

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 393 (Delegate Luedtke, *et al.*)
Environmental Matters

Natural Resources - Shark or Elasmobranch Fins - Prohibition on Possession or Distribution

This bill prohibits a person from possessing, selling, offering for sale, trading, or distributing a shark fin. A “shark fin” is the raw, dried, or otherwise processed detached fin or tail of a shark or other elasmobranch. Violators are subject to the following civil penalties: (1) \$5,000 to \$15,000 for a first violation; (2) \$15,000 to \$35,000 for a second violation; and (3) \$35,000 to \$50,000 for a third or subsequent violation. The Department of Natural Resources (DNR) must adopt implementing regulations.

The bill takes effect June 1, 2012.

Fiscal Summary

State Effect: DNR can enforce and implement the bill with existing budgeted resources. The bill’s penalty provisions are not expected to materially affect State finances.

Local Effect: The bill is not expected to materially affect local operations or finances.

Small Business Effect: Meaningful.

Analysis

Current Law: The Secretary of Natural Resources is responsible for conservation management of the fish, fisheries, fish resources, and aquatic life within the State. Current State regulations prohibit shark finning and filleting or cutting sharks into pieces at sea.

Among other things, the federal Shark Conservation Act of 2010 (H.R. 81) prohibits (1) removal of any shark fin (including the tail) at sea; (2) having a fin aboard a fishing vessel, unless the fin is naturally attached to the carcass; (3) transferring a fin from one vessel to another or receiving a fin, unless it is naturally attached; or (4) landing a fin that is not naturally attached to a carcass or landing a carcass without fins naturally attached.

Background: DNR’s Fisheries Service is responsible for managing commercial and recreational fishing in the State. The Fisheries Service seeks to develop a management framework for the conservation and equitable use of fishery resources; manage fisheries in balance with the ecosystem for present and future generations; monitor and assess the status and trends of fishery resources; and provide high-quality, diverse, and accessible fishing opportunities. Maryland manages sharks under the Atlantic States Marine Fisheries Commission’s Interstate Fishery Management Plan for Atlantic Coastal Sharks.

There is a small recreational and commercial shark fishery in Maryland. Approximately 15 commercial watermen report landing sharks in State waters every year. **Exhibit 1** illustrates that the State’s 2011 shark harvest totaled over 1.4 million pounds, with a dockside value of nearly \$1.0 million. The majority of the harvest was composed of spiny dogfish, which are typically sold whole for their meat. In addition, the State’s 2010 skate (an elasmobranch) harvest totaled 76,200 pounds; however, data on the number of skate harvesters and processors and its dockside value are not readily available.

Exhibit 1
2011 Shark Harvest in Maryland

<u>Shark Species</u>	<u>Total Harvest (lbs)</u>	<u>Total Dockside Value</u>
Blacktip	72	\$36
Smooth Dogfish	199,081	690,430
Spiny Dogfish	1,216,547	278,574
Shortfin Mako	5,776	22,724
Tiger	667	507
Atlantic Sharpnose	294	120
Spinner	54	19
Common Thresher	2,379	3,150
Total	1,424,870	\$995,560

Note: The dockside values may be for whole sharks, fins, or a combination of both.
Source: Department of Natural Resources

Shark finning is a widespread practice that has contributed to a significant decline in some shark species. Shark finning refers to the removal and retention of shark fins and the discarding of the rest of the fish. There is an international demand for shark fins to use in soup, among other purposes.

Several states have passed laws that seek to limit or prohibit the possession, sale, trade, and/or distribution of shark fins, including California, Hawaii, Oregon, and Washington.

Small Business Effect: The bill has a meaningful impact on small fishing businesses that harvest shark as well as seafood wholesalers, dealers, and restaurants that process or sell shark and/or shark fins. Because the bill prohibits the possession of shark fins, it may limit the State's commercial shark fishery, affecting approximately 15 small fishing businesses. The bill has a negative impact on small seafood wholesalers/dealers, stores, and restaurants to the extent that they can no longer utilize or sell shark fins. DNR advises that 10 restaurants in the State are known to serve shark fin soup. The total number of small businesses impacted by the bill cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: Although SB 465 (Senator Frosh, *et al.* - Education, Health, and Environmental Affairs) is designated as a cross file, it is different.

Information Source(s): Department of Natural Resources, National Conference of State Legislatures, World Wildlife Fund, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2012
mc/lgc

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