

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE
Revised

Senate Bill 514 (Senators Frosh and Stoltzfus)

Economic and Environmental Affairs

Environmental Matters

Natural Resources - Recreational and Commercial Crabbing

This emergency bill repeals current provisions relating to noncommercial crabbing licenses and establishes new provisions relating to the establishment of a recreational crabbing license and a recreational crabbing boat license. Pursuant to current law, these provisions will sunset on December 31, 2003.

Fiscal Summary

State Effect: Special fund revenue increase of \$56,800 in FY 2001 from the sale of recreational crabbing licenses and boat licenses (reflecting 70% of license sales for the 2001 crab season). Future year estimates reflect the full impact of license sales in FY 2002 and 2003, and reflect the sunset date in FY 2004. DNR could handle the bill's requirements with existing budgeted resources.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenue	\$56,800	\$81,100	\$81,100	\$24,300	\$0
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$56,800	\$81,100	\$81,100	\$24,300	\$0

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The requirement to obtain a recreational crabbing license is based on the gear to be used. An individual must obtain a license if the individual uses a trotline, more than ten eel pots, more than ten collapsible traps or net rings, or a combination of more than ten collapsible traps and net rings. The bill provides an exemption from obtaining a recreational crabbing license for: (1) an individual using other specified gear; (2) an individual under the age of 16; (3) an individual crabbing in a public crabbing area as authorized by DNR; (4) an individual crabbing from a licensed recreational crabbing boat or Chesapeake Bay Sport Fishing boat; and (5) an owner (or guest) of private shoreline property for catching crabs for recreational purposes, subject to specified limitations.

The bill provides that specified provisions of current law relating to noncommercial crabbing licenses apply to the recreational crabbing license established by the bill. The bill requires DNR to deposit all fees received for recreational crabbing licenses to the credit of the Fisheries Research and Development Fund to be used for research, independent studies of the crab fishery, and enforcement. The bill specifies daily catch limits for licensed and unlicensed individuals and boats, provides for the type of gear that may be used while crabbing, and establishes time restrictions on setting gear. The bill provides that an individual licensed to provide services as a fishing guide or to fish recreationally in the Chesapeake Bay may possess any number of peelers or soft crabs for the purposes of fishing.

The bill also establishes a recreational crabbing boat license to allow a boat owner to catch crabs for recreational purposes anywhere in the Chesapeake Bay. The bill specifies an annual fee of \$15 for a boat license. Agents will retain \$1.50 for each boat license issued. DNR must issue a recreational crabbing license at no charge to a boat owner who purchases a boat license. As long as one individual on the boat has a recreational crabbing license, other individuals do not need to be licensed.

The bill also prohibits DNR from adopting regulations that would place specified restrictions on the commercial crab industry, and repeals provisions of current law relating to recreational crabbing.

Current Law: Chapters 418 and 419 of 1998 provide that an individual who attempts to catch or catches crabs in the waters of the Chesapeake Bay and its tidal tributaries for noncommercial purposes must obtain a noncommercial crabbing license if the individual uses more than 600 feet but not more than 1,200 feet of trotline, uses more than ten but not more than 30 collapsible traps or net rings, or uses no more than ten eel pots for catching the individual's own bait. A noncommercial crabbing license issued under this statute is valid for not more than one year and expires on December 31 of each year. The

annual license fees are: (1) for a Maryland resident, \$5; (2) for a Maryland resident in possession of a Maryland sport fishing license or a resident consolidated senior sport fishing license, \$2; and (3) for a nonresident, \$10.

A noncommercial crabbing license may be obtained from any authorized agent or DNR. An agent selling noncommercial crabbing licenses may retain 50 cents for each license issued by the agent. Several exemptions from the noncommercial crabbing license are provided, as well as daily catch limits for hard crabs, peeler crabs, and soft shell crabs. DNR must deposit all fees received for noncommercial crabbing licenses to the credit of the Fisheries Research and Development Fund to be used for research and to determine the extent of the noncommercial crab catch. The amount of funds expended on the crab research may not exceed \$200,000. Any funds remaining must be used for enforcement. DNR must submit an annual report to specified committees of the General Assembly and the Chesapeake Bay Commission on recreational crabbing and related activities. These provisions sunset December 31, 2003.

Chapter 184 of 1994 provides that a person catching crabs for recreational purposes may begin at 5:30 a.m. on any day. The per person limit on the number of traps and net rings that may be used is ten; the per boat limit is 25. A person may obstruct cull rings of crab pots in order to catch peeler crabs.

Background: The blue crab is one of the most important species harvested in the bay and generates approximately \$90 million in economic benefit to the State. In the past several years, the blue crab harvest has decreased substantially. According to DNR, about 57 million pounds of blue crab were landed in 1993; in 1999, landings of blue crab totaled only about 32 million pounds. This year, Maryland's crab harvest hit a record low, with watermen landing a reported 15.3 million pounds between April and September, the first six months of the season.

Although not entirely understood, factors contributing to the small catch include a 70% decrease in female spawning crabs and male crabs smaller in size and number that are producing less sperm to fertilize the females' eggs. In addition, fewer baby crabs are finding their way to sea grass beds and other shallow vegetated areas throughout the bay where they can grow to harvestable sizes. The resurgence of predators such as the striped bass, for which blue crabs are a primary food source, is also thought to affect the population.

In the past, each state has responded primarily to fishery needs within its borders, and not in the bay as a whole. Consequently, there have been interstate quarrels over the causes of the recent blue crab population decline. The Bi-State Blue Crab Advisory Committee, an advisory group to the Chesapeake Bay Commission (CBC), with membership from Maryland and Virginia, was created in 1996 to assure complementary approaches to blue

crab management between the jurisdictions. The work of the committee represents the first time that bay-wide management of the blue crab fishery is under consideration. The committee is not a regulatory body. Rather, it provides advice to the governors, legislatures, and resource management agencies of Maryland and Virginia.

After researching and analyzing key questions facing the blue crab and the fisheries that depend on it, the work group developed a consensus statement addressing the management of the blue crab population. This consensus statement was adopted by the CBC and will be presented at a series of public forums throughout Maryland and Virginia in the late fall and early winter of 2000.

During the public forums, the Blue Crab/Conservation Coalition, a new coalition of watermen and seafood processors, will recommend further restrictions for recreational crabbers and an increase in the rockfish catch. DNR has not been able to quantify the recreational crabbers' effect on the crab harvest; however, the coalition believes it is almost half the total harvest.

The work of the CBC correlates with the Chesapeake Bay 2000 Agreement between Virginia, Maryland, Pennsylvania, the District of Columbia, and the CBC. The renewed bay agreement, which serves as an ecosystem management tool, commits, by 2001, to establishing targets for the blue crab fishery. The agreement also pledges to manage the blue crab fishery to restore a healthy spawning stock biomass, size, and age structure. The agreement declares that allowing crabs to attain a certain size and age before harvesting is essential.

State Fiscal Effect: Based on data from 1999, annual revenues from the sale of noncommercial crabbing licenses total approximately \$91,600. Of that amount, DNR receives approximately \$77,600 and agents retain approximately \$14,000 (agents retain 50 cents for each license they sell). DNR advises that for each crabbing season, approximately 70% of licenses are purchased prior to July 1 and 30% are purchased after that date (in the next fiscal year).

This bill would replace the noncommercial crabbing licensing provisions with provisions relating to recreational crabbing licenses and crabbing boat licenses. Fees for the new recreational crabbing license would be the same as the fees for the current license. Fees for the new boat license would be \$15 per license. DNR advises that the new licensing provisions would require an additional 22,235 individuals (for a total of 50,855 licensees) and 2,809 boats to be licensed, resulting in total fee revenues of approximately \$187,700 annually (of which DNR would retain \$158,700 and agents would retain \$29,000). Accordingly, special fund revenues would increase by an estimated \$81,100 annually in fiscal 2002 and 2003 (\$158,700 less \$77,600). Because the licensing provisions established by the bill terminate December 31, 2003, special fund revenues would

increase by an estimated \$24,300 in fiscal 2004 (this estimate reflects 30% of license sales prior to the sunset date).

Legislative Services advises that because this is an emergency measure, the bill could impact special fund finances in fiscal 2001. Assuming the Governor signs the bill by May 1, 2001, special fund revenues would increase by an estimated \$56,800 in fiscal 2001 (reflecting 70% of license sales for the 2001 crab season).

These estimates are based on 1999 data and assume that 9% of licenses will be sold to non-residents (at \$10 each), 16% will be sold to residents (at \$5 each), and 75% will be sold to residents with a Maryland sport fishing license or a resident consolidated senior sport fishing license (at \$2 each). The estimates also assume that the number of licenses issued annually will remain constant and that agents will sell approximately 97.5% of the licenses.

Small Business Effect: To the extent that the bill's prohibition relating to the restriction of the commercial crab industry by DNR results in an increase in catch, commercial crab harvesters will benefit.

Additional Information

Prior Introductions: None.

Cross File: HB 772 (Delegate Wood, *et al.*) – Environmental Matters.

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

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Analysis by: Lesley Frymier

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510