

Fishing and Boating Services

Fiscal Year 2024

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 (FRD) which funds work in tidal waters of the State. In the annual preparation of plans to expand 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 2024 (FY24) (July 1, 2023 through June 30, 2024), 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 FY18 through FY24 are provided in Tables 1 and 2, along with the Maryland Saltwater Angler and Private Property Crab Pot registrations.

There were 399,626 revenue-generating recreational fishing licenses obtained in Maryland during FY24 (Table 1). A total of 60,909 revenue-generating licenses for recreational crabbing activities were obtained in FY24 (Table 1). The FY24 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, OR REGISTRATION TYPE	FISCAL YEAR						
	2018	2019	2020	2021	2022	2023	2024
Resident Nontidal	98,099	105,927	119,640	122,113	108,186	107,513	106,150
Nonresident Nontidal	12,434	13,379	14,371	17,397	16,033	16,019	15,835
3-Day Nontidal	6,891	7,334	7,174	9,125	7,954	7,827	7,734
Resident 7-Day Nontidal	5,025	4,793	5,167	6,164	4,845	5,120	5,551
Nonresident 7-Day Nontidal	2,885	3,071	2,978	3,697	3,454	3,219	3,570
Resident Trout Stamp	40,041	41,153	41,354	45,085	40,579	38,704	37,172
Nonresident Trout Stamp	6,767	7,035	6,601	8,641	7,970	7,673	7,372
Senior Consolidated License	28,477	30,494	30,471	34,902	34,097	34,935	33,042
Resident Bay and Coastal Sport	93,433	97,723	113,328	112,837	100,623	100,509	96,862
Nonresident Bay and Coastal Sport	21,423	21,814	23,969	26,693	24,333	25,214	24,385
Resident 7-Day Bay and Coastal Sport	4,865	4,424	5,063	5,262	4,404	4,468	4,779
Nonresident 7-Day Bay and Coastal Sport	14,894	14,407	14,104	15,370	14,660	13,957	14,237
Resident Bay and Coastal Sport Boat	39,599	40,907	36,518	39,073	37,945	38,068	33,469
Nonresident Bay and Coastal Sport Boat	10,286	10,506	10,137	10,969	10,435	10,329	9,468
FISHING TOTALS	385,119	402,967	430,875	457,328	415,518	413,555	399,626
Resident Recreational Crabbing	45,412	47,284	51,806	55,186	49,522	46,969	44,673
Nonresident Recreational Crabbing	5,902	6,138	6,515	8,267	7,323	6,465	6,359
Resident Recreational Crabbing Boat	4,810	5,328	5,910	7,496	7,583	7,315	6,980
Nonresident Recreational Crabbing Boat	2,715	2,779	2,764	3,430	3,209	2,849	2,897
CRABBING TOTALS	58,839	61,529	66,995	74,379	67,637	63,598	60,909
Resident Saltwater Angler Registration	7,931	7,296	7,647	7,639	6,979	7,578	6,435
Nonresident Saltwater Angler Registration	7,679	6,958	6,142	6,305	5,391	4,774	3,579
Private Property Crab Pot Registration	2,933	3,256	3,684	4,065	4,086	4,189	3,703



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						
	2018	2019	2020	2021	2022	2023	2024
Resident Bay and Coastal Charter Boat 7 Plus	182	242	212	173	169	209	151
Nonresident Bay and Coastal Charter Boat 7 Plus	2	2	2	2	2	0	0
Resident Bay and Coastal Charter Boat Up to 6	332	345	333	356	329	377	372
Nonresident Bay and Coastal Charter Boat Up to 6	13	15	11	12	8	13	15
Resident Fishing Guide with Tidal	13	17	10	14	15	11	7
Nonresident Fishing Guide with Tidal	6	4	3	6	4	2	4
Resident Freshwater Fishing Guide	36	30	26	28	25	27	31
Nonresident Freshwater Fishing Guide	24	16	13	13	22	22	21
Resident Limited Fishing Guide	5	8	10	20	15	17	17
Nonresident Limited Fishing Guide	0	4	1	3	2	6	3
Commercial Fishing Pier License	4	2	2	6	4	6	5
Crab Charter	51	51	47	52	71	77	89
TOTAL	668	736	670	685	666	767	715

B. Revenues

Total FY24 fisheries revenues (all fund sources) were \$33,956,570 and are broken down as follows: 52% Special Fund, 14% Federal Fund, 25% General Fund, and 9% Reimbursable Fund.

In FY24, FABS began with \$1,707,794 in encumbered funds (as noted in the FY23 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. The majority of these funds were paid out during FY24 which ended with an encumbrance of \$788,243. 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 FY24 with a reserve fund balance of \$6,410,306, and \$3,154,866 in the Fisheries Research and Development and Fisheries Management and Protection funds, respectively for a total reserve fund balance of \$9,565,173 (Table 3).

Total FY24 revenue credited to these funds included \$9,927,043 to the Fisheries Research and Development Fund and \$3,516,354 to the Fisheries Management and Protection Fund (Table 3). This represents an approximate \$2.4 million increase from FY23.

**Table 3. FABS – Special Funds – FY24**

	Fisheries Research and Development Fund	Fisheries Management and Protection Fund	Total
Beginning Balance	6,410,306	3,154,866	9,565,173
Revenues	9,927,043	3,516,354	13,443,397
Adjustments			
Total Funds Available	16,337,349	6,671,220	23,008,570
Summary of Expenditures			
Fishing and Boating Services	8,101,721	2,861,304	10,963,025
Non-Fishing and Boating Services:			
Natural Resources Police	0	0	0
Licensing	0	100,000	100,000
Finance and Administrative Service	0	0	0
Information Technology Service	0	54,247	54,247
Office of Secretary	0	0	0
Office of Attorney General	0	0	0
Human Resource Service	0	54,169	54,169
Office of Communications	0	37,631	37,631
Total Expenditures	8,101,721	3,107,351	11,209,072
Ending Balance (Total Funds Available – Total Expenditures)	8,235,629	3,563,869	11,799,498
Year End Encumbrance Balance	757,231	31,012	788,243



C. Expenditures

In FY24, FABS expended \$8,442,571 in General Funds, \$4,790,310 in Federal Funds, \$2,898,982 in Reimbursable Funds, and \$11,209,072 in Special Funds, a combined total of \$27,340,935. Special Fund expenditures can be broken down into \$8,101,721 from Fisheries Research Development and \$3,107,351 from Fisheries Management Protection. Included with the FMP expenditure is \$246,047 in overhead paid 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 (Table 3). 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 includes several departmental units that provide support to FABS, including the Office of Attorney General, Finance and Administrative Services, Human Resources Service, Information Technology Service, and the Office of Communications.

D. Summary

DNR expended a total of \$8,101,721 and \$3,107,351 of Fisheries Research and Development and Fisheries Management and Protection funds, respectively, in FY24 (Table 3). FY24 revenues into these funds of \$13,443,397 were more than fiscal year expenditures by \$2,234,325 meaning that DNR spent less than was received in special fund revenue for this year. The FY23 end of year balance for Fisheries Research and Development and Fisheries Management and Protection funds is \$11,799,498 (\$788,243 of this balance is encumbered and therefore obligated to contracts for FY24). Including encumbered expenditures, the special fund surplus has increased from \$9,565,172 to \$11,799,498: \$8.2 million in Fisheries Research and Development and \$3.6 million in Fisheries Management and Protection.

As stated above, numerous funding sources comprise the budget for Fishing and Boating Services and some of these, such as the General Fund, are managed at an agency level in order to reconcile the budget. In FY24, the Fisheries Management and Protection fund underspent revenue by approximately \$400,000 and the surplus increased. This is counter to projections indicating we would overspend revenues in this year and face a decreasing surplus. There are a couple of reasons for this shift and neither are guaranteed into the future. In FY24, FABS expended more general funds (+\$673,748) than in FY23. The overhead that FABS pays from the Fisheries Management and Protection fund to support other units was also reduced to just over \$200,000 from a projected level of \$700,000. For context, FMP paid \$494,000 in FY23. Going forward, FABS cannot depend on the availability of general funds and must be prepared to pay increased overhead to supporting units. If FABS is to continue to fund all operations without depending on highly variable general funds and/or depleting its reserve fund, it will be essential to work with stakeholders and the General Assembly to adjust license fees.