

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 361

(Senator Hershey, *et al.*)

Education, Health, and Environmental Affairs

Environment and Transportation

Natural Resources – Special Charter Boat License – Alteration

This bill modifies an existing provision that authorizes the Department of Natural Resources (DNR) to issue a special charter boat license that is valid for all individuals on a charter boat operated by a licensed fishing guide in tidal waters of the State. The bill modifies the provision so that the charter boat license is valid for (1) all individuals on *a vessel under the guidance of* a fishing guide with a limited fishing guide license, in tidal waters of the State, and (2) all individuals on *a single vessel operated by* a fishing guide with a freshwater fishing guide license or a tidal fish license (commercial fishing license), in tidal waters of the State.

Fiscal Summary

State Effect: Special fund revenues may decrease, as discussed below. Expenditures are not materially affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law:

Charter Boat License

DNR may provide by regulation for issuance of a special charter boat license that is effective for not more than one year and expires on August 31, and that is valid for all

individuals on a charter boat operated by a licensed fishing guide in tidal waters of the State. The fee is (1) \$240, for six fishermen or less and (2) \$290, for seven or more fishermen.

Limited Fishing Guide License

DNR may issue a limited fishing guide license that is applicable in all waters of the State to allow a license holder to guide:

- anglers in up to three boats or vessels that (1) have one or two occupants and (2) are propelled by oars or paddles; or
- up to 10 anglers fishing from shore or on foot in the water (or any number of anglers who are participating in an educational or recreational program sponsored by a State, local, or municipal government and who are fishing from shore or on foot in the water).

A person may not accept any consideration for services as a limited fishing guide unless the person and all persons being guided possess, as applicable, an angler's (nontidal) license or a Chesapeake Bay and coastal sport fishing (tidal) license.

The fee for a limited fishing guide license is \$50 for a resident and \$100 for a nonresident. The annual fee for a Chesapeake Bay and coastal sport fishing license is \$15 for a resident and \$22.50 for a nonresident, for an annual license, and \$6 for a resident and \$12 for a nonresident, for a short-term, 7-day license.

Freshwater Fishing Guide License

The freshwater fishing guide license is available to a person providing fishing guide services for compensation to a person fishing in nontidal freshwater or specified areas of tidal water for game and freshwater fish. The license fee is \$20 for residents and \$50 for nonresidents to operate in nontidal freshwater and (2) \$50 for residents and \$100 for nonresidents to operate in nontidal freshwater and the specified areas of tidal water. The number of licenses issued annually that allow a person to operate in both nontidal freshwater and the specified tidal water areas is limited to 150, with not more than 20% of the 150 allocated to nonresidents.

Tidal Fish License

DNR uses a single, commercial fishing license, known as a tidal fish license, which authorizes a licensee to engage in each activity indicated on the license. The department may issue authorizations for activities listed in statute, including providing services as a fishing guide in tidal waters of the State, for which the indicated fee has been paid. The fee

for an authorization to provide services as a fishing guide is \$100 for a resident and \$200 for a nonresident. DNR is authorized to set, by regulation, specified targets for the number of tidal fish license authorizations and may modify the target number of authorizations for specified reasons.

Background: Additional information on fishing guide licenses and the Chesapeake Bay and coastal sport fishing license can be found in the Department of Legislative Services' recent report [Maryland Fishing and Hunting Licenses, Permits, and Stamps \(November 2018\)](#).

State Revenues: Special fund revenues from Chesapeake Bay and coastal sport fishing license fees decrease, and special fund revenues from special charter boat license fees increase as a result of the bill allowing for a charter boat license to be valid for all individuals on a vessel under the guidance of a limited fishing guide in tidal waters of the State. As mentioned above, pursuant to existing law, a limited fishing guide may guide up to three boats or vessels, propelled by oars or paddles, that each have one or two occupants.

DNR indicates that there are currently 65 limited fishing guides. For each individual guide that obtains a limited fishing guide license, the net impact of the bill on license fee revenues generated from that fishing guide's business depends on whether the Chesapeake Bay and coastal sport fishing license fees (ranging from \$6, for a short-term resident license to \$22.50 for an annual nonresident license) that are no longer paid by guided customers, due to the coverage of the charter boat license, add up to more or less than the charter boat license fee (\$240 annually, to guide six fishermen or less at a time). If it is assumed that the limited fishing guides that purchase a charter boat license are providing ongoing fishing guide services during several months of the year, it appears that the net special fund revenue impact is a special fund revenue loss, based on the illustrative example below.

The number of customers guided by limited fishing guides in a year is unknown, but *for illustrative purposes*, if it is assumed that 30 of the 65 limited fishing guides obtain a charter boat license, 100 customers per guide per year do not purchase a Chesapeake Bay and coastal sport fishing license as a result, and 50% of the licenses that would have otherwise been purchased are short-term resident licenses, 25% are annual resident licenses, and 25% are short-term nonresident licenses, the net annual special fund revenue impact is an annual special fund revenue decrease of \$22,050 (an increase of \$7,200 in charter boat license fees from the limited fishing guides, and a decrease of \$29,250 in Chesapeake and coastal sport fishing license fees from the limited fishing guides' customers). If the number of customers per guide per year who do not purchase a license is larger – 200 – the annual net special fund revenue impact is an annual special fund revenue decrease of \$51,300. If the number of customers per guide per year who do not purchase a license is smaller – 50 – the annual net special fund revenue impact is an annual special fund revenue decrease of \$7,425.

Small Business Effect: Because the bill reduces the cost for a person (who does not already have a Chesapeake Bay and coastal sport fishing license) to go on a guided fishing trip with a limited fishing guide in tidal waters, the bill may meaningfully benefit limited fishing guides by increasing business.

Additional Information

Prior Introductions: None.

Cross File: HB 349 (Delegate Jacobs, *et al.*) - Environment and Transportation.

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

Fiscal Note History: First Reader - February 15, 2019

mm/lgc Third Reader - March 1, 2019

Enrolled - April 30, 2019

Revised - Amendment(s) - April 30, 2019

Analysis by: Scott D. Kennedy

Direct Inquiries to:

(410) 946-5510

(301) 970-5510