relinquished licenses are less than \$300) or reimbursed by DNR to the licensee (if the total fees are more than \$300). Legislative Services advises, however, that because the number and types of licenses that would be involved cannot be predicted, a reliable estimate of any net effect cannot be made at this time. Because the total number of authorizations would be adjusted to reflect any conversions, the total number of authorizations would decline.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 7, 2000

ncsjr

Revised - House Third Reader - March 16, 2000

Analysis by: Lesley Frymier

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510