

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 40

(Chair, Environment and Transportation Committee)(By  
Request - Departmental - Natural Resources)

Environment and Transportation

Education, Energy, and the Environment

**Natural Resources - Fishing Licenses and Stamps - Alterations**

This departmental bill increases fees for senior sport fishing licenses, angler's licenses, and trout stamps, and repeals the trout stamp exemption for senior sport fishing licensees. **The bill takes effect June 1, 2025.**

**Fiscal Summary**

**State Effect:** Special fund revenues increase by \$565,800 in FY 2025, and by \$3.0 million in FY 2026 and future years. General fund revenues increase through FY 2028, as discussed below. Expenditures are not directly affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
GF Revenue	-	-	-	-	0
SF Revenue	\$565,800	\$2,977,800	\$2,977,800	\$2,977,800	\$2,977,800
Expenditure	0	0	0	0	0
Net Effect	\$565,800	\$2,977,800	\$2,977,800	\$2,977,800	\$2,977,800

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

**Local Effect:** None.

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

**Analysis**

**Bill Summary/Current Law:** The bill increases recreational fishing license and trout stamp fees, as shown in **Exhibit 1**.

The bill also repeals an exemption, for a holder of a senior sport fishing license, from the requirement that an individual hold a trout stamp to fish for trout in areas designated by DNR.

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**Exhibit 1**  
**Recreational Fishing License and Stamp Fees**

<b>License/Stamp</b>	<b>Under Current Law</b>	<b>Under the Bill</b>
<b>Senior sport fishing license</b> (available to residents age 65 and older; authorizes recreational fishing in nontidal and tidal waters)	\$5.00	\$12.00
<b>Angler's license</b> (available to individuals age 16 and older; authorizes recreational fishing in nontidal waters)		
Resident		
Annual	\$20.50	\$32.00
7-day	\$7.50	\$16.00
Nonresident (**nonresidents are charged the greater of the fee amounts shown or the fee amount charged a Maryland resident by the nonresident's home state for a similar license**)		
Annual	\$30.50	\$55.00
7-day	\$7.50	\$45.00
3-day	\$5.00	\$35.00
<b>Trout stamp</b> (authorizes fishing for trout in areas designated by DNR)		
Resident	\$5.00	\$20.00
Nonresident	\$10.00	\$30.00

DNR: Department of Natural Resources

Source: Department of Legislative Services

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## Background:

### *Fisheries Management and Protection Fund Imbalance*

Revenues from the fees increased by the bill are deposited into the Fisheries Management and Protection Fund (FMPF) (used to fund nontidal fishery management), with the exception of 50% of the fee revenues from senior sport fishing licenses, which is deposited in the Fisheries Research and Development Fund (FRDF). DNR's expenditures from FMPF are increasing, as shown in **Exhibit 2**, and fund balance and revenues to the fund are not expected to be able to cover expenditures by fiscal 2027.

DNR indicates that the fees increased by the bill have not been increased in many years and the additional revenue generated by the fees will support existing nontidal fishery management efforts and provide funding for additional nontidal fishery projects and infrastructure needs. DNR's Fishing and Boating Services unit depends heavily on special funds derived from fee revenues to operate its nontidal fisheries management.

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#### **Exhibit 2** **Fisheries Management and Protection Fund** **Fiscal 2024-2026**

	<b><u>FY 2024</u></b> <b><u>(Actual)</u></b>	<b><u>FY 2025</u></b> <b><u>(Projected)</u></b>	<b><u>FY 2026</u></b> <b><u>(Projected)</u></b>
Beginning Balance	\$3,122,340	\$3,777,390	\$2,821,335
Revenues	3,516,354	3,500,000	3,500,000
Fishing and Boating Services Expenditures	2,609,648	3,240,070	3,811,363
DNR Administrative Expenditures*	251,656	1,215,985	1,816,847
<b>Ending Balance</b>	<b>\$3,777,390</b>	<b>\$2,821,335</b>	<b>\$693,125</b>

DNR: Department of Natural Resources

\* DNR is authorized, under §§ [1-103](#)(b)(2) and [4-208](#)(g)(2), to use money in the fund for administrative expenses directly relating to the purpose of the fund up to an amount calculated under a generally accepted methodology for determining indirect costs. In the fiscal 2026 budget as passed by the General Assembly, the administrative expenditures from the fund support costs of (1) Office of the Attorney General legal representation, advice, and counsel provided to the department; (2) finance and administrative services; (3) human resources; (4) information technology services; (5) communications; (6) licensing and registration services; and (7) the Natural Resources Police.

Source: Department of Natural Resources

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### *Fee Increases*

DNR indicates that:

- the fee increases for the senior sport fishing license and the resident annual angler's license are based on inflation;
- the fee increases for the resident 7-day angler's license and the nonresident annual, 7-day, and 3-day angler's licenses are based on the fee amounts for similar licenses charged in other states; and
- the fee increases for the resident and nonresident trout stamps are based on fee amounts estimated to be sufficient to cover expected trout management (hatchery operations and stocking) costs.

### *Repeal of Trout Stamp Exemption for Senior Sport Fishing Licensees*

DNR indicates that the trout stamp fee is paid by trout anglers to support trout management and provide the fish that they catch. The repeal of senior sport fishing licensees' exemption from the trout stamp requirement is intended to have the roughly one-third of senior sport fishing licensees who fish for trout contribute toward those costs without the remaining licensees having to pay for trout management through a higher overall senior sport fishing license fee. Requiring those roughly one-third of licensees to purchase a trout stamp will also allow DNR to include them in the department's communications with trout stamp holders about trout management/hatchery changes.

### **State Revenues:**

#### *Special Funds*

Special fund revenues increase by \$565,783 in fiscal 2025, which accounts for the bill's June 1, 2025 effective date, and by \$3.0 million in fiscal 2026 and future years, as shown in **Exhibit 3**.

The fiscal 2025 estimate accounts for 19% of the revenue increase of a full fiscal year, which is based on DNR data showing the portion of annual license sales (for the resident and nonresident annual angler's licenses) occurring in June in fiscal 2023 and 2024, and an assumption that similar portions of the annual sales of other licenses and stamps affected by the bill occur in June.

In fiscal 2025, of the \$565,783 in increased revenues, \$543,545 is distributed to FMPF and \$22,238 is distributed to FRDF. In fiscal 2026 and future years, \$2.9 million is distributed to FMPF and \$117,042 is distributed to FRDF.

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**Exhibit 3**  
**Annual Increase in Special Fund Revenues**

<b>Fee Type</b>	<b>Licenses/ Stamps (Current Law)</b>	<b>Licenses/ Stamps (Bill)</b>	<b>Fee (Current Law)</b>	<b>Fee (Bill)</b>	<b>Annual Increase in Fee Revenues</b>
Senior sport fishing Angler's	34,025	33,684	\$5.00	\$12.00	\$234,085
Resident – Annual	107,283	106,210	20.50	32.00	1,199,419
Resident – 7-day	5,172	5,120	7.50	16.00	43,130
Nonresident – Annual*	15,962	15,803	30.50	55.00	342,090
Nonresident – 7-day*	3,414	3,380	7.50	45.00	81,916
Nonresident – 3-day*	7,838	7,760	5.00	35.00	149,404
Trout Stamp					
Resident	38,818	48,536	5.00	20.00	776,628
Nonresident	7,672	7,595	10.00	30.00	151,133
<b>Total</b>					<b>\$2,977,805</b>

\* Fee amounts for these licensees are the greater of the fees shown and the fee amounts charged by their home state to nonresidents. The estimates of the annual increase in fee revenues for these nonresident licenses are based on assumptions mentioned in the narrative below.

Source: Department of Natural Resources; Department of Legislative Services

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This estimate is based on the following assumptions:

- the number of licenses and stamp holders in fiscal 2025 and future years is similar to the average of the number of licensees and stamp holders in fiscal 2022 through 2024, with the following exceptions: (1) the number of resident trout stamp holders increases by 10,208 (based on a DNR estimate) due to senior sport fishing licensees who are no longer exempt from the trout stamp requirement purchasing stamps; and (2) the numbers of licensees and stamp holders also decrease by 1% overall due to the increased fees causing some individuals to no longer purchase licenses and stamps (also based on information provided by DNR);
- the percentages of nonresident annual, 7-day, and 3-day licensees who pay the fee in Maryland statute as opposed to a higher fee charged to nonresidents by their home state increase as follows under the bill: (1) annual licensees – from 19% to 59%; (2) 7-day licensees – from 0% to 93%; and (3) 3-day licensees – from 0% to 97%; and

- for nonresidents that pay their home state fee under current law but pay the fee in Maryland statute under the bill (due to the Maryland fee increasing beyond the home state fee, under the bill), their home state fees, on average, are equivalent to the midpoint between the fee in Maryland statute under current law and the fee in Maryland statute under the bill.

### *General Fund Revenues*

General fund revenues increase by an indeterminate amount through fiscal 2028, due to interest earnings from the additional fee revenues generated by the bill accruing to the general fund.

Section 8 of Chapter 717 of 2024 (the Budget Reconciliation and Financing Act of 2024) and § 6-226(a)(2) of the State Finance and Procurement Article require, notwithstanding any other provision of law, that interest earnings from special funds (with certain exceptions) accrue to the general fund. Section 8 of Chapter 717 applies from fiscal 2024 through 2028 and § 6-226(a)(2) applies from fiscal 2029 forward. FMPF and FRDF are not exempted from the requirement under Section 8 of Chapter 717 but are exempted from the requirement under § 6-226(a)(2). General fund revenues therefore increase through fiscal 2028.

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## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 258 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - Natural Resources) - Education, Energy, and the Environment.

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

**Fiscal Note History:** First Reader - January 28, 2025  
rh/lgc Third Reader - February 14, 2025  
Revised - Clarification - April 24, 2025  
Revised - Budget Information - April 24, 2025

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Natural Resources - Fishing Licenses and Stamps - Alterations

BILL NUMBER: HB 40

PREPARED BY: Sarah Widman

### 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

There is a possibility that certain types of fishing guides could see a small decrease in revenue if anglers decide not to buy a license and go fishing with a guide. The businesses selling licenses or license related products who receive money from each license sold may also see a small decrease in revenue if anglers decide not to buy a license due to price increases. It isn't possible to know for sure if price increases would result in a decrease in license sales. With other licensing changes including a new licensing system coming online, it will be difficult to tease out data showing the direct impact of the fee increase on angler license buying behavior. It is not unrealistic to think that up to 1% of anglers could change their buying behavior. However, since these fees have not been increased in over three decades for some of the fees and license fees are a very small percent of an angler's annual spending, a decrease of license purchases may not be statistically measurable. Anglers provide economic benefit to the local economy of communities that surround popular fishing areas. Investing in the infrastructure and management efforts that enhance fishing opportunities and access, are expected to provide economic returns to local communities and businesses.