

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1259 (Delegates Conway and Owings) (Department of Natural Resources Special Funds Workgroup)
Environmental Matters

Department of Natural Resources - Fee Commission - Establishment

This bill establishes an eight-member Natural Resources Fee Commission in the Department of Natural Resources (DNR) to examine the fees collected by DNR and recommend reasonable fee changes to DNR. In determining a recommended fee change, the commission must consider the costs of administering the program supported by the fee. The Secretary of Natural Resources may recommend fee changes to the commission. The bill authorizes DNR to adopt, by regulation only, a fee change recommended by the commission. The bill prohibits DNR from adopting a fee change without a recommendation from the commission, unless otherwise authorized to do so. The bill repeals specific fee levels set in statute and establishes language relating to the establishment of fees by DNR based on the commission's recommendations.

The bill's provisions establishing the fee commission take effect October 1, 2004. The bill's other provisions take effect October 1, 2005.

Fiscal Summary

State Effect: Any expense reimbursements for commission members and staffing costs for DNR are assumed to be minimal and absorbable within existing budgeted resources. Potential impact on special fund revenues from nonresident hunting license fees beginning in FY 2006. Any other impact would result from regulations implemented as a result of the commission's recommendations.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: No fees collected by DNR are established by regulation; almost all fees are specified in statute.

Currently, the fee for a nonresident basic hunting license is \$130, except for residents of Delaware, Pennsylvania, Virginia, or West Virginia. For residents of those states, the fee is the greater of the fee charged by the nonresident's home state to a Maryland resident for a similar license or the following fees: (1) \$86; (2) \$101; (3) \$120; or (4) \$135, respectively.

Background: Due to concerns regarding DNR's use of its special funds, committee narrative in the *2002 Joint Chairmen's Report* requested the establishment of a workgroup to study DNR's special funds, the statutory requirements for each fund, the appropriate level of administrative expenses to be deducted from each fund, streamlining measures that could be taken to reduce the special fund tracking burden on DNR, and whether DNR is using its special funds appropriately. In the course of its research, the workgroup found that many fees associated with DNR's special funds have not been changed in years. As a result, operating costs for some special fund programs are higher than the revenue generated from the associated fees.

The workgroup reported its findings and recommendations to the budget committees in January 2004. Among other things, the workgroup recommended that legislation be proposed to establish a stakeholder commission to develop annual recommendations for changing the fees associated with various DNR special funds. This bill is a direct result of that recommendation.

State Revenues: Fee revenues would not be affected in fiscal 2005, as current statutory fee provisions would remain in effect through September 30, 2005. Beginning October 1, 2005, fee revenues could be impacted depending on the recommendations of the commission and the regulations adopted as a result of those recommendations.

The bill's language establishing guidelines with respect to nonresident basic hunting licenses expands the current reciprocity Maryland has with adjacent states to all states. This change could have an impact on special fund revenues generated from the sale of such licenses; however, any such impact cannot be reliably estimated at this time. According to the DNR Special Funds Workgroup, this policy change was inadvertent.

Additional Information

Prior Introductions: None.

Cross File: SB 762 (Senator Astle) (Department of Natural Resources Special Funds Workgroup) – Education, Health, and Environmental Affairs.

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

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