

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 619 (Senator Astle)
Education, Health, and Environmental Affairs

Wildlife Management and Sustainability Act of 2013

This bill increases hunting license fees and redirects specified hunting violation fine revenue to the Department of Natural Resources' (DNR) State Wildlife Management and Protection Fund (SWMPF). DNR is required to adopt regulations establishing fees for Wildlife Management Area (WMA) users, except licensed hunters. The bill encourages DNR and the Department of Business and Economic Development, in consultation with the Maryland Legislative Sportsmen's Foundation, to develop marketing strategies to promote Maryland as a destination for hunting and fishing.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: DNR special fund revenues increase by \$1.5 million in FY 2014 and each subsequent year due to the collection of additional license and user fee revenue. General fund revenues decrease, potentially significantly, and DNR special fund revenues increase correspondingly, in FY 2015 and subsequent years due to the reallocation of fine revenue. The bill does not require additional expenditures.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
GF Revenue	\$0	\$0	(-)	(-)	(-)
SF Revenue	\$0	\$1,514,700	\$1,514,700	\$1,514,700	\$1,514,700
Expenditure	\$0	0	0	0	0
Net Effect	\$0	\$1,514,700	\$1,514,700	\$1,514,700	\$1,514,700

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

Local Effect: The bill does not directly affect local government finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill expands SWMPF revenue sources to include (1) a gift received in accordance with specified provisions of the State Finance and Procurement Article; (2) money appropriated from the general fund; and (3) WMA user fees. Beginning in fiscal 2014, the Governor is authorized to include a general fund appropriation in the annual budget for SWMPF and the Farmers and Hunters Feeding the Hungry program, which coordinates the donation of venison to the needy. The bill also specifies that SWMPF may *only* be used for existing specified purposes (scientific investigation, protection, propagation, and management of wildlife, and administrative costs).

Exhibit 1 illustrates how annual hunting licenses and user fees are modified under the bill.

Exhibit 1 Current and Proposed Annual Hunting and Wildlife Fees

<u>License</u>	<u>No. in 2011-2012 (Actual)</u>	<u>2011-2012 Fee</u>	<u>Proposed Fee</u>	<u>Additional Revenue</u>
Hunting License – Resident	77,496	\$24.50	\$37.00	\$968,700
Hunting License – Nonresident	14,784	130.00	150.00	295,680
Hunting License – Nonresident (3-day)	7,685	45.00	65.00	153,700
<i>Wildlife Management Area (WMA) User Fees*</i>	<i>10,000</i>	<i>0</i>	<i>25.00</i>	<i>250,000</i>
<i>Junior Resident – Exemption from Stamps**</i>	<i>8,588</i>	<i>n/a</i>	<i>(15.00)</i>	<i>(128,820)</i>
<i>Junior Nonresident – Exemption from Stamps**</i>	<i>722</i>	<i>n/a</i>	<i>(34.00)</i>	<i>(24,548)</i>
New Fee Revenue				\$1,514,712

Italics indicate a new fee or exemption.

*DNR estimated the number of annual nonhunter WMA users and the \$25 fee amount. The actual fee amount will be established by DNR in regulations.

**The junior hunting license exemption estimate assumes that all junior resident licensees would have purchased the \$6 resident bow and arrow stamp and the \$9 migratory bird stamp and that all junior nonresident licensees would have purchased the \$20 nonresident bow and arrow stamp and the \$9 migratory bird stamp.

Source: Department of Natural Resources; Department of Legislative Services

The bill alters the distribution of hunting fines collected by the District Court from the general fund to the SWMPF over a four-year period: 25% in fiscal 2015, 50% in fiscal 2016, 75% in fiscal 2017, and 100% in fiscal 2018 and subsequent years.

The bill clarifies that a junior hunting license is for an individual younger than age 16 and enables hunting and trapping all legal game birds and mammals, in accordance with DNR regulations and during any appropriate season. An individual with a junior hunting license is not required to purchase additional licenses or stamps to hunt.

The bill repeals provisions:

- requiring DNR to use \$1 from the sale of specified hunting licenses to fund processing of deer for donation to the needy, as a federal audit noted that federal matching funds should be withheld if the State uses hunting license revenue for deer donation programs as such programs, are not considered wildlife management;
- requiring a person that kills a deer to report with the deer to a designated checking station within 24 hours and prohibiting specified activities prior to a deer being checked in, as updated processes are established in regulations;
- related to the purchase of bonus deer stamps, as updated information is established in regulations; and
- allowing a person who accidentally kills a deer on a highway while driving to have the deer if visible evidence of collision with the deer is produced, as updated processes are established in regulations.

The bill clarifies that a nonresident three-day hunting license does not authorize bear hunting. Also, the bill alters the name of two hunting stamps, the bow and arrow stamp is renamed the archery stamp and the black powder stamp is renamed the muzzle loader stamp. Likewise, the deer bow hunting season is renamed the deer archery season.

Current Law: With 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 a resident or nonresident hunter's license. Resident and nonresident hunting licenses enable the purchaser to hunt all legal game birds and mammals during any appropriate season without the purchase of additional stamps, unless the purchaser is hunting migratory game birds, wild waterfowl, or deer during bow and arrow season or black powder season, in which case specified stamps are required. A nonresident three-day hunting license enables the purchaser to hunt all legal game birds and mammals except deer and turkey for the three consecutive legal hunting days in a single season specified on the license, with specified stamps required in order to hunt migratory game birds or wild waterfowl.

Varying fees apply for DNR hunting licenses and stamps. Lower hunting license fees also apply to persons younger than age 16 and residents who are age 65 or older. A hunting license is valid for the period from August 1 through July 31 each year. Funds generated from any license, stamp, application, or permit fee under wildlife provisions in the Natural Resources Article must be credited to SWMPF and used for the scientific investigation, protection, propagation, and management of wildlife.

Generally, revenue from hunting violation fines imposed by the District Court is allocated to the general fund, while revenue from hunting violation fines imposed in the circuit courts is allocated to SWMPF.

Background: Among other things, DNR's Wildlife and Heritage Service is responsible for balancing the ecological needs of the State's wildlife resources with societal needs and desires. The Wildlife and Heritage Service, in cooperation with the Natural Resources Police, is responsible for administering and enforcing the State's hunting programs, laws, and regulations. DNR also manages 47 public WMAs that cover over 112,000 acres of land. WMAs are open to the public, free of charge, for wildlife recreation opportunities such as hunting, hiking, and wildlife watching.

There were 117,785 licensed hunters (including nonresidents) during the 2011-2012 hunting season. DNR issues a multitude of hunting licenses and stamps and sells approximately 358,000 licenses and stamps annually. DNR collected approximately \$6.0 million in associated fees in fiscal 2012.

DNR indicates that increased costs and declining special fund balances have severely constrained its ability to provide basic levels of service for wildlife conflicts, land management, hunting programs, wildlife conservation, and wildlife-related enforcement. DNR indicates that in the absence of a revenue increase, it will not be able to maintain current staffing levels and operations. The reserve balance in SWMFP, which receives hunting license and stamp fee revenue and provides a significant funding for DNR's Wildlife and Heritage Service, has declined from \$2.5 million at the end of fiscal 2010 to a projected \$40,000 at the end of fiscal 2013.

DNR notes that the cost of a resident consolidated hunting license has remained at \$24.50 since 1989 and advises that the bill establishes fees that are more consistent with the fees and privileges in other states.

State Fiscal Effect: DNR special fund revenues increase by \$1.5 million in fiscal 2014 and each subsequent year due to the collection of additional license and user fee revenue. This estimate is based on sales of the different licenses during the 2011-2012 hunting season, as shown in Exhibit 1, and it assumes that (1) increasing fee amounts does not materially affect the number of licenses sold and (2) a \$25 WMA user fee is established

in regulations in fiscal 2014. This estimate reflects an annual \$153,368 decrease in hunting license revenue due to the license and stamp exemption established for junior hunters.

General fund revenues decrease, potentially significantly, and DNR special fund revenues increase correspondingly, in fiscal 2015 and subsequent years due to the reallocation of fine revenue; however, any impact cannot be reliably estimated, as data is not readily available regarding relevant fine revenue.

While not anticipated, to the extent the bill results in fewer hunting licenses being sold, DNR federal fund revenues decrease. DNR receives between \$5 and \$9 in federal funds for each hunting license sold. The number of licenses sold for the 2013-2014 hunting year would not impact federal funding until fiscal 2016.

DNR can absorb any programming costs associated with establishing a WMA user fee in the new COMPASS licensing system. Although the bill does not require additional expenditures, it is assumed that DNR uses the additional revenue generated under the bill to support its ongoing costs associated with recruitment and retention of hunters, WMA maintenance, habitat management, and wildlife research and surveys.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development, Department of Budget and Management, Department of Natural Resources, Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2013
ncs/lgc

Analysis by: Amanda Mock

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