

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 155 (Senator Simonaire)
Education, Health, and Environmental Affairs

**Recreational License Donation Program - Grants to Eligible Sponsor
Organizations and Program Extension**

This bill extends the termination date (from June 30, 2019, to June 30, 2022) of Chapter 424 of 2016, which established the Recreational License Donation Program and the Recreational License Donation Fund within the Department of Natural Resources (DNR). The bill also authorizes DNR to use the fund to make grants to an “eligible sponsor organization” to be used to pay certain costs incurred by the organization while providing recreational hunting and fishing opportunities for specified individuals. **The bill takes effect July 1, 2019, and terminates June 30, 2022.**

Fiscal Summary

State Effect: General fund expenditures increase by \$74,200 in FY 2020 to capitalize the fund and administer grants. Future year general fund expenditures reflect ongoing costs. Special fund revenues and expenditures continue through FY 2022 due to the extension of the program and increase by \$50,000 annually, reflecting the capitalization of the fund with general funds and the award of grants.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
SF Revenue	\$50,000	\$50,000	\$50,000	\$0	\$0
GF Expenditure	\$74,200	\$70,000	\$62,500	\$0	\$0
SF Expenditure	\$50,000	\$50,000	\$50,000	\$0	\$0
Net Effect	(\$74,200)	(\$70,000)	(\$62,500)	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: An “eligible sponsor organization” is a nonprofit charitable organization that provides recreational hunting or fishing opportunities for Gold Star recipients, disabled veterans, disabled members of the U.S. Armed Forces, or permanently disabled persons who require the use of a wheelchair.

DNR is authorized to use the Recreational License Donation Fund to make grants to eligible sponsor organizations. A grant awarded pursuant to the bill may be used only to pay capital, operational, or programming costs incurred by the eligible sponsor organization while providing recreational hunting and fishing opportunities for Gold Star recipients, disabled veterans, disabled members of the U.S. Armed Forces, or permanently disabled persons who require the use of a wheelchair.

DNR must adopt implementing regulations that establish eligibility requirements for applicants for grants to eligible sponsor organizations.

Current Law/Background: DNR issues various types of hunting and fishing licenses and associated stamps. Although licenses are generally required to hunt or fish in the State, there are certain exceptions. For example, a person serving in the U.S. Armed Forces who has a service-connected disability and possesses a valid military identification while hunting is not required to hold a hunting license, and a Maryland resident who is on leave from active duty with the U.S. Armed Forces is not required to hold a hunting or a fishing license. In addition, a retired former member of the U.S. Armed Forces hunting on active farmland is not required to hold a hunting license under specified conditions.

Chapter 424 of 2016 established a program through which a person may purchase and donate an angler’s license, a Chesapeake Bay and coastal sport fishing license, or a hunting license and any corresponding stamps. Donations are deposited into the Recreational License Donation Fund, which also consists of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. Interest earnings must be credited to the general fund. The fund may be used only for donated recreational hunting or fishing licenses or stamps for use by qualified individuals.

A recipient of a donated license or stamp must be sponsored by a qualifying nonprofit charitable organization that provides recreational hunting or fishing opportunities for Gold Star recipients, disabled veterans, disabled members of the U.S. Armed Forces, or permanently disabled persons who require the use of a wheelchair.

DNR is authorized to issue a donated license or stamp to an eligible resident or nonresident of the State. DNR advises that there have been two donations to the Recreational License Donation Fund since its inception, and no donated stamps or licenses have been issued.

Chapter 424 is set to terminate June 30, 2019.

State Fiscal Effect:

Capitalization of the Fund and Grant Awards

General fund expenditures increase by \$50,000 annually from fiscal 2020 through 2022 to capitalize the Recreational License Donation Fund so that the fund is able to provide grants to eligible sponsor organizations. DNR advises that the fund has a balance of \$372, which is insufficient to establish a viable grant program. Thus, supplemental general funding is required.

As a result of the capitalization of the fund, special fund revenues increase by \$50,000 annually from fiscal 2020 through 2022. Special fund expenditures increase correspondingly to provide grants to eligible sponsor organizations. This analysis assumes that DNR provides grants totaling \$50,000 each year through fiscal 2022.

Administrative Expenses

In addition to the general funds needed to capitalize the fund, general fund expenditures increase by \$24,178 in fiscal 2020, which accounts for a 90-day start-up delay. This estimate reflects the cost of hiring one half-time contractual program administrator within DNR to establish the grant application and award process, evaluate grant applications, and administer grant funding. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. DNR advises that its Licensing and Registration Service, which oversees the Recreational License Donation Fund, is understaffed and does not have experience with grant programs. Thus, existing staff cannot administer the grant program established by the bill.

Contractual Position	0.5
Salary and Fringe Benefits	\$19,053
Operating Expenses	<u>5,125</u>
FY 2020 Admin. Expenditures	\$24,178

Future year administrative expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses through fiscal 2022, when the bill terminates. It is assumed that the program administrator is able to transition from a half-time basis to a quarter-time basis after the first year (in fiscal 2021) and terminates at the end of fiscal 2022.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources; Department of Veterans Affairs; Department of Legislative Services

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