

Department of Legislative Services  
 Maryland General Assembly  
 2023 Session

FISCAL AND POLICY NOTE  
 Third Reader

House Bill 386 (Delegate Jacobs, *et al.*)  
 Environment and Transportation Education, Energy, and the Environment

Natural Resources - Blue and Flathead Catfish Finfish Trotline License -  
 Establishment

This emergency bill establishes a commercial blue and flathead catfish finfish trotline license.

Fiscal Summary

**State Effect:** Special fund revenues increase by up to \$1,500 in FY 2023 and by approximately \$1,500 annually thereafter. Expenditures are not affected; the Department of Natural Resources (DNR) can implement the bill with existing budgeted resources.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
SF Revenue	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Expenditure	0	0	0	0	0
Net Effect	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

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

**Local Effect:** None.

**Small Business Effect:** Meaningful.

Analysis

**Bill Summary:** The bill establishes a commercial blue and flathead catfish finfish trotline license, which authorizes the holder to catch for sale blue and flathead catfish in the tidal waters of the State using a finfish trotline, as defined in DNR regulations. A licensee must fish in accordance with DNR regulations.

A person who wishes to obtain the license must complete and submit an application for the license to DNR or any person designated by DNR. An applicant does not need to hold a tidal fish license to be eligible for the license. The term of the license is one-year, from September 1 through August 31, and the annual license fee is \$15. The bill also makes a seafood dealer license available to a commercial blue and flathead catfish finfish trotline licensee at the reduced fee (\$50, rather than \$250) applicable to a person authorized to harvest fish under a tidal fish license.

A licensee may not transfer a license and must have the license in their possession when fishing under the license.

### **Current Law:**

#### *Chapter 80 of 2019 – Terminated*

Chapter 80 of 2019, which took effect June 1, 2019, established the same license proposed by the bill; however, Chapter 80 had a termination date of June 30, 2022.

#### *Tidal Fish License*

With the exception of a commercial northern snakehead license established in 2016, DNR uses a single, commercial license, known as a tidal fish license, which authorizes a licensee to engage in each activity indicated on the license. The department may issue authorizations for activities listed in statute – which include catching finfish for sale – for which the indicated fee has been paid. DNR is authorized to set, by regulation, specified targets for the number of tidal fish license authorizations and may modify the target number of authorizations for specified reasons. The department must provide for reallocation of any authorizations that are revoked or voluntarily relinquished and, pursuant to DNR regulations, those authorizations are reallocated to individuals on the commercial waiting list maintained by the department.

#### *Seafood Dealer License*

A seafood dealer license (a tidal fish license with a seafood dealer authorization) is needed to buy, process, pack, resell, market, or otherwise deal in fish caught in tidal waters. The fee is \$50 for a person also authorized to harvest fish under a tidal fish license (or who holds a commercial northern snakehead license) and \$250 for any other person. DNR's tidal fish license application indicates that harvesters must either sell to a licensed dealer or be a licensed dealer in order to sell their catch.

### *Pilot Program Authority*

DNR regulations authorize the department to conduct pilot programs, with the participation of tidal fish licensees, to demonstrate and evaluate new approaches to managing fisheries under the fishery management plans the department has adopted for various species, including catfish. The department has established a pilot program to allow tidal fish licensees – those that do not otherwise have the necessary authorization on their tidal fish license to use finfish trotlines – to continue to use finfish trotlines to catch blue and flathead catfish, under a pilot program permit (with no fee), despite the termination of Chapter 80 in June 2022.

**State Revenues:** Special fund revenues increase by up to \$1,500 in fiscal 2023 and by approximately \$1,500 annually thereafter, which accounts for the bill taking effect upon enactment, in fiscal 2023. This estimate reflects the collection of annual license fees (\$15 per license) for the commercial blue and flathead catfish finfish trotline license and is based on the following information and assumptions:

- of the 101 individuals that purchased commercial blue and flathead catfish finfish trotline licenses for the 2021-2022 license year (prior to the termination of Chapter 80), DNR indicates that 80 of those were also tidal fish licensees and that to date, 24 pilot program permits have been issued to tidal fish licensees;
- based on that information, up to 100 individuals purchase the license in fiscal 2023 authorizing them to fish for the partial, remaining license year, through August 2023;
- approximately 100 individuals purchase the license in subsequent fiscal years, authorizing them to fish for the full, subsequent license years (September 2023 through August 2024, September 2024 through August 2025, etc.); and
- the re-established license supplants the pilot program permit that DNR has made available to tidal fish licensees to continue to use finfish trotlines to catch blue and flathead catfish after the termination of Chapter 80.

Revenues from commercial fishing license fees are deposited in the Fisheries Research and Development Fund.

**Small Business Effect:** The bill is expected to have a meaningful small business impact. The re-establishment of the commercial blue and flathead catfish finfish trotline license will allow individuals that do not have a tidal fish license to harvest blue and flathead catfish for sale using a finfish trotline. DNR also indicates that the license will provide a faster and more streamlined process, in comparison to the pilot program permit, for tidal fish licensees – those that are not authorized under their tidal fish license to use finfish trotlines – to be able to use finfish trotlines to catch blue and flathead catfish for sale.

DNR indicates that the total dockside value of blue catfish harvested in the State was \$237,014 in calendar 2020, \$362,522 in calendar 2021, and \$484,176 in calendar 2022. The total dockside value of flathead catfish harvested in the State was \$11,479 in calendar 2020, \$10,462 in calendar 2021, and \$9,178 in calendar 2022.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 80 (Senator Bailey) - Education, Energy, and the Environment.

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

**Fiscal Note History:** First Reader - February 8, 2023  
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Analysis by: Scott D. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510