

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 225

(Senator Simonaire)

Education, Health, and Environmental Affairs

Environment and Transportation

Hunting and Fishing Licenses - Disabled Active Military, Former Prisoners of War, Recipients of the Purple Heart Award, and Disabled Veterans

This bill authorizes the Department of Natural Resources (DNR) to issue a lifetime complimentary angler's or sport fishing license to an out-of-state former prisoner of war or to a 100% service-connected disabled American veteran if the person's state of residence extends similar, reciprocal privileges. A person who serves in the U.S. Armed Forces and has a service-connected disability is exempt from angler's license, sport fishing license, and trout stamp requirements, if, while fishing, the person possesses valid military identification. DNR must also implement a program to provide discounted angler's, sport fishing, and hunter's licenses to Maryland residents who are recipients of the Purple Heart Award. Finally, the bill makes specified changes to existing provisions regarding complimentary angler's and hunter's licenses.

The bill takes effect July 1, 2016. The bill's provision relating to discounted licenses for recipients of the Purple Heart Award terminates June 30, 2019.

Fiscal Summary

State Effect: Special fund license fee revenues may decrease significantly, potentially by more than \$200,000 annually, due in large part to the loss of an exemption from federal saltwater angler registry requirements. DNR can implement the bill with existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill (1) exempts an out-of-state holder of a lifetime complimentary angler's license from the requirement to purchase a trout stamp; (2) repeals a limit of 20 complimentary angler's licenses for each state other than Maryland that may be outstanding at any time; and (3) makes existing authorizations for DNR to issue lifetime complimentary hunter's licenses to former prisoners of war and 100% service-connected disabled American veterans subject to competency in firearms and hunter safety requirements.

Current Law: DNR is authorized to issue a lifetime complimentary angler's, Chesapeake Bay and coastal sport fishing, or hunter's license to a Maryland resident who certifies that the resident is a former prisoner of war or a 100% service-connected disabled American veteran. The department, however, is only authorized to issue a lifetime complimentary *hunter's* license to an out-of-state person who certifies that they are a former prisoner of war or a 100% service-connected disabled American veteran, if the person's state of residence extends similar, reciprocal privileges.

A person serving in the U.S. Armed Forces who has a service-connected disability is not required to obtain a hunter's license, bow and arrow stamp, black powder stamp or bonus antlered deer stamp.

A holder of a lifetime complimentary angler's license for former prisoners of war or 100% service-connected disabled American veterans is exempt from a requirement that a person obtain a trout stamp in addition to an angler's license in order to possess trout while fishing in nontidal waters or fish in a special catch-and-return trout management area.

Under provisions authorizing DNR to issue lifetime complimentary angler's licenses for former prisoners of war and 100% service-connected disabled American veterans and annual complimentary angler's licenses to the President of the United States, the governor of any state, and any official of the game and fish department of any other state, the number of complimentary licenses for each state other than Maryland that may be outstanding at any time is limited to 20.

Generally, a person may not procure a hunting license without producing a certificate of competency in firearms and hunter safety, unless the person held a hunting license prior to July 1, 1977.

State Revenues: Special fund revenues may decrease significantly each year, as described below, due to the collective impact of (1) the implementation of a program to provide discounted angler's, sport fishing, and hunter's licenses to Maryland residents who are recipients of the Purple Heart Award; (2) the exemption of persons serving in the

U.S. Armed Forces who have a service-connected disability from angler's license, sport fishing license, and trout stamp requirements; and (3) a decrease in sport fishing license sales if the bill causes individuals in Maryland fishing recreationally in tidal waters to be subject to federal registration requirements and the associated \$29 fee (discussed below).

Discount Program for Purple Heart Award Recipients

Special fund revenues decrease from fiscal 2017 through 2019 as a result of issuing discounted licenses to Maryland residents who are recipients of the Purple Heart Award. The extent of any such decrease, however, cannot be reliably estimated at this time. Information is not readily available on the number of Purple Heart Award recipients living in Maryland. In addition, the number of such recipients who seek to obtain a discounted license pursuant to the bill is unknown. DNR advises that it has sold 456 hunting and 741 fishing complimentary lifetime licenses to former prisoners of war and 100% service-connected disabled American veterans.

For illustrative purposes, assuming the discount on license fees is in the range of \$10 to \$20 per license, special fund revenues decrease by \$10,000 to \$20,000 for every 1,000 discounted licenses issued. A \$10 to \$20 discount is consistent with current differences between the fees for *regular* resident angler's, Chesapeake Bay and coastal sport fishing, and hunter's licenses and the reduced fees for *junior, senior, and short-term* licenses of those types. This illustrative example assumes that any discounted licenses are issued to persons that would have purchased a license in the absence of the bill. To the extent the discount itself generates additional license sales, the loss in revenues is less.

The angler's, Chesapeake Bay and coastal sport fishing, and hunter's licenses are deposited in the Fisheries Management and Protection Fund, Fisheries Research and Development Fund, and Wildlife Management and Protection Fund, respectively.

Service-connected Disability Exemption

The number of individuals serving in the U.S. Armed Forces who have a service-connected disability is unknown. There are varying fees for angler's licenses, sport fishing licenses, and trout stamps, but the resident fee is \$20.50 for an angler's license, \$15 for a sport fishing license, and \$5 for a trout stamp. *For illustrative purposes*, if approximately 500 individuals who otherwise would have purchased a resident angler's license instead fish under the exemption, special fund revenues from angler's licenses decrease by approximately \$10,000.

Loss of Federal Exemption

The federal Magnuson-Stevens Fishery Conservation and Management Act includes a saltwater angler registry in an effort to gather better recreational fishing data. According to DNR, the registry creates a phone directory that National Oceanic and Atmospheric Administration (NOAA) uses to improve the efficiency of catch and effort surveys. Currently, Maryland is listed as an exempt state. This means that individuals recreationally fishing in Maryland saltwaters (or tidal waters) do not need to register with NOAA. The State provides the contact information for those individuals to NOAA for surveys. The current license structure allows the State to capture those individuals' contact information with State licenses and registrations.

DNR advises that the bill's exemption of persons serving in the U.S. Armed Forces who have a service-connected disability from the requirement to obtain a Chesapeake Bay and coastal sport fishing license will cause Maryland to lose its exemption status with NOAA because it only requires a person to possess valid military identification and not proof of a service-connected disability. This could make the service-connected disability requirement unenforceable and allow any person serving in the U.S. Armed Forces to be exempt from the license requirement. If Maryland loses its exemption status with NOAA, DNR advises that any individual recreationally fishing in Maryland tidal waters, even if they are licensed by the State, will need to comply with the federal requirement through NOAA, at a cost of \$29 per registration.

DNR indicates that the additional cost of \$29 to recreationally fish in tidal waters in the State likely results in a noticeable decrease in Chesapeake Bay and coastal sport fishing license sales. DNR receives more than \$2 million in special fund revenues from sport fishing licenses each year. It cannot be reliably estimated how much license sales decrease, but, based on the decrease in license sales after a 2007 increase in State sport fishing license fees, license sales may decrease by at least 10%, if not more. A 10% decrease in sport fishing license sales causes special fund revenues to decrease by at least \$200,000.

Out-of-state Lifetime Complimentary Licenses

Based on its experience with administering the existing authorization to issue a lifetime complimentary hunter's license to an *out-of-state* person who certifies that the person is a former prisoner of war or a 100% service-connected disabled American veteran, DNR does not expect enactment of similar authorizations for angler's and Chesapeake Bay and coastal sport fishing licenses to materially impact license fee revenues.

Small Business Effect: To the extent the loss of the federal exemption results in a significant decrease in sport fishing license sales, small businesses serving licensees are negatively affected.

Additional Information

Prior Introductions: None.

Cross File: HB 1531 (Delegate Simonaire) – Rules and Executive Nominations.

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

Fiscal Note History: First Reader - February 5, 2016
md/lgc Revised - Senate Third Reader - March 22, 2016

Analysis by: Scott D. Kennedy

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