

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

Senate Bill 60 (Chairman, Education, Health, and Environmental Affairs Committee)
 (By Request – Departmental – Natural Resources)
 Education, Health, and Environmental Affairs

Department of Natural Resources - Recreational Fishing Licenses

This departmental bill increases the fees for various recreational fishing licenses issued by the Department of Natural Resources (DNR) and establishes a nonresident fee category for specified licenses and stamps.

Fiscal Summary

State Effect: Special fund revenue increase of \$1.3 million in FY 2005 and \$1.5 million annually thereafter. The bill would not require additional expenditures.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
SF Revenue	\$1,324,600	\$1,542,000	\$1,542,000	\$1,542,000	\$1,542,000
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$1,324,600	\$1,542,000	\$1,542,000	\$1,542,000	\$1,542,000

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

Local Effect: The bill would not directly affect local operations or finances.

Small Business Effect: DNR has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary/Current Law: The bill's changes to current law are shown in **Exhibit 1**.

Exhibit 1
Changes to Recreational Fishing License/Stamp Fees under SB 60

<u>Existing Licenses</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Resident annual nontidal angler's license	\$10.50	\$14.50
Resident 5-day nontidal angler's license	7.50	11.50
Nonresident annual nontidal angler's license	20.50*	24.50*
Nonresident 3-day nontidal angler's license	5.00*	9.00*
Nonresident 5-day nontidal angler's license	7.50*	11.50*
Resident annual Chesapeake Bay sport fishing license	9.00	13.00
Nonresident annual Chesapeake Bay sport fishing license	14.00	18.00
5-day Chesapeake Bay sport fishing license	6.00	10.00
Special charter boat license (6 anglers or less)	240.00	250.00
Special charter boat license (7 anglers or more)	290.00	300.00

New Nonresident Fee Categories

Nonresident trout stamp	5.00**	10.00
Nonresident pleasure boat decal	40.00**	50.00

*This is the minimum fee; nonresidents must pay the minimum fee or a fee equal to the fee charged a Maryland resident by the nonresident's home state for a similar license, whichever is greater.

**Currently, there is no distinction between the fee for a resident and a nonresident; this fee would continue to be applicable to residents.

Under current law, revenue generated from the sale of angler's licenses and trout stamps is deposited into the Fisheries Management and Protection Fund and used only for the scientific investigation, protection, propagation, and management of nontidal finfish. Revenue generated from the sale of Chesapeake Bay sport fishing licenses, special charter boat licenses, and pleasure boat decals is deposited into the Fisheries Research and Development Fund to be used for the replenishment, protection, and conservation of fish stocks caught by recreational anglers; enhancement of recreational fishing opportunities; and research regarding tidal fishery resources.

Background: According to DNR, the recreational fishing industry generates a total estimated economic output of \$1.06 billion. DNR advises that current license fees do not accurately reflect fisheries management costs. According to DNR, the revenue generated

under the bill will counter budget cutbacks, increasing administrative costs, and declining license sales and will enable DNR to supplement studies in order to sustain the industry.

In general, fees for recreational fishing licenses have not been substantively increased in Maryland in over a decade. A comparison of current fees in Maryland and other states in the region is shown in **Exhibit 2**.

Exhibit 2
Recreational Fishing License/Stamp Fees in Maryland and Other States

<u>License/Stamp</u>	<u>MD</u>	<u>VA</u>	<u>DE</u>	<u>PA</u>	<u>PRFC</u>
Resident nontidal	\$10.50	\$12.50	\$8.50	\$17.00	N/A
Resident 5-day nontidal	7.50	5.50	N/A	N/A	N/A
Nonresident nontidal	20.50*	30.50	15.00	35.00	N/A
Nonresident 3-day nontidal	5.00*	N/A	N/A	15.00	N/A
Nonresident 5-day nontidal	7.50*	6.50	N/A	N/A	N/A
Resident bay sport	9.00	7.50	N/A	N/A	\$7.50
Nonresident bay sport	14.00	N/A	N/A	N/A	N/A
5-day bay sport	6.00	N/A	N/A	N/A	N/A
Pleasure boat decal	40.00	30.00	N/A	N/A	30.00
Charter boat (6 or less)	240.00	150.00	N/A	N/A	240.00
Charter boat (7 or more)	290.00	150.00 + 4.00 per add'l. person	N/A	N/A	290.00
Trout stamp	5.00	12.00 (R)/ 30.00 (NR)	8.50 (R)/ 15.00 (NR)	5.50	N/A

PRFC = Potomac River Fisheries Commission

R = Resident

NR = Nonresident

*This is the minimum fee; nonresidents must pay the minimum fee or a fee equal to the fee charged a Maryland resident by the nonresident's home state for a similar license, whichever is greater.

State Revenues: Special fund revenues would increase by an estimated \$1,542,041 annually beginning in fiscal 2006, as shown in **Exhibit 3**. Due to the bill's October 1, 2004 effective date, special fund revenues would increase by an estimated \$1,324,613 in fiscal 2005. (DNR advises that approximately 85.9% of these licenses and stamps are sold between October 1 and July 1.)

Exhibit 3
Annual Revenues Generated Under SB 60

<u>License/Stamp</u>	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Number Issued Annually</u>	<u>Additional Revenue Generated</u>
Resident nontidal	\$10.50	\$14.50	142,882	\$571,528
Resident 5-day nontidal	7.50	11.50	1,093	4,372
Nonresident nontidal	20.50*	24.50*	2,454	9,816
Nonresident 3-day nontidal	5.00*	9.00*	608	2,432
Nonresident 5-day nontidal	7.50*	11.50*	2,615	10,460
Resident bay sport	9.00	13.00	157,828	631,312
Non-resident bay sport	14.00	18.00	33,264	133,056
5-day bay sport	6.00	10.00	13,805	55,220
Pleasure boat decal	40.00	No change	36,469	0
Nonresident pleasure boat decal**	40.00	50.00	7,812	78,120
Charter boat (6 or less)	240.00	250.00	355	3,550
Charter boat (7 or more)	290.00	300.00	129	1,290
Trout stamp	5.00	No change	56,065	0
Nonresident trout stamp**	5.00	10.00	8,177	40,885
Total				\$1,542,041

*This is the minimum fee; nonresidents must pay the minimum fee or the fee charged a Maryland resident by the nonresident's home state for a similar license, whichever is greater.

**Currently, there is no distinction between the fee for a resident and a nonresident; only the fee for nonresidents is changing.

Of the total annual increase in the out-years (\$1,542,041), an estimated \$639,493 would be deposited into the Fisheries Management and Protection Fund and \$902,548 would be deposited into the Fisheries Research and Development Fund.

These estimates are based on the number of licenses and stamps issued during the 2002 fishing season, the most recent data available, and assume that license sales will remain constant. DNR notes that, in recent years, fishing license sales have decreased nationally. To the extent license sales decrease, the increase in revenues under the bill would be less.

State Expenditures: While the bill would not require additional expenditures, DNR advises that it anticipates using the revenue generated under the bill for planned activities that, due to budget cutbacks, increasing administrative costs, and declining license sales, DNR does not have the resources to undertake. With the revenue generated for the Fisheries Management and Protection Fund, DNR plans to develop fisheries management

plans for brook trout, rainbow trout, brown trout, and black bass; implement a nontidal black bass project; identify, quantify, and map habitat-rich areas supporting naturally reproducing target species that sustain recreational fisheries; increase shoreline access and regional pond management and fisheries; and improve habitats. With the revenue generated for the Fisheries Research and Development Fund, DNR plans to increase monitoring of finfish stocks for data-rich virtual population analysis assessments, multiple species interactions, and shallow water ecosystem fish population assessments; implement a tidal black bass project; increase shoreline access; and implement a catfish restoration and management project.

The Governor's proposed fiscal 2005 budget includes \$3.3 million in general funds, \$7.3 million in special funds, and \$3.6 million in federal funds for the Fisheries Service. It does not assume receipts from the bill's proposed fee increases.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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