

Fishing and Boating Services

FY20 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 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 contributions to state programs and services.

BUDGET

Reporting Period and Budget Terminology

This report provides budget information for revenues and expenditures during FY20 (July 1, 2019 through June 30, 2020), 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, 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 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 FY20 are provided in Tables 1 and 2, along with Maryland Saltwater registration.

There were 430,875 revenue generating recreational fishing licenses obtained in Maryland during FY20. This represents an increase of 6.9 percent over FY19 when 402,967 recreational licenses were obtained. A total of 66,995 revenue generating licenses for recreational crabbing activities were obtained in FY20. The FY20 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
Resident Nontidal	120,630	106,085	98,099	105,927	119,640
Nonresident Nontidal	12,101	12,451	12,434	13,379	14,371
3-Day Non Tidal	8,037	7,295	6,891	7,334	7,174
Resident 7-Day Nontidal	6,903	5,273	5,025	4,793	5,167
Nonresident 7-Day Nontidal	3,035	2,539	2,885	3,071	2,978
Resident Trout Stamp	49,421	42,788	40,041	41,153	41,354
Nonresident Trout Stamp	7,200	6,767	6,767	7,035	6,601
Senior Consolidated License	29,061	26,749	28,477	30,494	30,471
Resident Bay and Coastal Sport	112,103	98,556	93,433	97,723	113,328
Nonresident Bay and Coastal Sport	18,957	21,835	21,423	21,814	23,969
Resident 7 Day Bay and Coastal Sport	6,960	5,282	4,865	4,424	5,063
Nonresident 7 Day Bay and Coastal Sport	17,064	16,121	14,894	14,407	14,104
Resident Bay and Coastal Sport Boat	44,141	36,524	39,599	40,907	36,518
Nonresident Bay and Coastal Sport Boat	11,093	9,996	10,286	10,506	10,137
FISHING TOTALS	446,706	398,261	385,119	402,967	430,875
Resident Recreational Crabbing	55,159	49,526	45,412	47,284	51,806
Nonresident Recreational Crabbing	6,954	7,133	5,902	6,138	6,515
Resident Recreational Crabbing Boat	3,975	5,132	4,810	5,328	5,910
Nonresident Recreational Crabbing Boat	2,718	2,877	2,715	2,779	2,764
CRABBING TOTALS	68,806	64,668	58,839	61,529	66,995
Resident MD Saltwater Angler Registration	10,541	7,842	7,931	7,296	7,647
Nonresident MD Saltwater Angler Registration	8,617	8,141	7,679	6,958	6,142
Private Property Crab Pot Registration	2,746	2,889	2,933	3,256	3,684

The following licenses (Table 2) are issued by the Department 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
Resident Bay and Coastal Charter Boat 7 Plus	178	173	182	242	212
Nonresident Bay and Coastal Charter Boat 7 Plus	2	2	2	2	2
Resident Bay and Coastal Charter Boat Up to 6	267	290	332	345	333
Nonresident Bay and Coastal Charter Boat Up to 6	10	6	13	15	11
Resident Fishing Guide with Tidal	10	15	13	17	10
Nonresident Fishing Guide with Tidal	8	8	6	4	3
Resident Freshwater Fishing Guide	31	29	36	30	26
Nonresident Freshwater Fishing Guide	8	25	24	16	13
Resident Limited Fishing Guide	5	4	5	8	10
Nonresident Limited Fishing Guide	0	1	0	4	1
Commercial Fishing Pier License	4	3	4	2	2
Crab Charter	41	62	51	51	47
TOTAL	564	618	668	736	670

B. Revenues

Total FY20 fisheries revenues (all fund sources) were \$29,874,563 and are broken down as follows: 51% special fund revenue, 14% federal fund revenue, 23% general fund revenue, and 12% reimbursable fund revenue.

FABS began FY20 with a balance of \$2,734,450, and \$1,096,296 in the Fisheries Research and Development and Fisheries Management and Protection funds respectively. Total FY20 revenue credited to these funds included \$10,336,753 to the Fisheries Research and Development Fund and \$3,731,941 to the Fisheries Management and Protection Fund (Table 4).

Table 4. FABS – Special Funds – FY20

	Fisheries Research and Development Fund	Fisheries Management and Protection Fund	Total
Beginning Balance	\$2,734,450	1,096,926	\$3,831,376
Revenues	10,336,753	3,731,941	14,068,694
Adjustments			
Total Funds Available	13,071,203	4,828,867	17,900,070
Summary of Expenditures			
Fishing and Boating Services	6,154,185	2,029,485	8,183,670
Non-Fishing and Boating Services:			
Natural Resources Police	--	--	--
Licensing	452,000	362,000	814,000
Finance and Administrative Service	485,266	164,700	649,966
Information Technology Service	133,561	45,200	178,761
Office of Secretary	128,958	43,800	172,758
Office of Attorney General	141,229	47,900	189,129
Human Resource Service	117,093	39,700	156,793
Office of Communications	70,208	23,900	94,108
Total Expenditures	7,682,500	2,756,685	10,439,185
Ending Balance (Total Funds Available – Total Expenditures)	5,388,703	2,072,182	7,460,885

C. Expenditures

In FY20, FABS expended \$6,690,848 in general funds, \$4,250,336 in federal funds, \$3,496,093 in reimbursable funds and \$10,439,185 in Fisheries Research Development and Fisheries Management Protection special funds, a combined total of \$24,876,462. Included in this total is \$2,255,515 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: 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.

The Department expended a total of \$7,682,500, and \$2,756,685 of Fisheries Research and Development and Fisheries Management and Protection funds, respectively, in FY20. FY20 revenues into these funds exceeded fiscal year expenditures by \$3,629,509. FY20 marks the third consecutive year where special fund balances increased over the previous year. The FY20 end of year balance for Fisheries Research and Development and Fisheries Management and Protection funds is \$7,460,885. Not since FY11 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. In addition, DNR continues to reduce the use of unit special funds to support administrative operations, increasing the opportunity for special funds to be targeted to programs.