

Fishing and Boating Services

FY21 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.
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 funding sources include general funds from state taxpayers, 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, DNR 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 contributions to state programs and services.

BUDGET

Reporting Period and Budget Terminology

This report provides budget information for revenues and expenditures during FY21 (July 1, 2020 through June 30, 2021), 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** – Consists of revenues collected by the state, the use of which is statutorily limited to certain purposes. For FABS, special funds are derived from fees collected from recreational fishing license sales, commercial fishing license sales, the oyster bushel tax, aquaculture fees, gasoline sales surcharges, 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** – Are made available to state and local governments under programs administered by agencies of the U.S.government. Federal grants are classified as block grants or categorical grants. Block grant funds typically have fewer federal restrictions associated with their use than categorical grant funds, which generally are limited to the specific purposes authorized by law or federal agency rules. In most instances, federal funds must be matched by state funds (general or special) in a prescribed ratio. FABS relies on revenue from a federal tax on sport fishing tackle purchases (Wallop-Breaux Amendment), and federal partners grant awards from federal taxes.
- **GENERAL FUNDS** – The general fund consists of any revenues collected by the state that are not dedicated by law to a specific purpose. The individual income tax, retail sales tax, and state lottery are the three largest sources of general fund revenue. Other sources include the corporate income tax and other business taxes, alcohol and tobacco taxes, and miscellaneous taxes and fees.
- **REIMBURSABLE FUNDS** – Revenue from Maryland state agencies such as the Maryland Department of Transportation.

License Sales, Revenues, and Expenditures

A. License Sales

Maryland recreational fishing and crabbing licenses are valid for 365 days from the date of purchase (excluding three and seven day licenses) and therefore, license sales are reported by fiscal year. Sport fishing and crabbing license sales for FY16 through FY21 are provided in Tables 1 and 2, along with Maryland Saltwater registration.

There were 457,328 revenue generating recreational fishing licenses obtained in Maryland during FY21. This represents an increase of 6.14% over FY20 when 430,875 recreational licenses were obtained. A total of 74,379 revenue generating licenses for recreational crabbing activities were obtained in FY21. The FY21 total figures do not include free registrations (these are located at the bottom of Table 1).

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

RECREATIONAL FISHING OR CRABBING LICENSE/STAMP/REGISTRATION TYPE	FISCAL YEAR					
	2016	2017	2018	2019	2020	2021
Resident Nontidal	120,630	106,085	98,099	105,927	119,640	122,113
Nonresident Nontidal	12,101	12,451	12,434	13,379	14,371	17,397
3-Day Nontidal	8,037	7,295	6,891	7,334	7,174	9,125
Resident 7-Day Nontidal	6,903	5,273	5,025	4,793	5,167	6,164
Nonresident 7-Day Nontidal	3,035	2,539	2,885	3,071	2,978	3,697
Resident Trout Stamp	49,421	42,788	40,041	41,153	41,354	45,085
Nonresident Trout Stamp	7,200	6,767	6,767	7,035	6,601	8,641
Senior Consolidated License	29,061	26,749	28,477	30,494	30,471	34,902
Resident Bay and Coastal Sport	112,103	98,556	93,433	97,723	113,328	112,837
Nonresident Bay and Coastal Sport	18,957	21,835	21,423	21,814	23,969	26,693
Resident 7-Day Bay and Coastal Sport	6,960	5,282	4,865	4,424	5,063	5,262
Nonresident 7-Day Bay and Coastal Sport	17,064	16,121	14,894	14,407	14,104	15,370
Resident Bay and Coastal Sport Boat	44,141	36,524	39,599	40,907	36,518	39,073
Nonresident Bay and Coastal Sport Boat	11,093	9,996	10,286	10,506	10,137	10,969
FISHING TOTALS	446,706	398,261	385,119	402,967	430,875	457,328
Resident Recreational Crabbing	55,159	49,526	45,412	47,284	51,806	55,186
Nonresident Recreational Crabbing	6,954	7,133	5,902	6,138	6,515	8,267
Resident Recreational Crabbing Boat	3,975	5,132	4,810	5,328	5,910	7,496
Nonresident Recreational Crabbing Boat	2,718	2,877	2,715	2,779	2,764	3,430
CRABBING TOTALS	68,806	64,668	58,839	61,529	66,995	74,379
Resident Saltwater Angler Registration	10,541	7,842	7,931	7,296	7,647	7,639
Nonresident Saltwater Angler Registration	8,617	8,141	7,679	6,958	6,142	6,305
Private Property Crab Pot Registration	2,746	2,889	2,933	3,256	3,684	4,065

The following licenses (Table 2) are issued by DNR for recreational fishing businesses and contribute to the recreational license revenue.

Table 2. Maryland Recreational Fishing Business License Sales By Fiscal Year (July 1 - June 30)

RECREATIONAL FISHING OR CRABBING BUSINESS LICENSE TYPE	FISCAL YEAR					
	2016	2017	2018	2019	2020	2021
Resident Bay and Coastal Charter Boat 7 Plus	178	173	182	242	212	173
Nonresident Bay and Coastal Charter Boat 7 Plus	2	2	2	2	2	2
Resident Bay and Coastal Charter Boat Up to 6	267	290	332	345	333	356
Nonresident Bay and Coastal Charter Boat Up to 6	10	6	13	15	11	12
Resident Fishing Guide with Tidal	10	15	13	17	10	14
Nonresident Fishing Guide with Tidal	8	8	6	4	3	6
Resident Freshwater Fishing Guide	31	29	36	30	26	28
Nonresident Freshwater Fishing Guide	8	25	24	16	13	13
Resident Limited Fishing Guide	5	4	5	8	10	20
Nonresident Limited Fishing Guide	0	1	0	4	1	3
Commercial Fishing Pier License	4	3	4	2	2	6
Crab Charter	41	62	51	51	47	52
TOTAL	564	618	668	736	670	685

B. Revenues

Total FY21 fisheries revenues (all fund sources) were \$34,743,302, and are broken down as follows: 44% Special Fund, 12% Federal Fund, 23% General Fund, and 21% Reimbursable Fund.

FABS began FY21 with a balance of \$5,388,703, and \$2,072,182 in the Fisheries Research and Development and Fisheries Management and Protection funds, respectively. Total FY21 revenue credited to these funds included \$10,301,429 to the Fisheries Research and Development Fund and \$3,889,433 to the Fisheries Management and Protection Fund (Table 3).

Table 3. FABS – Special Funds – FY21

	Fisheries Research and Development Fund	Fisheries Management and Protection Fund	Total
Beginning Balance	\$5,388,701	2,072,182	\$7,460,883
Revenues	10,301,429	3,889,433	14,190,862
Adjustments			
Total Funds Available	15,690,130	5,961,615	21,651,745
Summary of Expenditures			
Fishing and Boating Services	5,723,762	2,737,595	8,461,357
Non-Fishing and Boating Services:			
Natural Resources Police	4,449,337	0	4,449,337
Licensing	422,000	338,000	760,000
Finance and Administrative Service	458,100	173,000	631,100
Information Technology Service	25,500	9,600	35,100
Office of Secretary	44,000	16,600	60,600
Office of Attorney General	23,700	9,000	32,700
Human Resource Service	55,500	21,000	76,500
Office of Communications	40,500	15,300	55,800
Total Expenditures	11,242,399	3,320,095	14,562,494
Ending Balance (Total Funds Available – Total Expenditures)	4,447,731	2,641,520	7,089,251

C. Expenditures

In FY21, FABS expended \$6,245,859 in General Funds, \$4,249,843 in Federal Funds, \$7,110,503 in Reimbursable Funds and \$14,562,494 in Fisheries Research Development and Fisheries Management Protection special funds, a combined total of \$32,169,192. Included in this total is \$6,101,137 of Fisheries Research and Development Fund and Fisheries Management and Protection Fund monies that were provided to other units within DNR 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: the 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 the Office of Communications.

DNR expended a total of \$11,242,399, and \$3,320,095 of Fisheries Research and Development and Fisheries Management and Protection funds, respectively, in FY21. FY21 revenues into these funds trailed fiscal year expenditures by \$371,632. The FY21 end of year balance for Fisheries Research and Development and Fisheries Management and Protection funds is \$7,089,251. FABS has continued its strong focus on reducing costs and has made significant progress in aligning annual expenditures with annual revenues. In addition, DNR continues to reduce the use of Special Funds to support administrative operations, increasing the opportunity for Special Funds to be targeted to programs.