

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

Senate Bill 817 (Senator Baker, *et al.*)
 Education, Health, and Environmental Affairs

Wildlife and Inland Fisheries Commission - Establishment - Powers, Functions, and Duties

This bill establishes a seven-member Wildlife and Inland Fisheries Commission (WIFC) as an independent State agency and transfers the authority to regulate wildlife and inland fisheries from the Department of Natural Resources (DNR) to WIFC. The bill also establishes a Wildlife and Inland Fisheries Police Force and a Wildlife Advisory Committee in WIFC.

The provisions of the bill that transfer specified funds and management and regulatory authority take effect July 1, 2002 and must be completed by July 1, 2003. WIFC must be appointed by October 1, 2002. All other provisions become effective July 1, 2002.

Fiscal Summary

State Effect: General fund expenditures could increase by at least \$2.8 million in FY 2003, which includes the start-up costs of transferring 195 State government personnel and hiring 45 new personnel. Total revenues collected would not change, although a significant portion of special fund revenues used for DNR overhead will be transferred to WIFC by July 1, 2003. Out-years reflect annual operating costs and inflation.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
GF/SF/FF Rev.	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2,781,000	2,836,700	2,948,400	3,067,100	3,193,300
Net Effect	(\$2,781,000)	(\$2,836,700)	(\$2,948,400)	(\$3,067,100)	(\$3,193,300)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill authorizes the transfer of all personnel, powers, functions, duties, equipment, records, assets, and liabilities of the Wildlife and Heritage Service and the Fisheries Service from DNR to WIFC by July 1, 2003. The bill declares that WIFC will: (1) be solely responsible to the General Assembly for the preservation, conservation, enhancement, and overall management of Maryland's wildlife and inland fisheries resources; (2) balance the responsible stewardship of these resources with their economic benefits; and (3) promote recreational activities associated with wildlife and inland fisheries for the enjoyment and general welfare of all citizens of the State.

The Governor, with the approval of the General Assembly, will appoint the members of WIFC as specified in the bill. The Governor may not place WIFC in any principal department. Members serve four-year staggered terms and can be reappointed once. Members may not be compensated but shall be reimbursed for expenses related to WIFC activities.

WIFC will be responsible for the formulation and enforcement of all policy related to the oversight, regulation, management, and stewardship of the State's wildlife and inland fishery resources; and the adoption of related regulations. WIFC's duties include:

- overseeing WIFC police;
- appointing advisory committees to assist WIFC or the executive director;
- preparing and submitting its annual and supplemental budgets to the General Assembly;
- applying for, accepting, and administering any general and special funds, federal funds, or any other revenues associated with wildlife and inland fishery license fees, and any other funds related to WIFC activities;
- adopting by-laws and administrative practices; and
- with oversight by the Comptroller, establishing and managing an endowment fund and a conservation fund as specified by the bill.

The bill provides for the election of officers and provides that the administrative head of WIFC is the executive director, who must be appointed by the chairman with the advice and consent of the other members of WIFC. The executive director will receive the salary and have the staff authorized by WIFC and provided in the State budget. The bill specifies the duties of the executive director and requires the executive director to publish

a report containing specified information for fiscal 2004 and each alternative fiscal year thereafter.

It also directs WIFC and DNR to collaborate in all areas of mutual concern and to jointly administer the State Chesapeake Bay and Endangered Species Fund. The members of WIFC may create or dissolve an advisory committee for WIFC or any of its units. An advisory committee member receives the compensation provided in the WIFC budget. The bill establishes a Wildlife Advisory Committee within WIFC and repeals the Wildlife Advisory Commission within DNR.

The bill provides for the transfer of the following funds from DNR to WIFC by July 1, 2003:

- that portion of the State Chesapeake Bay and Endangered Species Fund designated to be administered by WIFC;
- all State funds from the sale of inland fishery licenses and stamps;
- all State funds from the sale of hunting licenses and stamps; and
- all other State and federal funds received or to be received by DNR that are related to the conservation and management of wildlife and inland fisheries.

The bill also establishes a Wildlife and Inland Fisheries Police Force in WIFC. WIFC, acting through the executive director and the WIFC police force, is responsible for the enforcement of all natural resource laws, rules, and regulations pertaining to wildlife and inland fisheries in the State. The bill provides for the appointment of officers by the executive director and describes the duties and authorities of WIFC police officers, including the authority to issue citations. The bill describes the duties of the clerks of the court with respect to noncompliance with citations. Any person who violates specified provisions relating to the WIFC police force or any rule or regulation or restriction adopted under those provisions is guilty of a misdemeanor and upon conviction, is subject to a fine not exceeding \$500 or imprisonment not exceeding three months, or both.

The Attorney General is the legal adviser to WIFC and must assign the number of assistant attorneys general authorized by law to be assigned to the units of WIFC. One shall be designated as counsel to WIFC.

Current Law: Wildlife and inland fishery resources are regulated by DNR.

Background: DNR will have approximately 1,643 permanent employees and an additional 491 contractuales in fiscal 2003, many of whom are located in field offices

throughout Maryland. DNR's fiscal 2003 budget allowance is \$290.6 million (including \$25.3 million in federal funds, \$164.6 in special funds, and \$100.7 in general and reimbursable funds.)

The Fisheries Service within DNR manages the health and recreational use of Maryland's fresh and saltwater finfish and shellfish. DNR fish hatcheries stock coldwater and warmwater fish in streams and lakes throughout Maryland. Current initiatives include transplanting 60 million DNR hatchery-raised oysters in the Chesapeake Bay.

The Wildlife and Heritage Service is a division of the Forest, Wildlife, and Heritage Division and is charged with ensuring the long-term conservation of native ecosystems, natural communities, and species (both animals and plants, which requires preparation of stewardship plans and restoration of plant and wildlife habitats). It also responds to citizen complaints regarding damage caused by wildlife. In fiscal 2003, the service will manage 277,193 acres of public recreational hunting land and receive 650 requests for wildlife control permits.

The Natural Resources Police (NRP) employs 226 officers to enforce natural resource and safety laws related to fishing, hunting, boating, and wildlife conservation. Approximately 50,000 hours are spent annually on hunting patrol activities.

The Licensing and Registration Service within DNR issues commercial and recreational licenses, collects the vessel excise tax, and processes boat titles and registrations. The division is expected to issue 230,000 hunting licenses and 533,000 sport fishing licenses in fiscal 2003.

In 1994 a similar bill was introduced as HB 1244. The House Environmental Matters Committee held a hearing on the bill, but no further action was taken. The bill's stated purpose was to increase the responsiveness and fiscal responsibility of the regulatory structure. The bill would have created a nine-member Fisheries Commission as the primary State unit with licensing and enforcement authority relating to freshwater and saltwater fisheries. The bill also would have established a Game and Wildlife Commission to assume DNR's responsibility for wildlife management, enforcement, and regulation.

State Revenues: The revenues received by the services to be transferred, including licensing fee revenues and federal funding and grants, would transfer from DNR to WIFC. The total revenue sources that would be transferred (approximately \$19,515,600), includes an estimated \$8,818,900 in special fund revenues, an estimated \$6,702,700 in general fund revenues, and an estimated \$3,994,000 in federal fund revenues, as provided in the table below.

The Department of Legislative Services (DLS) advises that the bill calls for the transfer of license fee revenues from the sale of inland fishery licenses which would correspond with DNR's non-tidal license.

DLS further advises that the bill's requirement for transfer of all State funds from the sales of inland fish and hunting licenses and wildlife stamps will mean a significant revenue loss for DNR. Hunting license and stamp revenues alone contribute approximately \$632,000 to DNR overhead costs. The general fund appropriation for the department will likely need to increase as a result.

<u>Revenue Source</u>	<u>FY 2003 Amount (Estimated)</u>
General Funds (all divisions)	\$6,702,748
Fisheries Management and Protection Fund (inland fishery license sales)	3,546,366
Wildlife and Management Protection Fund (hunting license and stamp fees)/other hunting-related funds	4,761,463
Chesapeake Bay Endangered Species Fund	511,033
Federal funds: wildlife management	2,475,516
Federal funds: inland fisheries	<u>1,518,491</u>
Total	\$19,515,617

State Expenditures: General fund expenditures could increase by an estimated \$2,781,019 in fiscal 2003, which accounts for a 90-day start-up delay from the July 1, 2002 effective date. This estimate reflects the cost of hiring 45 administrative support staff for the new commission and includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- 45 new administrative positions to support the 195 full-time personnel that will be transferred, including: accounting, budget, and procurement (10); human resources (4); information technology (6); public affairs (3); realty, planning, and engineering (6); and licensing and registration (8); in addition to the executive director, deputy executive director, and two executive staff;
- transfer of existing office furniture, computers, equipment, and vehicles for personnel, including police; and
- WIFC will share DNR's computerized licensing system but will need to make modifications to the network.

Salaries and Fringe Benefits	\$1,676,862
Real Estate	243,000
Contractual Costs	477,040
Equipment/Automobiles	235,455
Operating Expenses	<u>148,662</u>
Total FY 2003 State Expenditures	\$2,781,019

Future year expenditures reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

This estimate is based on information provided by DNR and assumes that 195 full-time wildlife, NRP, and fisheries personnel (including hatcheries) will transfer from DNR to WIFC. It assumes that approximately one-third of DNR's Fisheries Service operation is related to inland fish and that some personnel from DNR's licensing division will also be transferred to WIFC under the bill.

DLS cautions that the number of new positions and operating costs in the estimate reflect the minimum necessary to begin operating a newly functioning commission. Additional personnel may be needed in the future to supplement services that are not transferred under the bill or to provide functions not carried out by the transferred personnel. DLS advises that because the bill transfers approximately 13% of DNR's personnel to WIFC, it is possible that central support divisions at DNR (e.g., human resources, public affairs) would require fewer resources. Any resulting decrease in expenditures cannot be reliably estimated at this time.

Furthermore, it is unclear whether the new commission, including its police force, would require separate facilities and where those facilities would be located. The real estate costs included in this estimate are based on a statewide rental fee but could be considerably higher. For example, the Department of General Services advises that there is not sufficient State-owned property in Annapolis to house WIFC and that a private lease would cost as much as \$30 per square foot.

The fiscal 2003 budget allowance for the current divisions that would make up the newly created commission is approximately \$15.5 million (general and special funds). The fiscal 2003 allowance and the number of full-time equivalent (FTE) and contractual positions for each transferred division is set forth below:

<u>Division</u>	<u>Positions (FTE/contractual)</u>	<u>Fiscal 2003 Allowance</u>	
		<u>General Funds</u>	<u>Special Funds</u>
Wildlife and Heritage Service	100 (20 contractual)	\$1,689,142	\$4,686,999
Fisheries Service	35 (6 contractual)	311,732	3,303,739
Natural Resources Police	60 (2 contractual)	<u>4,701,874</u>	<u>828,124</u>
Total	195 (28 contractual)	\$6,702,748	\$8,818,862

Additional Comments: The Department of Budget and Management (DBM) advises that this legislation could result in duplicative programs and decreased efficiency by reducing economies of scale. DBM further advises that the impact of the bill on federal grants cannot be reliably determined at this time.

Additional Information

Prior Introductions: See Background section.

Cross File: HB 664 (Delegate Taylor, *et al.*) – Environmental Matters.

Information Source(s): Department of Natural Resources, Department of Budget and Management, Department of General Services, Department of Legislative Services

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