

**Fishing and Boating Services
FY 2018 Budget Report
to the Sport Fisheries Advisory Commission**

INTRODUCTION

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

Fishing and Boating Services' fisheries-related responsibilities include assessing, protecting, conserving, fairly allocating, and promoting the sustainable utilization of wild and farm-raised fish resources of Maryland for balanced ecological and socioeconomic benefits. This is accomplished through scientific investigation, application of data, and proactive involvement with an informed citizenry. Fishing and Boating Services' 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 is 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 such as from Maryland Department of Transportation and grants from federal taxpayer dollars.

Natural Resources Article § 4-745 requires the Department of Natural Resources to publicly report annually the amount of sport fishing license revenues credited to and expended from the Fisheries Research & Development Fund. In the annual preparation of plans to expend sport fishing revenues credited to Fisheries Research & Development Fund, the department is also required to solicit advice and opinions from the Sport Fisheries Advisory Commission, 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 reporting requirements, but more importantly, it is intended to provide information which helps anglers and the public understand the magnitude of their contributions and the importance of these contributions to funding programs which benefit both fisheries resources and the recreational anglers who use those resources.

BUDGET

Reporting Period and Budget Terminology

This report provides budget information for revenues and expenditures during fiscal year 2018, the most recently completed fiscal year. Fiscal year 2018 was July 1, 2017 through June 30, 2018. 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 oyster bushel tax, aquaculture fees, gasoline sales surcharges (see explanation under Revenues), and agreements with non-state organizations. Recreational tidal license sale 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 (FM&P).
- **FEDERAL FUNDS** – revenue from a 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 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 we 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)**

RECREATIONAL FISHING LICENSE/REGISTRATION TYPE	2011	2012	2013	2014	2015	PERCENT CHANGE FROM 2014 TO 2015
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 fiscal year 2018 are provided in Tables 2 and 3. There were 327,667 recreational fishing licenses obtained in Maryland during fiscal year 2018. This figure includes both tidal and nontidal license types, but does not include free registrations. A total of 60,188 licenses and registrations for recreational crabbing activities were obtained in Maryland during fiscal year 2018.

Table 2. Maryland recreational license sales by fiscal year (July 1 – June 30)

RECREATIONAL FISHING LICENSE/REGISTRATION TYPE	FISCAL YEAR			PERCENT CHANGE FROM 2017 TO 2018
	2016	2017	2018	
Resident Nontidal	115,531	105,513	97,290	-7.8%
Nonresident Nontidal	12,480	12,429	12,411	-0.1%
3-Day Non Tidal	7,925	7,276	6,861	-5.7%
Resident 7-Day Nontidal	6,251	5,251	5,007	-4.6%
Nonresident 7-Day Nontidal	3,140	2,537	2,885	13.7%

Resident Trout Stamp	48,017	42,615	39,771	-6.7%
Nonresident Trout Stamp	7,407	6,757	6,752	-0.1%
Nontidal Blind	86	74	80	8.1%
Senior Consolidated License	27,774	26,432	27,710	4.8%
DAV Or POW Lifetime Fishing	212	234	276	17.9%
Resident Bay and Coastal Sport	106,102	97,981	92,424	-5.7%
Nonresident Bay and Coastal Sport	21,915	21,813	21,389	-1.9%
Resident 7 Day Bay and Coastal Sport	6,327	5,271	4,850	-8.0%
Nonresident 7 Day Bay and Coastal Sport	17,077	16,109	14,874	-7.7%
Resident Bay & Coastal Sport Boat	40,439	34,598	31,926	-7.7%
Nonresident Bay and Coastal Sport Boat	11,055	9,919	9,618	-3.0%
Bay & Coastal Sport Blind	85	72	66	-8.3%
Resident Bay and Coastal Sport Registration	10,362	9,037	7,874	-12.9%
Nonresident Bay and Coastal Sport Registration	8,752	12,429	7,661	-38.4%
Resident Recreational Crabbing	52,317	48,951	44,048	-10.0%
Nonresident Recreational Crabbing	7,009	7,114	5,875	-17.4%
Resident Recreational Crabbing Boat	3,869	5,037	4,663	-7.4%
Nonresident Recreational Crabbing Boat	2,729	2,871	2,656	-7.5%
Private Property Crab Pot Registration	2,691	2,826	2,738	-3.1%

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 2017 TO 2018
	2016	2017	2018	
Resident Bay & Coastal Charter Boat 7 Plus	138	147	107	-27.2%
Nonresident Bay & Coastal Charter Boat 7 Plus	2	2	2	0.0%
Resident Bay & Coastal Charter Boat Up to 6	242	261	268	2.7%
Nonresident Bay & Coastal Charter Boat Up to 6	9	6	9	50.0%
Resident Fishing Guide with Tidal	10	14	13	-7.1%
Nonresident Fishing Guide with Tidal	8	8	6	-25.0%
Resident Freshwater Fishing Guide	30	29	27	-6.9%
Nonresident Freshwater Fishing Guide	8	25	21	-16.0%
Resident Limited Fishing Guide	5	4	5	25.0%
Nonresident Limited Fishing Guide	0	1	0	-100.0%
Commercial Fishing Pier License	4	3	4	33.3%
Crab Charter	30	47	40	-14.9%

B. Revenues

Total fiscal year 2018 fisheries revenues (all fund sources) were \$25,733,883 and are broken down as follows: 54 percent special fund revenue, 14 percent federal fund revenue, 28 percent general fund revenue, and 4 percent reimbursable fund revenue.

Fishing and Boating Services began fiscal year 2018 with a balance of \$833,793 and \$156,717 in the Fisheries Research and Development and Fisheries Management and Protection funds respectively. Total fiscal year 2018 revenue credited to these funds included \$9,902,812 to Fisheries Research and Development Fund and \$3,054,341 to Fisheries Management and Protection Fund (Table 4).

Table 4. Fishing and Boating Services – Special Funds – Fiscal Year 2018

	Fisheries Research and Development Fund	Fisheries Management and Protection Fund	Total
Beginning Balance	\$833,793	\$156,717	\$ 990,510
Revenues	\$9,822,119	\$3,053,922	\$ 12,876,041
Adjustments	\$80,693	\$419	\$ 81,112
Total Funds Available	\$10,736,605	\$3,211,058	\$ 13,947,663
Summary of Expenditures			
Fishing and Boating Services	\$6,007,268	\$1,540,112	\$ 7,547,380
Non-Fishing and Boating Services:			
Natural Resources Police	\$1,582,661	\$300,000	\$1,882,661
Licensing	\$376,000	\$351,000	\$727,000
Finance and Administrative Service	\$526,556	\$156,200	\$682,756
Information Technology Service	\$249,722	\$74,100	\$323,822
Office of Secretary	\$166,987	\$49,600	\$216,587
Office of Attorney General	\$164,811	\$49,000	\$213,811
Human Resource Service	\$79,890	\$23,600	\$103,490
Office of Communications	\$60,624	\$18,000	\$78,624
Total Expenditures	\$9,214,519	\$2,561,612	\$ 11,776,131
Ending Balance (Total Funds Available – Total Expenditures)	\$1,522,086	\$649,446	\$2,171,532

C. Expenditures

In fiscal year 2018, Fishing and Boating Services expended (all fund sources) a total of \$23,665,078. Included in this total is \$4,228,751 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 Fishing and Boating Services' 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: 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 \$9,214,519 and \$2,561,612 of Fisheries Research and Development and Fisheries Management and Protection funds, respectively, in fiscal year 2018. Fiscal year 2018 revenues into these funds exceeded fiscal year expenditures by \$1,181,022. Fiscal year 2018 marked the first time since fiscal year 2014 where special fund balances increased instead of declining. The fiscal year 2018 end of year balance of Fisheries Research and Development and Fisheries Management and Protection funds is \$2,171,532.