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Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 142

(Senator Simonaire, *et al.*)

Education, Health, and Environmental Affairs

Environment and Transportation

Natural Resources - Recreational License Donation Program and Healing
Hunting and Fishing Fund - Revisions

This bill repeals the June 30, 2022 termination date of the Recreational License Donation Program and the Healing Hunting and Fishing Fund within the Department of Natural Resources (DNR). The bill also (1) broadens the authorized uses of the fund; (2) requires the Chesapeake Bay Trust (CBT), rather than DNR, to administer the fund; (3) requires DNR to establish a process to allow an individual who purchases specified fishing or hunting licenses or stamps through DNR's electronic system to make a donation to the fund at the time of purchase; and (4) authorizes CBT to use the fund to make grants to "eligible sponsor organizations" to provide specified recreational outdoor opportunities or workforce training for green jobs. The bill repeals a related DNR reporting requirement. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: Special fund revenues and expenditures continue beyond FY 2022 due to the repeal of the termination date and may increase minimally beginning in FY 2021 from the option for COMPASS users to make electronic donations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: DNR must establish a process through which an individual who purchases an angler's license, a Chesapeake Bay and coastal sport fishing license, or a hunting license and any corresponding stamps through DNR's electronic licensing system may make a voluntary monetary donation to the Healing Hunting and Fishing Fund at the time the license or stamp is purchased. The donation process must be (1) made available only to an individual purchasing directly through the electronic system and not through an authorized vendor and (2) limited to providing at most two options to which an individual may make a monetary donation. DNR must collect the donations received under the bill and deposit them into the Healing Hunting and Fishing Fund. DNR is authorized to adopt regulations to implement the electronic system and determine the appropriate fee levels that may be charged for the electronic transmission service.

The bill requires CBT, instead of the Secretary of Natural Resources, to administer the Healing Hunting and Fishing Fund. The bill also broadens the purpose of the fund. Under the bill, the fund's purpose is to provide any of the following opportunities for Gold Star recipients, disabled veterans or other veterans who could benefit from the opportunities, disabled members of the U.S. Armed Forces or other members of the U.S. Armed Forces who could benefit from the opportunities, and permanently disabled persons who require the use of a wheelchair: (1) recreational hunting or fishing opportunities; (2) recreational water or other recreational outdoor activities; (3) therapeutic outdoor activities; or (4) workforce training for green jobs, including outdoor agricultural jobs.

CBT is authorized to use the fund to make grants to eligible sponsor organizations, and the fund may only be used for that purpose. When awarding a grant, CBT must determine whether the opportunities provided by the eligible sponsor organization will, in fact, benefit veterans or members of the U.S. Armed Forces. A grant awarded pursuant to the bill may be used only to pay capital, operational, or programming costs incurred by the eligible sponsor organization while providing authorized opportunities to qualified individuals, as specified. DNR must adopt implementing regulations that establish eligibility requirements for grant applicants.

An "eligible sponsor organization" is a nonprofit charitable organization that provides any of the following opportunities for Gold Star recipients, disabled veterans or other veterans who could benefit from the opportunities provided, disabled members of the U.S. Armed Forces or other members of the U.S. Armed Forces who could benefit from the opportunities provided, or permanently disabled persons who require the use of a wheelchair: (1) recreational hunting or fishing opportunities; (2) recreational water or other recreational outdoor activities; (3) therapeutic outdoor activities; or (4) workforce training for green jobs, including outdoor agricultural jobs.

The bill also makes conforming changes to provisions governing the existing Recreational License Donation Program under DNR.

Current Law/Background:

DNR Electronic Licensing and COMPASS Portal

DNR is authorized to develop and implement an electronic system for the sale and issuance of licenses, permits, and registrations. DNR has the authority to adopt implementing regulations and to determine appropriate fee levels that may be charged by a vendor and DNR for the electronic transmission service. DNR's current electronic licensing system is called COMPASS, and hunting and fishing licenses and associated stamps can be purchased online through DNR's COMPASS portal.

Chapter 434 of 2018 required DNR to establish a process through which an individual who purchases a license, permit, or registration through the COMPASS portal may make a voluntary monetary donation to the Chesapeake Bay Trust and the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund through DNR's electronic licensing system. The donation process must be made available only to an individual purchasing directly through the electronic system and not through an authorized vendor.

Recreational License Donation Program and Healing Hunting and Fishing Fund

Chapter 424 of 2016 established, and Chapter 261 of 2019 amended, a program through which a person may purchase and donate an angler's license, a Chesapeake Bay and coastal sport fishing license, or a hunting license and any corresponding stamps. Donations are deposited into the Healing Hunting and Fishing Fund, which also consists of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. Interest earnings must be credited to the general fund. The fund may be used only for donated recreational hunting or fishing licenses or stamps for use by qualified individuals.

A recipient of a donated license or stamp must be sponsored by a qualifying nonprofit charitable organization that provides recreational hunting or fishing opportunities for Gold Star recipients, disabled veterans, disabled members of the U.S. Armed Forces, or permanently disabled persons who require the use of a wheelchair. In addition, a recipient of a donated hunting license is subject to specified statutory hunting safety requirements.

Chapter 424, as amended by Chapter 261 of 2019, is set to terminate June 30, 2022.

DNR is authorized to issue a donated license or stamp to an eligible resident or nonresident of the State. DNR advises that there have been two donations to the Recreational License

Donation Fund since its inception, and no donated stamps or licenses have been issued. Chapter 424 of 2016 required DNR to report on the number of stamps and licenses issued under the program, the nonprofit charitable organizations that sponsored license recipients, the levels of funding deposited and redeemed from the fund, and any other relevant information by December 31, 2018. DNR has not submitted this report.

Chesapeake Bay Trust

CBT is a nonprofit grant-making organization dedicated to improving the watersheds of the Chesapeake Bay, the Maryland Coastal Bays, and the Youghiogheny River. Created in 1985 by the Maryland General Assembly, CBT's goal is to increase stewardship through grant programs, special initiatives, and partnerships that support K-12 environmental education, on-the-ground watershed restoration, community engagement, and the underlying science of these three realms. Grantees include schools, local governments, community groups, faith-based groups, watershed organizations, and other not-for-profit entities.

State Fiscal Effect: Special fund revenues and expenditures continue beyond fiscal 2022 due to the repeal of the termination date of the program and fund and may increase minimally beginning in fiscal 2021 to the extent that the ability for a person to donate money to the fund electronically results in an increase in monetary donations to the fund. DNR advises that the fund currently has a balance of \$372, and no licenses have been issued or donated. Accordingly, future donations to and expenditures from the fund are estimated to be minimal. However, because the donation process is currently not automated, the option for COMPASS users to make electronic donations may result in a minimal increase in special fund revenues. Because interest earnings of the fund are credited to the general, general fund revenues may also increase, but any such increase is likely negligible.

Costs for CBT to administer grants from the fund depend on the funds available for grants. CBT receives no State operating appropriation. Since donations to the Healing Hunting and Fishing Fund have historically been minimal, as noted above, costs for CBT to administer the grant program are also estimated to be minimal. CBT advises that administrative costs are generally about 30% of funds raised: 20% for program staff to solicit, review, and administer grants and 10% for overhead and indirect costs. The bill does not authorize funds from the Healing Hunting and Fishing Fund to be used for CBT's administrative costs.

DNR can make necessary programming changes to COMPASS and develop implementing regulations with existing resources. This analysis does not account for any electronic transmission service fees that may be established by DNR through regulation.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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