



*Larry Hogan, Governor*  
*Boyd Rutherford, Lt. Governor*  
*Mark Belton, Secretary*  
*Joanne Throwe, Deputy Secretary*

January 16, 2018

The Honorable Larry Hogan  
Governor  
State House  
Annapolis, Maryland 21401

The Honorable Thomas V. Mike Miller  
President, Senate of Maryland  
H107 State House  
Annapolis, Maryland 21401

The Honorable Michael E. Busch  
Speaker, Maryland House of Delegates  
H101 State House  
Annapolis, Maryland 21401

**Re:** Submission of Report for Recreational Incentives Pilot Program  
**Agency:** Maryland Department of Natural Resources  
**Report Authority:** Natural Resources Article § 1-901(f) (MSAR 10079)

Dear Governor, President and Speaker:

In accordance with Section 1-901(f) of the Natural Resources Article, the Department of Natural Resources hereby submits the Recreational Incentives Pilot Program report.

If you have any questions about this submission, please do not hesitate to contact Allison Cordell, Legislative Director, at 410-260-8112 or [Allison.cordell@maryland.gov](mailto:Allison.cordell@maryland.gov).

Sincerely,

Mark Belton  
Secretary

enclosure

cc: Sarah Albert, Legislative Library (5 hard copies)  
Allison Cordell  
Jeannie Haddaway-Riccio  
Mathew Palmer



*Larry Hogan, Governor*  
*Boyd Rutherford, Lt. Governor*  
*Mark Belton, Secretary*  
*Joanne Throwe, Deputy Secretary*

**LEGISLATIVE REPORT - Senate Bill 93 (Natural Resources – Recreational Incentives Pilot Program) –  
2014 Maryland General Assembly**

**BACKGROUND**

Senate Bill 93, Recreational Incentives Pilot Program, passed in the 2014 session of the Maryland General Assembly to provide the department the authority to offer incentive discounts to specified individuals in an effort to increase the purchase of recreational hunting and fishing licenses. In order to receive a discount, the individual had to have not purchased a license in the preceding three years. This was an effort to bring new or latent anglers into fishing. Also, the discount was not to exceed 50 percent. The legislation required the department to develop a plan to implement a pilot program and report back to the general assembly by Sept. 30, 2017. Without further action, the law will sunset on that date. The department instituted two discount programs under the authority of this bill.

**2014/2015 NEW/LAPSED ANGLER 50 PERCENT DISCOUNT**

From December 2014 – January 2015, a 50 percent discount was offered to anglers that had not purchased a license in the preceding three years. The department called this the ‘Welcome Back to Fishing’ discount program. The goal was to see if by offering a substantial discount to individuals who had let their license lapse, the individuals would be incentivized to purchase another license.

The department used department data to go back for three years to see if customers purchased a recreational fishing license. If they did not purchase a particular recreational fishing license product during that period, they were offered a discount of 50 percent on their license purchase. This was meant to be an incentive to get people contemplating a license to make a purchase. Studies have shown that people that purchase a license are 68 percent more likely to keep their license the following year.

The same 50 percent discount was offered again April 11-26, 2015 as an incentive to anglers during the popular spring trout stocking and trophy striped bass seasons.

In November 2014, the department worked with its Licensing and Information Technology staff to assure that the necessary updates were made to the department’s system. The discount was soft launched Dec. 1 and the department did not begin promoting until it was clear that everything was working well and no problems were being reported.

**Promotion Details:**

- Available to customers who had not purchased since 2011
- Promotion ran in two time periods
  - Dec. 18, 2014 – Jan. 31, 2015
  - April 11-26, 2015
- Discount was 50 percent off regular price
- Products included:
  - Bay & Coastal Fishing
  - Non-Tidal Fishing

- Marketing Efforts:
  - Department press release (December 2014 and April 2015) and link to press releases on fishing home page
  - Message shared via social media and email subscribers list
  - Printed 3x5 cards distributed at Harrisburg Outdoor Show and via license vendors, and Maryland Fishing Challenge Angler Award centers (bait and tackle shops)

## RESULTS

Initial results indicated that the discount generated an increase in new and 'returned' customers. However, it was important to look at year-end sales to ensure that the department didn't just have anglers buy a license earlier in the year on sale that the department would have attained later in the year anyway. In addition, the analysis was complicated by the 365-day license that became effective Oct. 1, 2015. There are inconclusive results on the success because with the 365-day license going into effect, individuals may have been incentivized to purchase a license that better suited when they went fishing during the calendar year. Overall, the results show a varied response to the incentive with a small increase in sales related to the promotion in one year and a slight decrease in the following year. The promos saw increases in participation of 19 and 3 percent respectively (6 percent aggregate). The 2015 year saw a 2 percent increase in participation compared to a slight decrease in 2016.

Purchase Year	Customers who purchased again (in 2nd year) after not having purchased in 3 preceding years	Customers who did not purchase again (in 2nd year) after not having purchased in 3 preceding years	Year	12/18 PY - 1/31 CY		Full Year
				Promo 1	Promo 2	
				4/11 - 4/26	Combined	
			2013	8063	21599	29662
			2014	5946	28454	34400
			2015	7101	29245	36346
2016	23574	57632	2016	6268	24483	30751
2017*	14678	62445	2017*	4598	20857	25455

\*2017 data through 8/10/2017

### 2016 YOUTH FIRST LICENSE 50 PERCENT DISCOUNT

The department offered a '16 in 2016' discount program (Jan. 1 – Dec. 31, 2016). In Maryland, at the age of 16 years old, a person is required to have a fishing license for the first time. For the calendar year 2016, any person 16 years old at the time of purchase was eligible for a 50 percent discount on their 365-day fishing license. This discount was available to residents and nonresidents for the bay and coastal and nontidal 365 day licenses. Crabbing licenses were not included in this program. This discount was meant to be an incentive to children/families to transition from youth fishing (free up to age 15) to continuing to fish and become lifetime anglers.

In December 2015, the department worked with its Licensing and Information Technology staff to assure that the necessary updates were made to the department's system and license vendors were aware of the discount. The discount was soft launched Jan. 1 and the department did not begin promoting until it was clear that everything was working well and no problems were being reported.

### Promotion Details:

- Available to customer who turned 16 years old during the 2016 calendar year
- Discount was 50 percent off regular price
- Products included:

- Bay & Coastal Fishing
- Non-Tidal Fishing
- Marketing Efforts:
  - Department press release (February 2016) and link to this release on fishing home page
  - Display posted at Harrisburg Outdoor Show and Pasadena Sportsman's Show
  - Message shared via social media and email subscribers list
  - Printed 3x5 cards distributed via license vendors, Maryland Fishing Challenge Angler Award centers, state parks, local parks, visitors' centers and youth fishing rodeo events

## RESULTS

This promotion saw a decent success rate. The year of the promotion saw a 10 percent increase in participation for the targeted demographic. These results are promising since youth anglers can become lifelong participants in the fishery. While 2017 has not yet concluded, we are not seeing a comparable increase in continued participation by that demographic. Without having several years of the discount in place, it's difficult to assess long-term license retention rates. Overall, this demographic continues to show huge potential as ~93 percent+ lapse after their first year of participation.

Purchase Year	Customers who turned 16 years old & who purchased select products	Customers who purchased select products as 17 year olds after having purchased as 16 year olds the previous year	% of repeat customers
2013	2676		
2014	2749	160	6.0%
2015	2943	174	6.3%
2016	3228	195	6.6%
2017*	2454	68	2.1%

\*2017 data through 8/10/2017

## CONCLUSIONS

It is important that results are easily measurable for any type of discount program. In the case of these two programs, the limited time frame for which the programs existed makes it difficult to truly gauge the success of such discounts although the youth fishing discount did show significant promise. The introduction of other license incentive ideas such as a 365-day license further skewed results. Combining license discount programs with automatic license renewals or the ability to renew early may further increase the effectiveness of such programs in the future.

Additionally, the department received a lot of negative feedback from 'loyal' anglers who were frustrated and thought it was unfair for new anglers to get a discount while 'loyal' anglers were ineligible. It was not possible to offer a loyalty discount under SB 93 as intent of the bill was to bring new or latent anglers into fishing.

Overall, the department believes the discount programs were successful and would like to see the ability to offer such programs continued in the future.