Department of Legislative Services Maryland General Assembly

2012 Session

FISCAL AND POLICY NOTE

House Bill 1419

(Chair, Environmental Matters Committee)(By Request - Departmental - Natural Resources)

Environmental Matters

Natural Resources - Hunting Licenses and Stamps

This departmental bill increases hunting license and stamp fees and creates and eliminates certain licenses and stamps. The bill also repeals certain provisions and makes clarifying changes.

The bill takes effect in two phases, with certain provisions effective July 1, 2012, and others effective July 1, 2013.

Fiscal Summary

State Effect: Special fund revenues increase by approximately \$2.2 million in FY 2013 and approximately \$3.0 million in FY 2014 and each year thereafter due to collection of additional fee revenue. The bill does not require additional expenditures.

(\$ in millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SF Revenue	\$2.2	\$3.0	\$3.0	\$3.0	\$3.0
Expenditure	0	0	0	0	0
Net Effect	\$2.2	\$3.0	\$3.0	\$3.0	\$3.0

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

Local Effect: The bill does not directly affect local government finances.

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

Analysis

Bill Summary: The bill increases hunting license and stamp fees and creates and eliminates certain licenses and stamps effective in two phases. Changes effective July 1, 2012, are shown in **Exhibit 1**, and changes effective July 1, 2013, are shown in **Exhibit 2**.

Exhibit 1 Changes Effective July 1, 2012

License/Stamp	Current Fee	Proposed Fee
Hunting License – Resident	\$24.50	\$40
Hunting License – Nonresident	130.00	160
Hunting License – Nonresident 3-day	45.00	60
Bow Stamp* – Nonresident	25.00	30
Muzzleloader Stamp* – Nonresident	25.00	30
Bonus Antlered Deer Stamp – Nonresident	25.00	30
Migratory Game Bird Stamp – Nonresident (created)**	9.00	30
Turkey Stamp – Resident (created)	n/a	10
Turkey Stamp – Nonresident (created)	n/a	30
Trapping License – Nonresident	25.50	50
Duplicate Hunting License	5.00	10

*The bill modifies the names of these stamps. The modified names are shown. Under current law, the stamps are referred to as a "bow and arrow stamp" and "black powder stamp," respectively. **There is not currently a *nonresident* migratory bird stamp, instead just a migratory bird stamp applicable to both residents and nonresidents, with a fee of \$9.

Source: Department of Legislative Services

The newly created consolidated hunting and trapping licenses enable a purchaser to hunt and trap all legal game birds and mammals not excepted by DNR in regulation, during any appropriate season in the State, without the purchase of additional licenses and stamps.

In addition to modifying hunting licenses, stamps, and the fees charged for the licenses and stamps, the bill also repeals a number of existing provisions, including:

• a provision requiring DNR to use \$1 from the sale of each resident regular and full season nonresident hunting license to provide funding for the processing of deer for donation to the needy;

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- provisions requiring a person that kills a deer to report with the deer to a designated checking station within 24 hours and prohibiting specified activities prior to a deer being checked in;
- provisions relating to bonus deer stamps;
- a provision allowing a person who accidentally strikes and kills a deer on a highway while driving to have the deer if visible evidence of collision with the deer is produced;
- a prohibition against hunting a deer while the deer is taking refuge in or swimming through the waters of the State; and
- a reciprocity requirement applicable to nonresident trapping licenses.

License/Stamp	Current Fee	Proposed Fee
Consolidated Hunting and Trapping License – Resident (created)	n/a	\$95
Consolidated Hunting and Trapping License – Nonresident (created)	n/a	295
Deer Stamp – Resident (created)	n/a	40
Consolidated Deer Stamp – Nonresident (created)	n/a	80
Bow Stamp – Resident (eliminated)	\$6	n/a
Muzzleloader Stamp – Resident (eliminated)	6	n/a
Bonus Antlered Deer Stamp – Resident (eliminated)	10	n/a
Bonus Antlered Deer Stamp – Nonresident (eliminated)	30	n/a
Maryland Migratory Game Bird Stamp – Resident	9	12
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Exhibit 2 Changes Effective July 1, 2013

Source: Department of Legislative Services

The bill also specifies that the State Wildlife Management and Protection Fund, which receives revenue from hunting license and stamp fees, may *only* be used for existing specified purposes (scientific investigation, protection, propagation, and management of wildlife, and administrative costs). The bill also makes certain clarifying changes and changes to terms.

Current Law: With certain exceptions, a person may not hunt or attempt to hunt during open season and in any permitted manner any game birds and mammals in the State without a resident or nonresident hunter's license. Resident and nonresident hunting licenses enable the purchaser to hunt all legal game birds and mammals during any appropriate season without the purchase of additional stamps, unless the purchaser is hunting migratory game birds, wild waterfowl, or deer during bow and arrow season or black powder season, in which case specified stamps are required. A nonresident three-day hunting license enables the purchaser to hunt all legal game birds and mammals except deer and turkey for the three consecutive legal hunting days in a single season specified on the license, with specified stamps required in order to hunt migratory game birds or wild waterfowl.

Varying fees apply for licenses and stamps, most of which are shown above under the Bill Summary. Lower hunting license fees also apply to persons younger than age 16 and residents who are age 65 or older. A hunting license is valid for the period from August 1 through July 31 each year.

Background: DNR is responsible for the management and conservation of the State's wildlife resources, including approximately one dozen primary game species and hundreds of rare, threatened, and endangered plants and animals. The department also manages 112,000 acres of land making up 47 public Wildlife Management Areas.

DNR indicates that increased costs and declining special fund balances have severely constrained the department's ability to provide basic levels of service for wildlife conflicts, land management, hunting programs, wildlife conservation, and wildlife-related enforcement. DNR indicates that it will not be able to maintain current staffing levels and operations without revenue increases. The reserve balance in the State Wildlife Management and Protection Fund, which receives license and stamp fee revenue and provides a significant portion of DNR's Wildlife and Heritage Service's funding as well as funding for DNR's Natural Resources Police, has declined from \$2.5 million at the end of fiscal 2010 to a projected \$40,000 at the end of fiscal 2013.

Certain limited changes were last made to the hunting license fees pursuant to Chapter 224 of 2005, affecting nonresident hunting licenses. More significant changes were made to the hunting license and fee structure pursuant to Chapter 177 of 2002.

Among the other changes the bill makes, aside from license, stamp, and fee changes, the bill's specification that the State Wildlife Management and Protection Fund *only* be used for the existing stated purposes in the law and the elimination of the diversion of \$1 from the sale of specified hunting licenses to processing of deer for donation to the needy are in response to a federal audit. The audit indicated that the diversion of license revenue did not comply with requirements governing qualification for federal matching funds that

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fee revenue from hunting license sales not be used for purposes other than wildlife management. General funds are currently being used to support processing of deer for donation to the needy to avoid losing federal funding.

DNR has generally indicated that the bill's other changes are technical. The repeal of provisions requiring a person that kills a deer to report with the deer to a designated checking station within 24 hours, for example, is a result of that practice no longer being required, with an alternate system set forth in regulations.

State Fiscal Effect: Special fund revenues increase by approximately \$2.2 million in fiscal 2013 due to collection of additional fee revenue and by approximately \$3.0 million in fiscal 2014 and each year thereafter. These estimates are based on sales of the different licenses and stamps in 2011 and DNR estimates of potential sales of the newly created turkey and deer stamps.

The estimate of additional fee revenue in fiscal 2014 and each year thereafter also accounts for the possibility of a certain number of licensees choosing to purchase a consolidated hunting and trapping license instead of separate hunting licenses, stamps, and permits. The fees for the consolidated licenses provide a discount in comparison to obtaining a hunting license and all stamps and permits separately. If no licensees choose to purchase a consolidated license, however, revenues increase by an estimated \$3.4 million annually beginning in fiscal 2014.

The estimate does not include any increase in revenue that would occur from the increase in the fee for a duplicate license. DNR advises that the associated revenue impact would be minimal.

The bill does not require additional expenditures; however, the additional fee revenue generated under the bill is expected to be used for various purposes, including:

- filling vacancies within the Natural Resources Police to increase currently inadequate staffing levels of officers enforcing wildlife management laws (nine officers on duty statewide);
- contractual services for species management research and surveys;
- costs of existing personnel;
- supplies; and
- equipment replacement.

Additional Information

Prior Introductions: None. HB 1419/ Page 5 Cross File: None.

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

Fiscal Note History: First Reader - March 15, 2012 mc/lgc

Analysis by: Scott D. Kennedy

Direct Inquiries to: (410) 946-5510 (301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

- TITLE OF BILL: Department of Natural Resources Hunting Licenses and Stamps
- BILL NUMBER: HB 1419
- PREPARED BY: Department of Natural Resources

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

__X__ WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.