

**Fishing and Boating Services**

**FY19 Budget Report**

**to the**

**Sport Fisheries Advisory Commission**

## INTRODUCTION

In a September 2016 reorganization within the Maryland Department of Natural Resources (DNR), fisheries and boating related activities were merged into a single unit called Fishing and Boating Services (FABS). This report to the Sport Fisheries Advisory Commission (SFAC) focuses on revenues and expenditures associated with the unit's fisheries-related funding sources and activities as described below.

FABS fisheries-related responsibilities include assessing, protecting, conserving, fairly allocating, and promoting the sustainable utilization of the wild and farm-raised fish resources of Maryland for balanced ecological and economic benefits. This is accomplished through scientific investigation, application of data, and proactive involvement with an informed citizenry. FABS' fisheries-related responsibilities fall into four core functions:

1. Protect, conserve and enhance fisheries resources;
2. Provide and enhance fishing opportunities, including access;
3. Provide sustainable economic opportunities; and
4. Promote and protect fisheries resources through public outreach and education.

Revenue from sport anglers provides funding for almost half of all fisheries programs in Maryland. This revenue is derived from the sales of fishing licenses, gasoline sales surcharges and a federal excise tax on sport fishing tackle and related equipment. Other fund sources include general funds from state taxpayer dollars, commercial license sales, reimbursable funds and grants from federal taxpayer dollars.

Natural Resources Article § 4-745 requires DNR to publicly report annually the amount of sport fishing license revenues credited to and expended from the Fisheries Research and Development Fund. In the annual preparation of plans to expend sport fishing revenues credited to the Fisheries Research and Development Fund, the department is also required to solicit advice and opinions from SFAC, representative fishing and boating associations, and other interested parties. The reporting requirement is different for nontidal sport fishing license fees. For sport fishing fees associated with the nontidal fund known as the Fisheries Management and Protection Fund, the department is required to "publicly report annually the amounts collected and the expenditures."

This report meets statutory requirements and shows the importance of angler contribution to state programs and services. Recreational anglers provide critical support for fisheries resources and the opportunity to enjoy those resources.

# BUDGET

## Reporting Period and Budget Terminology

This report provides budget information for revenues and expenditures during FY19 (July 1, 2018 through June 30, 2019), the most recently completed fiscal year. In order to understand the information in this report, here are a few terms you will need to know:

- **SPECIAL FUNDS** – Revenue from recreational fishing license sales, commercial fishing license sales and the oyster bushel tax, aquaculture fees, gasoline sales surcharges (see explanation under Revenues), and agreements with non-state organizations. Recreational tidal license sales and fee revenues are deposited into the Fisheries Research and Development Fund. Nontidal license sale revenues are deposited into the Fisheries Management and Protection Fund .
- **FEDERAL FUNDS** – Revenue from a federal tax on sport fishing tackle purchases (Wallop-Breaux), and federal partner grant awards from federal taxes.
- **GENERAL FUNDS** – Revenue from state taxes.
- **REIMBURSABLE FUNDS** – Revenue from Maryland state agencies such as Maryland Department of Transportation.

## License Sales, Revenues, and Expenditures

### A. License Sales

Maryland recreational fishing and crabbing licenses were sold by calendar year until September 30, 2015, when DNR transitioned to a 365-day license. Calendar year recreational license sales from 2011 to 2015 are shown in Table 1. License changes, including the comprehensive Bay and Coastal Sport Fishing License, short term licenses expanded to seven days, creation of separate trout stamp for nonresidents, and Maryland Saltwater registration were added in 2011.

**Table 1. Maryland Recreational License Sales By Calendar Year (Jan. 1 – Dec. 31)**

<b>RECREATIONAL FISHING LICENSE/REGISTRATION TYPE</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>PERCENT CHANGE FROM 2014 TO 2015</b>
Resident Nontidal	105,893	108,600	112,919	115,525	119,993	3.9%
Nonresident Nontidal	11,259	11,289	10,907	11,379	12,459	9.5%
3-Day Nontidal	6,623	6,344	6,885	6,810	7,290	7.0%
7-Day Nontidal (5 Day Prior To 2011)	8,175	8,094	8,695	9,190	8,993	-2.1%
Resident Trout Stamp (New 2011)	44,187	46,744	48,319	48,266	49,354	2.3%
Nonresident Trout Stamp (New 2011)	6,827	6,986	6,724	6,541	7,112	8.7%
Nontidal Blind	104	101	82	87	82	-5.7%
Senior Consolidated License	23,224	24,675	25,985	26,216	26,940	2.8%
Resident Bay and Coastal Sport	93,074	94,291	101,077	105,901	108,360	2.3%
Nonresident Bay and Coastal Sport	21,011	20,937	21,045	20,155	21,179	5.1%
Resident 7-Day Bay and Coastal Sport (New 2011)	7,032	6,410	7,227	7,395	6,377	-13.8%
Nonresident 7-Day Bay and Coastal Sport (New 2011)	17,274	16,880	17,289	17,126	16,915	-1.2%
Pleasure Boat Decal	48,584	49,350	47,086	47,708	46,740	-2.0%
Bay and Coastal Sport Blind	160	122	70	76	74	-2.6%
Bay and Coastal Sport Registration (New 2011)	58,683*	34,296	43,160	27,365	20,025	-26.8%
Recreational Crabbing	44,478	44,981	39,737	45,599	49,334	8.2%
Nonresident Recreational Crabbing	6,745	6,359	5,272	4,649	6,263	34.7%
Recreational Crabbing Boat	4,645	5,078	5,985	5,305	5,202	-1.9%
* Includes Potomac registrations.						
NOTE – Beginning October 1, 2015, Maryland ceased selling recreational fishing and crabbing licenses by calendar year. As of October 1, 2015, these licenses are valid for 365 days from the date of purchase.						

Recreational fishing and crabbing licenses are now valid for 365 days from the date of purchase (excluding three and seven day licenses) and therefore, license sales are now reported by fiscal year. Sport fishing and crabbing license sales for FY19 are provided in Tables 2 and 3.

There were 355,422 recreational fishing licenses obtained in Maryland during FY19. After several years of decline, this represents an increase of 8.47% over FY18 when 327,667 recreational licenses were obtained. The FY19 figure of 355,422 includes both tidal and nontidal license types, but does not include free registrations. A total of 61,529 licenses and registrations for recreational crabbing activities were obtained in FY19.

**Table 2. Maryland Recreational License Sales By Fiscal Year (July 1 – June 30)**

RECREATIONAL FISHING LICENSE/REGISTRATION TYPE	FISCAL YEAR				PERCENT CHANGE FROM 2018 TO 2019
	2016	2017	2018	2019	
Resident Nontidal	120,630	106,085	98,099	105,927	8.0%
Nonresident Nontidal	12,101	12,451	12,434	13,379	7.6%
3-Day Non Tidal	8,037	7,295	6,891	7,334	6.4%
Resident 7-Day Nontidal	6,903	5,273	5,025	4,793	-4.6%
Nonresident 7-Day Nontidal	3,035	2,539	2,885	3,071	6.4%
Resident Trout Stamp	49,421	42,788	40,041	41,153	2.8%
Nonresident Trout Stamp	7,200	6,767	6,767	7,035	4.0%
Nontidal Blind	91	78	84	88	4.8%
Senior Consolidated License	29,061	26,749	28,477	30,494	7.1%
DAV Or POW Lifetime Fishing	252	257	362	478	32.0%
Resident Bay and Coastal Sport	112,103	98,556	93,433	97,723	4.6%
Nonresident Bay and Coastal Sport	18,957	21,835	21,423	21,814	1.8%
Resident 7 Day Bay and Coastal Sport	6,960	5,282	4,865	4,424	-9.1%
Nonresident 7 Day Bay and Coastal Sport	17,064	16,121	14,894	14,407	-3.3%
Resident Bay and Coastal Sport Boat	44,141	36,524	39,599	40,907	3.3%
Nonresident Bay and Coastal Sport Boat	11,093	9,996	10,286	10,506	2.1%
Bay and Coastal Sport Blind	90	75	70	77	10.0%
Resident Bay And Coastal Sport Registration	10,541	7,842	7,931	7,296	-8.0%
Nonresident Bay And Coastal Sport Registration	8,617	8,141	7,679	6,958	-9.4%
Resident Recreational Crabbing	55,159	49,526	45,412	47,284	4.1%
Nonresident Recreational Crabbing	6,954	7,133	5,902	6,138	4.0%
Resident Recreational Crabbing Boat	3,975	5,132	4,810	5,328	10.8%
Nonresident Recreational Crabbing Boat	2,718	2,877	2,715	2,779	2.4%
Private Property Crab Pot Registration	2,746	2,889	2,933	3,256	11.0%

The following licenses are issued by the department for recreational fishing businesses and contribute to the recreational license revenue.

Table 3. Maryland Recreational Fishing Business License Sales By Fiscal Year (July 1 - June 30)

RECREATIONAL FISHING BUSINESS LICENSE TYPE	FISCAL YEAR				PERCENT CHANGE FROM 2018 TO 2019
	2016	2017	2018	2019	
Resident Bay and Coastal Charter Boat 7 Plus	178	173	182	242	33.0%
Nonresident Bay and Coastal Charter Boat 7 Plus	2	2	2	2	0%
Resident Bay and Coastal Charter Boat Up to 6	267	290	332	345	3.9%
Nonresident Bay and Coastal Charter Boat Up to 6	10	6	13	15	15.4%
Resident Fishing Guide with Tidal	10	15	13	17	30.8%
Nonresident Fishing Guide with Tidal	8	8	6	4	-33.3%
Resident Freshwater Fishing Guide	31	29	36	30	-16.7%
Nonresident Freshwater Fishing Guide	8	25	24	16	-33.3%
Resident Limited Fishing Guide	5	4	5	8	60%
Nonresident Limited Fishing Guide	0	1	0	4	100%
Commercial Fishing Pier License	4	3	4	2	-50%
Crab Charter	41	62	51	51	0.0%

**B. Revenues**

Total FY19 fisheries revenues (all fund sources) were \$26,297,670, and are broken down as follows: 53% special fund revenue, 16% federal fund revenue, 24% general fund revenue, and 7% reimbursable fund revenue.

FABS began FY19 with a balance of \$1,522,086, and \$649,446 in the Fisheries Research and Development and Fisheries Management and Protection funds respectively. Total FY19 revenue credited to these funds included \$9,686,062 to Fisheries Research and Development Fund and \$3,219,239 to Fisheries Management and Protection Fund (Table 4).

**Table 4. FABS – Special Funds – FY19**

	Fisheries Research and Development Fund	Fisheries Management and Protection Fund	Total
Beginning Balance	\$1,522,086	\$649,446	\$2,171,532
<b>Revenues</b>	<b>\$9,686,062</b>	<b>\$3,219,239</b>	<b>\$12,905,301</b>
Adjustments	\$18,282	--	\$18,282
<b>Total Funds Available</b>	<b>\$11,226,431</b>	<b>\$3,868,685</b>	<b>\$15,095,116</b>
<b>Summary of Expenditures</b>			
Fishing and Boating Services	\$6,231,527	\$1,919,239	\$8,150,766
Non-Fishing and Boating Services:			
Natural Resources Police	\$722,816	\$142,020	864,836
Licensing	\$358,000	\$334,000	\$692,000
Finance and Administrative Service	\$572,137	\$182,600	\$754,737
Information Technology Service	\$160,582	\$51,200	\$211,782
Office of Secretary	\$218,524	\$69,700	\$288,224
Office of Attorney General	\$141,685	\$45,300	\$186,985
Human Resource Service	\$17,981	\$5,800	\$23,781
Office of Communications	\$68,728	\$21,900	\$90,628
<b>Total Expenditures</b>	<b>\$8,491,981</b>	<b>\$2,771,759</b>	<b>11,263,740</b>
<b>Ending Balance (Total Funds Available – Total Expenditures)</b>	<b>\$2,734,450</b>	<b>\$1,096,926</b>	<b>\$3,831,376</b>

### **C. Expenditures**

In FY19, FABS expended \$6,269,965 in general funds, \$4,373,491 in federal funds, \$1,747,373 in reimbursable funds and \$11,263,740 in Fisheries Research Development and Fisheries Management Protection special funds, a combined total of \$23,654,570. Included in this total is \$3,112,974 of Fisheries Research and Development Fund and Fisheries Management and Protection Fund monies that were provided to other units within the department in support of FABS fisheries-related mission, consistent with priorities identified in the 2008 report of the Task Force on Fisheries Management. This includes, but is not limited to: enforcement of fisheries management rules (i.e., Natural Resources Police); habitat preservation and restoration (i.e., water quality monitoring, benthic habitat surveys, prioritization of critical habitats, environmental review), legal issues, and licensing services. It is important to note that the Office of the Secretary sector includes several departmental units that provide support to FABS, including the Office of Attorney General; Finance and Administration Service; Human Resources Service; Information Technology Service; and Office of Communications.

The department expended a total of \$8,491,981, and \$2,771,759 of Fisheries Research and Development and Fisheries Management and Protection funds, respectively, in FY19. FY19 revenues into these funds exceeded fiscal year expenditures by \$1,659,844. FY19 marks the second consecutive year where special fund balances increased over the previous year. The FY19 end of year balance of Fisheries Research and Development and Fisheries Management and Protection funds is \$3,831,376. Not since FY12 has the end of year balance for these funds exceeded that amount. FABS has continued its strong focus on reducing costs and has made significant progress in aligning annual expenditures with annual revenues.