

**Fishing and Boating**

**Services Fiscal Year 2023**

**Budget Report**

**to the**

**Sport Fisheries Advisory Commission**



## INTRODUCTION

Within the Maryland Department of Natural Resources (DNR), activities related to fishing and boating are managed within the Fishing and Boating Services (FABS). 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.

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.

Revenue from sport anglers provides funding for almost half of all DNR 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 federal grants.

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 the Sport Fisheries Advisory Commission (SFAC), representative fishing and boating associations, and other interested parties. For sport fishing fees associated with the nontidal fund known as the Fisheries Management and Protection Fund (FMP), 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 Fiscal Year 2023 (July 1, 2022 through June 30, 2023), the most recently completed fiscal year. Here is a description of terms used in this report:

- **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-government 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 FY17 through FY23 are provided in Tables 1 and 2, along with the Maryland Saltwater Angler and Private Property Crab Pot registrations.

There were 413,555 revenue-generating recreational fishing licenses obtained in Maryland during FY23 (Table 1). A total of 63,598 revenue-generating licenses for recreational crabbing activities were obtained in FY23 (Table 1). The FY23 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						
	2017	2018	2019	2020	2021	2022	2023
Resident Nontidal	106,085	98,099	105,927	119,640	122,113	108,186	107,513
Nonresident Nontidal	12,451	12,434	13,379	14,371	17,397	16,033	16,019
3-Day Nontidal	7,295	6,891	7,334	7,174	9,125	7,954	7,827
Resident 7-Day Nontidal	5,273	5,025	4,793	5,167	6,164	4,845	5,120
Nonresident 7-Day Nontidal	2,539	2,885	3,071	2,978	3,697	3,454	3,219
Resident Trout Stamp	42,788	40,041	41,153	41,354	45,085	40,579	38,704
Nonresident Trout Stamp	6,767	6,767	7,035	6,601	8,641	7,970	7,673
Senior Consolidated License	26,749	28,477	30,494	30,471	34,902	34,097	34,935
Resident Bay and Coastal Sport	98,556	93,433	97,723	113,328	112,837	100,623	100,509
Nonresident Bay and Coastal Sport	21,835	21,423	21,814	23,969	26,693	24,333	25,214
Resident 7-Day Bay and Coastal Sport	5,282	4,865	4,424	5,063	5,262	4,404	4,468
Nonresident 7-Day Bay and Coastal Sport	16,121	14,894	14,407	14,104	15,370	14,660	13,957
Resident Bay and Coastal Sport Boat	36,524	39,599	40,907	36,518	39,073	37,945	38,068
Nonresident Bay and Coastal Sport Boat	9,996	10,286	10,506	10,137	10,969	10,435	10,329
<b>FISHING TOTALS</b>	<b>398,261</b>	<b>385,119</b>	<b>402,967</b>	<b>430,875</b>	<b>457,328</b>	<b>415,518</b>	<b>413,555</b>
Resident Recreational Crabbing	49,526	45,412	47,284	51,806	55,186	49,522	46,969
Nonresident Recreational Crabbing	7,133	5,902	6,138	6,515	8,267	7,323	6,465
Resident Recreational Crabbing Boat	5,132	4,810	5,328	5,910	7,496	7,583	7,315
Nonresident Recreational Crabbing Boat	2,877	2,715	2,779	2,764	3,430	3,209	2,849
<b>CRABBING TOTALS</b>	<b>64,668</b>	<b>58,839</b>	<b>61,529</b>	<b>66,995</b>	<b>74,379</b>	<b>67,637</b>	<b>63,598</b>
Resident Saltwater Angler Registration	7,842	7,931	7,296	7,647	7,639	6,979	7,578
Nonresident Saltwater Angler Registration	8,141	7,679	6,958	6,142	6,305	5,391	4,774
Private Property Crab Pot Registration	2,889	2,933	3,256	3,684	4,065	4,086	4,189



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						
	2017	2018	2019	2020	2021	2022	2023
Resident Bay and Coastal Charter Boat 7 Plus	173	182	242	212	173	169	209
Nonresident Bay and Coastal Charter Boat 7 Plus	2	2	2	2	2	2	0
Resident Bay and Coastal Charter Boat Up to 6	290	332	345	333	356	329	377
Nonresident Bay and Coastal Charter Boat Up to 6	6	13	15	11	12	8	13
Resident Fishing Guide with Tidal	15	13	17	10	14	15	11
Nonresident Fishing Guide with Tidal	8	6	4	3	6	4	2
Resident Freshwater Fishing Guide	29	36	30	26	28	25	27
Nonresident Freshwater Fishing Guide	25	24	16	13	13	22	22
Resident Limited Fishing Guide	4	5	8	10	20	15	17
Nonresident Limited Fishing Guide	1	0	4	1	3	2	6
Commercial Fishing Pier License	3	4	2	2	6	4	6
Crab Charter	62	51	51	47	52	71	77
<b>TOTAL</b>	<b>618</b>	<b>668</b>	<b>736</b>	<b>670</b>	<b>685</b>	<b>666</b>	<b>767</b>

## B. Revenues

Total FY23 fisheries revenues (all fund sources) were \$29,231,257 and are broken down as follows: 53% Special Fund, 16% Federal Fund, 27% General Fund, and 4% Reimbursable Fund.

In FY23, FABS began with \$1,725,953 in encumbered funds (as noted in the FY22 Budget Report). An encumbrance is a restriction on use, or setting aside of funds, to ensure that there will be sufficient funds available to pay for specific obligations or contracts. In FY22 there was a year-end encumbrance of \$1,725,953



and these funds are restricted for a designated contract or agreement. The FY23 year-end encumbrance is \$1,707,794. In the event the contract or agreement is no longer needed the funds will remain in the special fund beginning balance without a spending restriction.

FABS began FY23 with a balance of \$3,433,006, and \$3,051,944 in the Fisheries Research and Development and Fisheries Management and Protection funds, respectively for a total balance of \$6,484,950 (Table 3).

Total FY23 revenue credited to these funds included \$10,247,653 to the Fisheries Research and Development Fund and \$3,515,273 to the Fisheries Management and Protection Fund (Table 3). This represents an approximate \$2.4 million increase from FY22 (1.8 million from the general fund reinstated in FY23, along with a combination of increased revenues and refunds/returns of prior year expenditures).

**Table 3. FABS – Special Funds – FY23**

	Fisheries Research and Development Fund	Fisheries Management and Protection Fund	Total
Beginning Balance	3,433,006	3,051,944	6,484,950
<b>Revenues</b>	<b>10,247,653</b>	<b>3,515,273</b>	<b>13,762,926</b>
Adjustments			
<b>Total Funds Available</b>	<b>13,680,659</b>	<b>6,567,217</b>	<b>20,247,876</b>
<b>Summary of Expenditures</b>			
Fishing and Boating Services	7,270,353	2,918,285	10,188,638
Non-Fishing and Boating Services:			
Natural Resources Police	0	494,066	494,066
Licensing	0	0	0
Finance and Administrative Service	0	0	0
Information Technology Service	0	0	0
Office of Secretary	0	0	0
Office of Attorney General	0	0	0
Human Resource Service	0	0	0
Office of Communications	0	0	0
<b>Total Expenditures</b>	<b>7,270,353</b>	<b>3,412,351</b>	<b>10,682,704</b>
<b>Ending Balance (Total Funds Available – Total Expenditures)</b>	<b>6,410,306</b>	<b>3,154,866</b>	<b>9,565,172</b>
<b>Year End Encumbrance Balance</b>	<b>1,675,268</b>	<b>32,526</b>	<b>1,707,794</b>



### **C. Expenditures**

In FY23, FABS expended \$7,768,823 in General Funds, \$4,547,727 in Federal Funds, \$1,254,607 in Reimbursable Funds, and \$10,682,704 in Special Funds, a combined total of \$24,253,861. Included in Special funds are \$7,270,353 in Fisheries Research Development and \$3,412,351 in Fisheries Management Protection special funds. Included in this total is \$494,066 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.

### **D. Summary**

DNR expended a total of \$7,270,353 and \$3,412,351 of Fisheries Research and Development and Fisheries Management and Protection funds, respectively, in FY23 (Table 3). FY23 revenues into these funds of \$13,762,926 were more than fiscal year expenditures by \$3,080,222 meaning that DNR spent less than was received in revenue for this year. The FY23 end of year balance for Fisheries Research and Development and Fisheries Management and Protection funds is \$9,565,172 (\$1,707,794 of this balance is encumbered and therefore obligated to contracts for FY24). Including encumbered expenditures, the special fund surplus has increased from \$4,758,997 to \$9,565,172.