

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 875 (Delegate Cox)
 Environment and Transportation

Hunting and Fishing - Recreational License Fees - Moratorium

This bill establishes a moratorium on hunting and recreational fishing license fees for State residents for the period between August 1, 2022, and July 31, 2023, inclusive. **The bill takes effect June 1, 2022, and terminates July 31, 2023.**

Fiscal Summary

State Effect: Special fund revenues decrease by \$8.6 million in FY 2023 and by \$0.5 million in FY 2024. Federal fund revenues may also decrease, as discussed below. General fund expenditures increase by \$352,900 in FY 2023 and by \$37,400 in FY 2024.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
SF Revenue	(\$8,600,000)	(\$500,000)	\$0	\$0	\$0
FF Revenue	(-)	(-)	(-)	\$0	\$0
GF Expenditure	\$352,900	\$37,400	\$0	\$0	\$0
Net Effect	(\$8,952,900)	(\$537,400)	(-)	\$0	\$0

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill requires the Department of Natural Resources (DNR) to waive the annual hunting license fees for a State resident for the 2022-2023 hunting year that begins August 1, 2022, and runs through July 31, 2023. The bill also requires DNR to

waive the annual fee for a State resident for the portion of a license year that falls between August 1, 2022, and July 31, 2023, inclusive, for the following recreational fishing licenses: (1) the angler's license; (2) the Chesapeake Bay and coastal sport fishing license; and (3) the resident consolidated senior sport fishing license. With respect to the recreational fishing licenses, for licenses issued before August 1, 2022, DNR must (1) proportionally prorate the annual license fee based on the amount of time the license is to be effective during the period between August 1, 2022, and July 31, 2023, inclusive, and (2) rebate any overpayment to the license holder.

Current Law: Under the Natural Resources Article, subject to 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 first having procured a hunting license;
- any person aged 16 or older must secure an angler's license to fish in the nontidal waters of the State; and
- a person may not fish for finfish in the Chesapeake Bay or in its tributaries up to tidal boundaries or in State waters of the Atlantic Ocean and the Atlantic coastal bays and their tributaries without first obtaining a Chesapeake Bay and coastal sport fishing license or a specified registration.

Varying fees apply for hunting and fishing licenses. The annual fees for resident hunting, angler's, and Chesapeake Bay and coastal sport fishing licenses are \$24.50, \$20.50, and \$15.00, respectively. Lower fees apply to certain junior, senior, and short-term licenses.

A resident consolidated senior sport fishing license is available to residents of the State beginning in the calendar year in which they attain the age of 65, which allows the holder of the license to engage in angling on the nontidal waters of the State without holding an angler's license and to fish for finfish in the Chesapeake Bay and its tributaries or in the State waters of the Atlantic Ocean and the Atlantic coastal bays and their tributaries without holding a Chesapeake Bay and coastal sport fishing license. The annual fee for the license is \$5.

Agents designated by DNR to sell licenses are authorized to retain a small portion of the fees, ranging from \$0.50 to \$1.50, depending on the license.

Hunting licenses are valid from August 1 to July 31, and recreational fishing licenses are valid for one year from the date of issuance.

State Revenues: Special fund revenues decrease by \$8.6 million in fiscal 2023 and by \$0.5 million in fiscal 2024, due to the bill's moratorium on resident hunting and recreational fishing license fees. DNR's Licensing and Registration Service estimates that

\$3.3 million and \$5.8 million in hunting and recreational fishing license fees, respectively, would otherwise be collected from residents of the State during the moratorium period, in the absence of the bill. The majority of the decrease in special fund revenues occurs in fiscal 2023, but a small portion of the decrease in recreational fishing license fee revenues is assumed to occur in fiscal 2024 since recreational fishing licenses are issued on a rolling basis and the moratorium lasts one month into fiscal 2024.

DNR indicates that federal funding that is based on paid license sales in the State may also decrease (up to \$2.4 million due to the moratorium on resident hunting license fees and up to \$3.2 million due to the moratorium on resident recreational fishing license fees); however, it is unclear to what extent this will occur, or in what fiscal year or years those federal fund revenue losses will be experienced.

State Expenditures: General fund expenditures increase by \$352,924 in fiscal 2023, which accounts for expenditures beginning July 1, 2022. This estimate reflects the cost of (1) hiring one contractual staff person in DNR’s Licensing and Registration Service to send, receive, and process rebate applications for fishing licenses and (2) printing and mailing the rebate applications. DNR indicates that COMPASS, its online licensing system, cannot prorate the license fee for individual resident recreational fishing license purchasers based on the date of purchase; accordingly, purchasers during the moratorium period will need to pay the full fee and a rebate application will be mailed to them, in addition to the rebate applications mailed to those who purchase licenses prior to the start of the moratorium. DNR indicates that the administrative work associated with the rebate applications cannot be handled with existing staff. This estimate assumes that rebate applications need to be mailed to renewing licensees twice – for a rebate for a portion of the term of the license they purchased prior to the start of the moratorium and for a portion of the term of the license they purchase during the moratorium. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$34,912
Printing and Mailing	310,404
Other Operating Expenses	<u>7,608</u>
Total FY 2023 State Expenditures	\$352,924

Fiscal 2024 expenditures reflect costs associated with the contractual staff person through December 31, 2023, and mailing expenses.

Small Business Effect: Small businesses that sell DNR hunting and recreational fishing licenses may be meaningfully affected by the loss during the moratorium – with respect to resident licenses – of the portion of the license fees they are authorized to keep.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 22, 2022
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