Unofficial Copy M4 1998 Regular Session 8lr1398 CF 8lr2470

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Introduced and read first time: February 6, 1998

Assigned to: Environmental Matters

#### A BILL ENTITLED

#### 1 AN ACT concerning

2

#### Nutrient Management Practices Improvement Act of 1998

3 FOR the purpose of authorizing the Secretary of Agricu	ture to adopt certain

- 4 regulations relating to certain cost share programs; establishing certain limits
- 5 for certain cost share programs; authorizing the Secretary of Agriculture to
- adopt certain regulations; requiring the Governor to provide sufficient funding
- 7 to maintain a certain level of field personnel soil for conservation districts;
- 8 authorizing the Department of Agriculture, by regulation, to authorize the
- 9 disbursement of certain cost sharing funds for poultry manure storage facilities;
- providing for a poultry litter matching service; establishing a Poultry Litter
- 11 Transportation Pilot Project; requiring nutrient management plans to be
- developed considering certain factors; requiring nutrient management plans to
- be filed and maintained under certain circumstances; establishing certain
- requirements for the certification of nutrient management consultants;
- establishing certain requirements for certain individuals receiving certain
- vouchers of completion from the Department of Agriculture; requiring certain
- individuals to make available certain documents under certain circumstances;
- individuals to make available certain documents under certain circumstances
- 18 establishing certain requirements for persons applying commercial fertilizer
- 19 under certain circumstances; altering the membership and tasks of the Nutrient
- 20 Management Committee; requiring the Secretary to consult with the Nutrient
- 21 Management Committee under certain circumstances; requiring certain reports;
- 22 establishing an Animal Waste Technology Fund as a special, continuing,
- 23 nonlapsing fund; authorizing the Department of Business and Economic
- 24 Development to provide financial assistance from the Fund for certain purposes;
- 25 providing a subtraction modification under the Maryland individual and

1	corporate income tax for certain expenses associated with the purchase of
2	certain agricultural machinery under certain conditions; providing that the
3	subtraction may be carried over to succeeding taxable years under certain
4	circumstances; providing for a tax credit under the Maryland individual and
5	corporate income tax for certain expenses associated with certain costs
6	necessary to convert agricultural production to a certain nutrient management
7	plan under certain circumstances; placing certain restrictions, conditions, and
8	limits on the use of the tax credit; providing that the tax credit may be carried
9	over to succeeding taxable years under certain circumstances; requiring an
10	individual or corporation to receive a certain certification from the Department
11	of Agriculture and file proof of the certification; defining certain terms;
12	providing for the termination of certain provisions of this Act; stating certain
13	fundings; providing legislative intent; and generally relating to nutrient
14	management practices.
15 BY	repealing and reenacting, without amendments,
16	Article - Agriculture
17	Section 6-101(a), (d), and (e), 6-102, 6-106, 6-113, 6-201(f), 8-801, 8-805, and
18	8-806
19	Annotated Code of Maryland
20	(1985 Replacement Volume and 1997 Supplement)
01 DI	7. 11
	adding to
22	Article - Agriculture
23	Section 6-107.1, 8-405, 8-704.1, 8-704.2, 8-801.1, 8-801.2, 8-803.1, 8-803.2,
24	8-803.3, 8-803.4, and 8-807
25	Annotated Code of Maryland
26	(1985 Replacement Volume and 1997 Supplement)
27 BY	repealing and reenacting, with amendments,
28	Article - Agriculture
29	Section 8-704, 8-803, and 8-804
30	Annotated Code of Maryland
31	(1985 Replacement Volume and 1997 Supplement)
	(->
32 BY	adding to
33	Article 41 - Governor - Executive and Administrative Departments
34	Section 18-316
35	Annotated Code of Maryland
36	(1997 Replacement Volume and 1997 Supplement)
37 BY	adding to
38	Article 83A - Department of Business and Economic Development
39	Section 6-801 through 6-807, inclusive, to be under the new subtitle "Subtitle 8
40	Animal Waste Technology Fund"

32

34

33 6-101.

(a)

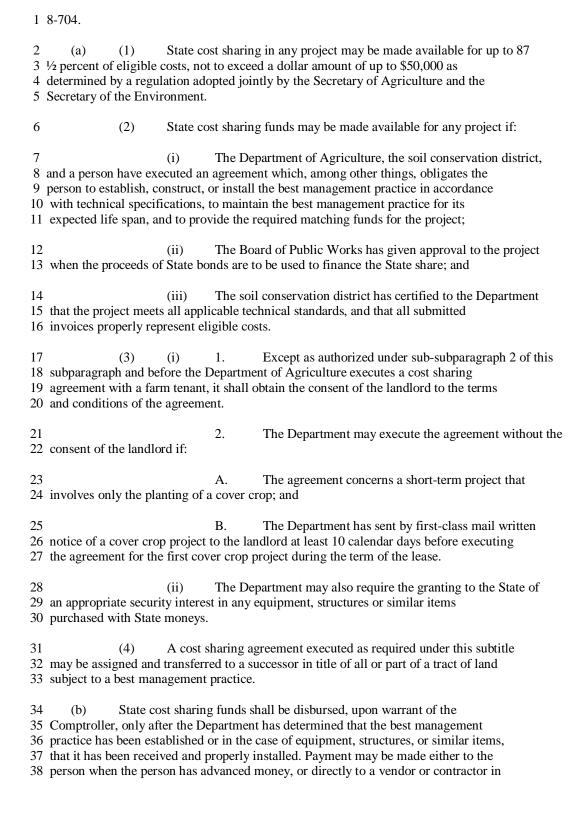
**HOUSE BILL 599** 1 Annotated Code of Maryland 2 (1995 Replacement Volume and 1997 Supplement) 3 BY repealing and reenacting, without amendments, Article - Tax - General 5 Section 10-208(a) Annotated Code of Maryland 6 7 (1997 Replacement Volume) (As enacted by Chapter 485 of the Acts of the General Assembly of 1997) 8 9 BY repealing and reenacting, without amendments, Article - Tax - General 10 Section 10-308(a) 11 Annotated Code of Maryland 12 13 (1997 Replacement Volume) 14 BY adding to Article - Tax - General 15 16 Section 10-208(m) 17 Annotated Code of Maryland (1997 Replacement Volume) 18 (As enacted by Chapter 485 of the Acts of the General Assembly of 1997) 19 20 BY adding to Article - Tax - General 21 Section 10-704.9 22 23 Annotated Code of Maryland 24 (1997 Replacement Volume) 25 BY repealing and reenacting, with amendments, Article - Tax - General 26 27 Section 10-308(b) 28 Annotated Code of Maryland (1997 Replacement Volume) 29 30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 31 MARYLAND, That the Laws of Maryland read as follows:

**Article - Agriculture** 

In this subtitle the following words have the meanings indicated.

- 1 (d) "Commercial feed" means a material which is distributed for use as feed or 2 for mixing in feed for any animal, other than man, except:
- 3 (1) Unmixed and unprocessed whole seeds or meal made directly from 4 the entire seeds:
- 5 (2) Unground hay; or
- 6 (3) Whole or ground straw, stover, silage, cobs, and hulls not mixed with 7 any other material.
- 8 (e) "Contract feed" means a commercial feed which is formulated according to 9 an agreement between a distributor and a contract feeder.
- 10 6-102.
- 11 The State Chemist shall administer the provisions of this subtitle subject to the 12 supervision of the Secretary.
- 13 6-106.
- 14 (a) The Secretary shall sample, inspect, test and make analyses of commercial
- 15 feed distributed in the State at any time and place and to the extent the Secretary
- 16 considers necessary to ensure compliance with this subtitle.
- 17 (b) The Secretary shall adopt the methods of sampling and analysis from
- 18 sources, such as the journal of the Association of Official Analytical Chemists, or
- 19 methods that insure representative sampling and accurate examination.
- 20 (c) In determining for administrative purposes whether a commercial feed is
- 21 deficient in any component, the Secretary shall be guided solely by the official sample
- 22 obtained and analyzed as provided by this section.
- 23 (d) When inspection and analysis of an official sample indicates a commercial
- 24 feed is adulterated or misbranded, the Secretary shall forward the results of the
- 25 analysis to the person who registers the product and the person from whom the
- 26 sample is taken. The Secretary shall furnish the distributor with a portion of the
- 27 sample concerned within 30 days if he requests it.
- 28 (e) The Secretary may enter on any public or private premises, including any
- 29 transportation vehicle, during regular business hours to obtain access to commercial
- 30 feeds or to records relating to their distribution.
- 31 6-107.1.
- 32 (A) (1) THE SECRETARY SHALL ADOPT REGULATIONS THAT ESTABLISH A
- 33 STATE COST SHARE PROGRAM TO OFFSET THE CAPITAL COSTS OF MODIFYING FEED
- 34 MILLS TO USE PHYTASE, OTHER ENZYMES, OR FEED ADDITIVES.
- 35 (2) STATE COST SHARING FOR A PROJECT UNDER THIS SECTION MAY BE
- 36 MADE AVAILABLE FOR UP TO 50% OF ELIGIBLE COSTS.

- 1 (B) THE SECRETARY SHALL ADOPT REGULATIONS THAT ESTABLISH 2 APPROPRIATE LABELING AND DISTRIBUTION REQUIREMENTS FOR CONTRACT FEED.
- 3 6-113.
- 4 (a) The Secretary may issue and enforce a written stop-sale order to the
- 5 owner, custodian, or distributor of any commercial feed that the Secretary finds is in
- 6 violation of any provision of this subtitle or regulation under this subtitle, or has been
- 7 found by federal or State authorities to cause unreasonable adverse effects to
- 8 humans, animals, or the environment.
- 9 (b) The order prohibits sale or distribution of the commercial feed until the
- 10 Secretary has evidence that the feed is in compliance with the law and until the
- 11 Secretary provides a written release from the stop-sale order.
- 12 (c) The Secretary may file a petition for condemnation in the circuit court of
- 13 the county in which the commercial feed is located. If the court finds the commercial
- 14 feed to be in violation of the provisions of this subtitle and orders the condemnation,
- 15 the commercial feed shall be disposed of in any manner consistent with the quality of
- 16 the commercial feed and the laws of the State. The court may not dispose of the
- 17 commercial feed without first giving the claimant an opportunity to apply to the court
- 18 for release of it or for permission to process or relable the commercial feed so that it
- 19 complies with the provisions of this subtitle.
- 20 6-201.
- 21 (f) "Commercial fertilizer" means any substance containing a recognized plant
- 22 nutrient used for its plant nutrient content and designed for use or claimed to have
- 23 value in promoting plant growth, except unmanipulated animal and vegetable
- 24 manure, marl, lime, wood ashes, and gypsum.
- 25 8-405.
- 26 (A) THE GENERAL ASSEMBLY FINDS THAT, FROM FISCAL YEAR 1991 THROUGH
- 27 FISCAL YEAR 1998, INADEOUATE RESOURCES HAVE BEEN PROVIDED FOR THE SOIL
- 28 CONSERVATION DISTRICTS TO EMPLOY ADEQUATE FIELD PERSONNEL TO ASSIST
- 29 FARMERS IN THE PREPARATION OF SOIL CONSERVATION AND WATER QUALITY
- 30 PLANS.
- 31 (B) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PROVIDE SUFFICIENT
- 32 TECHNICAL ASSISTANCE AND RESOURCES THROUGH THE SOIL CONSERVATION
- 33 DISTRICTS TO ASSIST FARMERS IN PURSUIT OF SOIL CONSERVATION AND WATER
- 34 QUALITY PLANS AND OTHER ACTIVITIES AUTHORIZED UNDER THIS TITLE.
- 35 (C) FOR FISCAL YEAR 2000 AND EACH FISCAL YEAR THEREAFTER, THE
- 36 GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN AMOUNT SUFFICIENT
- 37 TO EMPLOY NOT LESS THAN 110 FIELD PERSONNEL IN THE SOIL CONSERVATION
- 38 DISTRICTS UNDER THIS TITLE.



- 1 accordance with the written agreement required by this section, or supplemental
- 2 written agreements with the vendor or contractor.
- 3 (c) (1) The Secretary of Agriculture and the Secretary of the
- 4 Environment shall jointly promulgate rules and regulations to implement this
- 5 subtitle. However, rules and regulations solely involving internal management of the
- 6 cost sharing program need only be promulgated by the Secretary of Agriculture. The
- 7 Department of Natural Resources shall be consulted prior to any rule making effort to
- 8 assure coordination with its sediment control and related watershed programs.
- 9 (II) THE SECRETARY OF AGRICULTURE, IN CONSULTATION WITH
- 10 THE SECRETARY OF THE ENVIRONMENT, SHALL ADOPT REGULATIONS AUTHORIZING
- 11 THE DISBURSEMENT OF STATE COST SHARING FUNDS FOR THE CONSTRUCTION OF
- 12 POULTRY MANURE STORAGE FACILITIES ON FARMS WHICH DO NOT HAVE A
- 13 COMMERCIAL POULTRY OPERATION OR A COMMERCIAL EGG LAYING OPERATION.
- 14 (2) All rules and regulations promulgated under this section shall be
- 15 approved by the Board of Public Works prior to the use of the proceeds of State bonds
- 16 in the cost sharing program.
- 17 (3) The Department of Agriculture and the Department of the
- 18 Environment may enter into agreements with appropriate federal and local
- 19 governmental entities to assist in administering this subtitle.
- 20 8-704.1.
- 21 (A) IN THIS SECTION, "SERVICE" MEANS POULTRY LITTER MATCHING
- 22 SERVICE.
- 23 (B) THE DEPARTMENT SHALL CREATE A POULTRY LITTER MATCHING
- 24 SERVICE.
- 25 (C) THE PURPOSE OF THE SERVICE IS TO DEVELOP TRANSFER PROGRAMS
- 26 AND MARKETING TECHNIQUES TO PROMOTE AND FACILITATE THE TRANSFER OF
- 27 POULTRY LITTER.
- 28 (D) THE SERVICE IS TO BE IMPLEMENTED IN CONJUNCTION WITH THE
- 29 POULTRY LITTER TRANSPORTATION PILOT PROJECT SET FORTH IN § 8-704.2 OF THIS
- 30 TITLE.
- 31 (E) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL
- 32 SUFFICIENT FUNDS TO CARRY OUT THIS SECTION.
- 33 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
- 34 read as follows:

1	Article - Agriculture
2	8-704.2.
3	(A) IN THIS SECTION, "PILOT PROJECT" MEANS THE POULTRY LITTER TRANSPORTATION PILOT PROJECT.
5	(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:
	(1) FOR A 3-YEAR PERIOD THE STATE SHALL FACILITATE THE PROMPT TRANSPORTATION OF POULTRY LITTER FROM FARMS IN AREAS OF THE STATE THAT EXPERIENCE PHOSPHOROUS OVERENRICHMENT;
	(2) THE PILOT PROJECT SHALL ENCOURAGE VOLUNTARY PARTICIPATION TO ACHIEVE THE REMOVAL OF POULTRY LITTER PRODUCED BY 20% OF THE POULTRY IN THE FOUR LOWER EASTERN SHORE COUNTIES IN MARYLAND.
	(3) THE PILOT PROJECT SHALL BE IMPLEMENTED IN CONJUNCTION WITH THE POULTRY LITTER MATCHING SERVICE SET FORTH IN § 8-704.1 OF THIS TITLE.
	(C) THE PURPOSE OF THE PILOT PROJECT IS TO ESTABLISH A COST SHARE PROGRAM TO ASSIST IN THE TRANSPORTATION OF POULTRY LITTER FROM FARMS OVER A PERIOD OF 3 YEARS:
18 19	(1) TO BE USED IN AREAS WITH SOIL HOLDING CAPACITY FOR PHOSPHOROUS; OR
20	(2) TO BE USED IN WAYS OTHER THAN LAND APPLICATION.
21 22	(D) THE DEPARTMENT OF AGRICULTURE SHALL ADOPT REGULATIONS AUTHORIZING THE DISBURSEMENT OF COST SHARE FUNDS FROM THIS PROGRAM.
	(E) THE DEPARTMENT OF AGRICULTURE SHALL PROVIDE THE ASSISTANCE NECESSARY TO ENSURE THAT POULTRY LITTER IS TESTED IN ACCORDANCE WITH DEPARTMENTAL PROCEDURES BEFORE TRANSPORTATION OF THE LITTER OCCURS.
26 27	SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
28	Article - Agriculture
29	8-801.
30	(a) In this subtitle the following words have the meanings indicated.
31 32	(b) "Certified nutrient management consultant" means an individual certified by the Department to prepare a nutrient management plan.
33 34	(c) "Nutrient management plan" means a plan prepared under this subtitle by a certified nutrient management consultant to manage the amount, placement,

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(B)

30 DEPARTMENT:

(1)

(I)

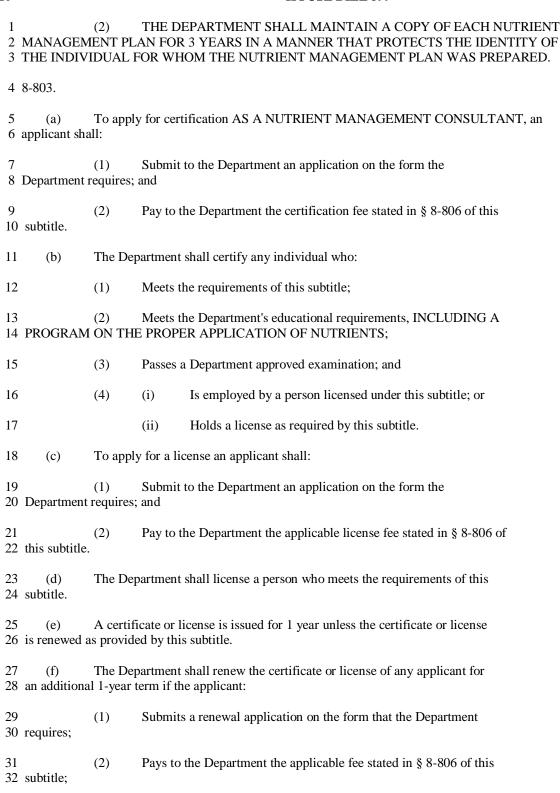
(II)

**HOUSE BILL 599** 1 timing, and application of animal waste, commercial fertilizer, sludge, or other plant 2 nutrients to prevent pollution and to maintain productivity. 3 8-801.1. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT BASED UPON THE 4 (A) 5 AVAILABILITY OF ADEQUATE FUNDS AND TECHNOLOGICAL RESOURCES, THE 6 FOLLOWING GOALS BE ATTAINABLE: 7 50% OF FARM ACREAGE IN THE STATE HAVE NUTRIENT (1) 8 MANAGEMENT PLANS THAT MEET THE STANDARDS SET FORTH IN THIS SUBTITLE 9 IMPLEMENTED BY JULY 1, 2000; 10 (2) 70% OF FARM ACREAGE IN THE STATE HAVE NUTRIENT 11 MANAGEMENT PLANS THAT MEET THE STANDARDS SET FORTH IN THIS SUBTITLE 12 IMPLEMENTED BY JULY 1, 2002; AND 13 80% OF THE FARM ACREAGE IN THE STATE HAVE NUTRIENT 14 MANAGEMENT PLANS THAT MEET THE STANDARDS SET FORTH IN THIS SUBTITLE 15 IMPLEMENTED BY JULY 1, 2005. 16 8-801.2. 17 EACH NUTRIENT MANAGEMENT PLAN SHALL BE DEVELOPED 18 CONSIDERING SUCH FACTORS AS: 19 (1) THE EXISTENCE AND PLANT AVAILABILITY OF NITROGEN AND 20 PHOSPHOROUS IN THE SOIL; 21 (2) THE NUTRIENT HOLDING CAPACITY OF THE SOIL; 22 LEVELS OF NITROGEN AND PHOSPHOROUS IN ALL NUTRIENTS TO BE (3) 23 APPLIED; REALISTIC CROP YIELD GOALS: 24 (4) 25 (5) SOIL ERODIBILITY; AND THE BEST REASONABLE SCIENTIFIC METHODS ACCEPTED BY THE 26 (6)27 DEPARTMENT AND THE UNIVERSITY OF MARYLAND COOPERATIVE EXTENSION 28 SERVICE.

EACH NUTRIENT MANAGEMENT PLAN SHALL BE FILED WITH THE

WHEN IT IS DEVELOPED; AND

EACH TIME IT IS UPDATED.



- 1 (3) Complies with applicable continuing education requirements; and
- 2 (4) Otherwise is entitled to be certified or licensed.
- 3 8-803.1.
- 4 (A) STATE COST SHARING MAY BE MADE AVAILABLE TO FARMERS TO HELP
- 5 OFFSET THE COSTS OF HAVING A NUTRIENT MANAGEMENT PLAN PREPARED BY A
- 6 CERTIFIED NUTRIENT MANAGEMENT CONSULTANT WHO IS NOT EMPLOYED BY THE
- 7 STATE OR A LOCAL GOVERNMENT.
- 8 (B) STATE COST SHARE FUNDS ARE TO BE MADE AVAILABLE FOR ELIGIBLE
- 9 COSTS UP TO 50% PER ACRE, NOT TO EXCEED \$3 PER ACRE.
- 10 (C) THE SECRETARY OF AGRICULTURE SHALL ADOPT REGULATIONS
- 11 AUTHORIZING THE DISBURSEMENT OF STATE COST SHARING FUNDS UNDER THIS
- 12 SUBTITLE.
- 13 8-803.2.
- 14 (A) A PERSON WHO APPLIES NUTRIENTS FOR HIRE SHALL BE A CERTIFIED
- 15 NUTRIENT MANAGEMENT CONSULTANT OR WORK UNDER A NUTRIENT
- 16 MANAGEMENT CONSULTANT CERTIFIED UNDER § 8-803 OF THIS ARTICLE.
- 17 (B) A PERSON WHO APPLIES NUTRIENTS FOR HIRE WHO IS NOT A CERTIFIED
- 18 NUTRIENT MANAGEMENT CONSULTANT SHALL MAKE AVAILABLE DOCUMENTATION,
- 19 IN THE FORM OF A WORK ORDER, BILL OF LADING, OR SIMILAR DOCUMENT, TO THE
- 20 LANDOWNER OR LAND MANAGER THAT THE PERSON IS WORKING UNDER A
- 21 CERTIFIED NUTRIENT MANAGEMENT CONSULTANT.
- 22 (C) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS
- 23 SECTION.
- 24 8-803.3.
- 25 (A) THIS SECTION DOES NOT APPLY TO:
- 26 (1) A PERSON WHO APPLIES NUTRIENTS TO 10 ACRES OR LESS OF LAND
- 27 EACH YEAR; OR
- 28 (2) A PERSON WHO APPLIES NUTRIENTS FOR HIRE.
- 29 (B) A PERSON WHO ENGAGES IN THE ACTIVITY OF APPLYING NUTRIENTS TO
- 30 LAND WHICH THE PERSON OWNS OR MANAGES SHALL COMPLETE AN EDUCATIONAL
- 31 PROGRAM IN NUTRIENT APPLICATION EVERY 3 YEARS.
- 32 (C) THE SECRETARY, IN CONSULTATION WITH THE NUTRIENT MANAGEMENT
- 33 ADVISORY COMMITTEE UNDER § 8-804, SHALL CREATE OR APPROVE EDUCATIONAL
- 34 PROGRAMS UNDER THIS SECTION.

- 12 **HOUSE BILL 599** 1 THE NUTRIENT APPLICATION EDUCATIONAL PROGRAMS ARE TO BE (1) 2 OFFERED AT SITES DISTRIBUTED THROUGHOUT THE STATE. THE DEPARTMENT SHALL ISSUE TO A PARTICIPANT UPON 4 COMPLETION OF AN EDUCATION PROGRAM UNDER THIS SECTION, A VOUCHER OF 5 COMPLETION. THE DEPARTMENT SHALL MAINTAIN A REGISTRY OF PERSONS WHO 6 (3) 7 HAVE RECEIVED VOUCHERS OF COMPLETION IN A NUTRIENT APPLICATION 8 EDUCATIONAL PROGRAM UNDER THIS SECTION. 9 8-803.4. 10 (A) THIS SECTION APPLIES TO THE APPLICATION OF COMMERCIAL 11 FERTILIZER, AS DEFINED IN § 6-201 OF THIS ARTICLE: 12 (1) THAT IS PERFORMED BY A PERSON WHO APPLIES COMMERCIAL 13 FERTILIZER FOR HIRE; AND 14 (2) THAT IS APPLIED TO PROPERTY THAT IS: NOT USED FOR AGRICULTURAL PURPOSES: AND 15 (I) 3 OR MORE ACRES; OR 16 (II)1. 17 2. STATE PROPERTY. A PERSON WHO APPLIES COMMERCIAL FERTILIZER PURSUANT TO THIS 18 (B) 19 SECTION SHALL COMPLETE AN EDUCATIONAL PROGRAM IN COMMERCIAL 20 FERTILIZER APPLICATION EVERY 3 YEARS. 21 (C) THE SECRETARY, IN CONSULTATION WITH THE NUTRIENT (1) 22 MANAGEMENT ADVISORY COMMITTEE UNDER § 8-804 OF THIS SUBTITLE, SHALL 23 CREATE OR APPROVE A COMMERCIAL FERTILIZER APPLICATION PROGRAM. THE PROGRAM IS TO BE OFFERED AT SITES THROUGHOUT THE 24 (2) 25 STATE. THE DEPARTMENT SHALL ISSUE TO A PARTICIPANT UPON 26 27 COMPLETION OF A PROGRAM UNDER THIS SECTION, A VOUCHER OF COMPLETION. THE DEPARTMENT SHALL MAINTAIN A REGISTRY OF PERSONS WHO 28 29 HAVE RECEIVED VOUCHERS OF COMPLETION UNDER THIS SECTION. 30 8-804.
- The Department shall establish a Nutrient Management Advisory 31
- 32 Committee. The Secretary shall appoint to the Committee representatives of the
- 33 agricultural community, the environmental community, [industry] THE
- 34 COMMERCIAL LAWN CARE, BIOSOLIDS, AND AGRICULTURAL FERTILIZER
- 35 INDUSTRIES, academia, and appropriate government units.

		· · · · · · · · · · · · · · · · · · ·	
management	(1) plans ap	Prescribe the criteria, form, and content for certified nutrient plicable to licensees and certificate holders;	
RECEIVING	3 VOUCI		
and on repor	(3) rting requ	Adopt guidelines and requirements for licensees on record keeping airements to the Department on nutrient management plans.	
8-805.			
may deny, s	uspend, o	or revoke a certificate or license for a violation of this subtitle or	
8-806.			
	(1)	Certificate	\$50
	(2)	License (individual or sole proprietorship)	\$50
	(3)	License (corporation or partnership)	. \$100; and
	(4)	Renewal	\$50
(b) provided by			
(c) Fund of the		eys collected under this subtitle shall be deposited in the General	
8-807.			
AGRICULT 2-1246 OF T FARM ACE	TURE SH THE ST <i>A</i> REAGE (	ALL REPORT TO THE GOVERNOR, AND, IN ACCORDANCE WITH § ATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON THE COVERED BY NUTRIENT MANAGEMENT PLANS AND THE	
	management holders] CER RECEIVING SUBTITLE; and on report 8-805. Subject may deny, s for a violation 8-806. (a) following fer (b) provided by (c) Fund of the 8-807. ON OR AGRICULT 2-1246 OF 7 FARM ACE	Department shall by r  (1) management plans ap  (2) holders] CERTIFIED RECEIVING VOUCI SUBTITLE; and  (3) and on reporting requ 8-805.  Subject to the promay deny, suspend, of for a violation of any 8-806.  (a) Except for following fees under  (1)  (2)  (3)  (4)  (b) The Department of the State.  8-807.  ON OR BEFORM AGRICULTURE SH 2-1246 OF THE STATA FARM ACREAGE OF	Department shall by regulation:  (1) Prescribe the criteria, form, and content for certified nutrient management plans applicable to licensees and certificate holders;  (2) Establish continuing education requirements for [certificate holders] CERTIFIED NUTRIENT MANAGEMENT CONSULTANTS AND PERSONS RECEIVING VOUCHERS OF COMPLETION UNDER §§ 8-803.3 AND 8-803.4 OF THIS SUBTITLE; and  (3) Adopt guidelines and requirements for licensees on record keeping and on reporting requirements to the Department on nutrient management plans.  8-805.  Subject to the provisions of the Administrative Procedure Act, the Department may deny, suspend, or revoke a certificate or license for a violation of this subtitle or for a violation of any regulation adopted under this subtitle by the Department.  8-806.  (a) Except for a government agency, the Department shall charge the following fees under this subtitle:  (1) Certificate

31 IN PREPARING THE ANNUAL REPORT.

1			Article	41 - Governor - Executive and Administrative Departments
2	18-316.			
3	(A) MANAGEM			ON, "ASSESSMENT TEAM" MEANS THE NUTRIENT SASSESSMENT TEAM.
5	(B)	THERE	IS A NU	TRIENT MANAGEMENT PROGRESS ASSESSMENT TEAM.
6	(C)	THE AS	SSESSM	ENT TEAM SHALL BE COMPOSED OF:
7		(1)	THE SE	CRETARY OF AGRICULTURE OR THE SECRETARY'S DESIGNEE;
8 9	EXPERIME	(2) NT STA		RONOMIST FROM THE MARYLAND AGRICULTURAL
10 11	MARYLAN	(3) ID CENT		ER QUALITY SPECIALIST FROM THE UNIVERSITY OF ENVIRONMENTAL SCIENCE; AND
12		(4)	ONE RI	EPRESENTATIVE FROM EACH OF THE FOLLOWING ENTITIES:
13 14	SERVICE;		(I)	UNIVERSITY OF MARYLAND COOPERATIVE EXTENSION
15			(II)	SOIL CONSERVATION DISTRICTS;
16			(III)	MARYLAND FARM BUREAU;
17			(IV)	MARYLAND STATE GRANGE;
18			(V)	MARYLAND PORK PRODUCERS ASSOCIATION;
19			(VI)	DELMARVA POULTRY INDUSTRY, INC.;
20			(VII)	DELAWARE-MARYLAND AGRIBUSINESS ASSOCIATION;
21			(VIII)	MARYLAND ASSOCIATION OF GREEN INDUSTRIES;
22 23	ENVIRON	MENT A		BIOSOLIDS COMMITTEE OF THE CHESAPEAKE WATER ΓΙΟΝ; AND
24			(X)	ASSOCIATION OF FOREST INDUSTRIES, INC.
27	MADE TO	GENERA WARDS	L ASSE ACHIEV	ENT TEAM SHALL REVIEW AND REPORT TO THE GOVERNOR MBLY ON AN ANNUAL BASIS ON THE PROGRESS BEING ING THE NUTRIENT MANAGEMENT GOALS SET FORTH IN § URE ARTICLE.
29 30	(E) TO THE AS			IENT OF AGRICULTURE SHALL PROVIDE STAFF ASSISTANCE AM. THE ASSESSMENT TEAM MAY USE THE STAFF TO ASSIST

15	HOUSE BILL 599
	(F) THE ASSESSMENT TEAM SHALL PROVIDE ANALYSIS TO THE GOVERNOR AND THE GENERAL ASSEMBLY AND MAKE RECOMMENDATIONS BY JULY 1 OF EACH YEAR ON THE FOLLOWING:
4 5	(1) THE ECONOMIC COSTS AND BENEFITS ASSOCIATED WITH ALTERNATIVE USES OF MANURE;
6 7	(2) THE LEVEL OF PARTICIPATION IN A VOLUNTARY NUTRIENT MANAGEMENT PROGRAM;
8 9	(3) ADDITIONAL RESOURCES THAT MAY BE NEEDED TO ACCOMPLISH THE GOALS OF $\S$ 8-801.1 OF THE AGRICULTURE ARTICLE;
	(4) THE LATEST DEVELOPMENTS IN PHOSPHOROUS MITIGATION, INCLUDING THE EFFECTIVENESS OF PHYTASE AND OTHER ENZYMES, GENETICALLY ENGINEERED CORN, SOIL ADDITIVES, AND OTHER INNOVATIONS;
13 14	(5) THE EFFECTIVENESS OF NUTRIENT APPLICATION EDUCATION PROGRAMS;
15 16	(6) THE EFFECTIVENESS OF THE POULTRY LITTER TRANSPORTATION PILOT PROJECT SET FORTH IN § 8-704.2 OF THE AGRICULTURE ARTICLE; AND
19	(7) FOR TARGETED AREAS DETERMINED BY THE SECRETARY OF AGRICULTURE, THE TEAM WILL PROVIDE AN ASSESSMENT OF THE BACKGROUND LEVELS OF PHOSPHOROUS IN THE SOIL, CURRENT LEVELS OF PHOSPHOROUS IN THE SOIL, AND THE MOVEMENT OF PHOSPHOROUS IN AND ON THE LAND.
21 22	SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
23	Article 83A - Department of Business and Economic Development
24	SUBTITLE 8. ANIMAL WASTE TECHNOLOGY FUND.
25	6-801.
26 27	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
	(B) "ANIMAL WASTE TECHNOLOGY PROJECT" MEANS THE RESEARCH, DEVELOPMENT, IMPLEMENTATION, OR MARKET DEVELOPMENT OF TECHNOLOGY THAT IS INTENDED TO:
31	(1) REDUCE THE AMOUNT OF NUTRIENTS IN ANIMAL WASTE;
32	(2) ALTER THE COMPOSITION OF ANIMAL WASTE;
33	(3) USE ANIMAL WASTE IN A PRODUCTION PROCESS; OR

- 1 (4) DEVELOP ALTERNATIVE WASTE MANAGEMENT STRATEGIES
- 2 INCLUDING THE TRANSFER AND TRANSPORTATION OF ANIMAL WASTE TO AREAS IN
- 3 MARYLAND WHICH CAN MAKE A BENEFICIAL USE OF THE MANURE.
- 4 (C) "FUND" MEANS THE ANIMAL WASTE TECHNOLOGY FUND.
- 5 (D) "PROGRAM" MEANS THE ORGANIZATIONAL UNIT IN THE DEPARTMENT 6 THAT ADMINISTERS THE ANIMAL WASTE TECHNOLOGY FUND.
- 7 6-802.
- 8 (A) THE PURPOSE OF THE ANIMAL WASTE TECHNOLOGY FUND IS TO PROVIDE
- 9 FINANCIAL ASSISTANCE TO INDIVIDUALS AND BUSINESS ENTERPRISES THAT
- 10 CONDUCT RESEARCH AND DEVELOP TECHNOLOGIES THAT ARE INTENDED TO:
- 11 (1) REDUCE THE AMOUNT OF NUTRIENTS IN ANIMAL WASTE;
- 12 (2) ALTER THE COMPOSITION OF ANIMAL WASTE;
- 13 (3) USE ANIMAL WASTE IN A PRODUCTION PROCESS; AND
- 14 (4) DEVELOP ALTERNATIVE ANIMAL WASTE MANAGEMENT
- 15 STRATEGIES, INCLUDING THE TRANSFER AND TRANSPORTATION OF ANIMAL WASTE
- 16 TO AREAS IN MARYLAND WHICH CAN MAKE A BENEFICIAL USE OF THE ANIMAL
- 17 WASTE.
- 18 (B) THE GOAL OF THE FUND IS TO ENCOURAGE THE DEVELOPMENT AND
- 19 IMPLEMENTATION OF ECONOMICALLY FEASIBLE TECHNOLOGIES AND PRACTICES
- 20 THAT HELP PROTECT THE PUBLIC HEALTH AND THE ENVIRONMENT BY REDUCING
- 21 THE AMOUNT OF NUTRIENTS FROM ANIMAL WASTE THAT ARE RELEASED INTO
- 22 STATE WATERS.
- 23 6-803.
- 24 (A) THERE IS AN ANIMAL WASTE TECHNOLOGY FUND IN THE DEPARTMENT.
- 25 (B) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND NOT SUBJECT
- 26 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
- 27 (C) THE FUND MAY CONSIST OF:
- 28 (1) MONEYS APPROPRIATED BY THE STATE;
- 29 (2) MONEYS MADE AVAILABLE THROUGH FEDERAL PROGRAMS OR
- 30 PRIVATE CONTRIBUTIONS;
- 31 (3) INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES
- 32 FROM MONEYS IN THE FUND;
- 33 (4) REPAYMENTS OF PRINCIPAL AND INTEREST FROM LOANS MADE
- 34 FROM THE FUND;

1 2	(5) MAKES FROM THE	INCOME FROM EQUITY INVESTMENTS THAT THE DEPARTMENT FUND;
		PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY OF COLLATERAL RELATED TO ANY FINANCING PROVIDED BY THE DER THIS SUBTITLE;
6 7	(7) CONNECTION WIT	APPLICATION OR OTHER FEES PAID TO THE PROGRAM IN THE PROCESSING OF REQUESTS FOR ASSISTANCE; AND
8	(8)	ANY OTHER MONEYS MADE AVAILABLE TO THE FUND.
9	(D) THE PR	OGRAM MAY USE MONEYS IN THE FUND TO:
10 11		PROVIDE FINANCIAL ASSISTANCE TO DEFRAY THE COSTS OF ECHNOLOGY PROJECTS; AND
12 13		PAY EXPENSES FOR ADMINISTRATIVE, ACTUARIAL, LEGAL, AND CES ASSOCIATED WITH OPERATING THE FUND.
14	6-804.	
15	FINANCIAL AS	SISTANCE PROVIDED FROM THE FUND MAY BE:
16 17	` ,	USED ONLY TO PAY THE COSTS OF CARRYING OUT AN ANIMAL OGY PROJECT; AND
18	(2)	IN THE FORM OF:
19		(I) A GRANT;
20		(II) A LOAN;
21		(III) A LOAN GUARANTEE;
22 23	GRANT ON THE SA	(IV) A LOAN THAT IS CONVERTIBLE IN WHOLE OR IN PART TO A TISFACTION OF SPECIFIED CONDITIONS; OR
24		(V) AN EQUITY INVESTMENT.
25	6-805.	
26 27		ELIGIBLE FOR ASSISTANCE FROM THE FUND, AN ANIMAL WASTE DIECT MUST HAVE STRONG POTENTIAL FOR:
28	(1)	IMPROVING THE PUBLIC HEALTH;
29	(2)	PRESERVING THE VIABILITY OF THE AGRICULTURAL INDUSTRY;
30	(3)	IMPROVING THE ENVIRONMENT;

1 2	STATE;	(4)	HAVING A POSITIVE ECONOMIC DEVELOPMENT IMPACT IN THE
3		(5)	FACILITATING THE INVOLVEMENT OF PRIVATE ENTERPRISE; AND
4 5	PROGRAM	. (6)	LEADING TO A COST-EFFECTIVE ANIMAL WASTE MANAGEMENT
8	PREFEREN	OF MON CE TO T	AMOUNT OF FINANCIAL ASSISTANCE REQUESTED EXCEEDS THE EYS AVAILABLE IN THE FUND, THE PROGRAM SHALL GIVE THE ANIMAL WASTE TECHNOLOGY PROJECTS THAT DEMONSTRATE DIENTIAL FOR:
10		(1)	IMPROVING THE PUBLIC HEALTH;
11		(2)	PRESERVING THE VIABILITY OF THE AGRICULTURAL INDUSTRY;
12		(3)	IMPROVING THE ENVIRONMENT;
13 14	STATE;	(4)	HAVING A POSITIVE ECONOMIC DEVELOPMENT IMPACT IN THE
15		(5)	FACILITATING THE INVOLVEMENT OF PRIVATE ENTERPRISE; AND
16 17	PROGRAM	(6) I.	LEADING TO A COST-EFFECTIVE ANIMAL WASTE MANAGEMENT
18	6-806.		
19 20			M MAY IMPOSE TERMS AND CONDITIONS ON FINANCIAL VIDED FROM THE FUND.
21	6-807.		
22 23	(A) COMPTRO		TATE TREASURER SHALL HOLD THE FUND AND THE STATE HALL ACCOUNT FOR THE FUND.
24 25	(B) FUND.	ANY IN	NVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE
26 27	SECTION read as follows:		ID BE IT FURTHER ENACTED, That the Laws of Maryland
28			Article - Tax - General
29	10-208.		
		der this s	ion to the modification under § 10-207 of this subtitle, the ection are subtracted from the federal adjusted gross income of ne Maryland adjusted gross income.

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(M)

(1)

#### **HOUSE BILL 599**

IN THIS SUBSECTION, "POULTRY OR LIVESTOCK MANURE

2 SPREADING EQUIPMENT" MEANS EQUIPMENT THAT IS USED BY A FARM OWNER OR 3 TENANT ON FARMLAND IN ACCORDANCE WITH A NUTRIENT MANAGEMENT PLAN 4 PREPARED BY AN INDIVIDUAL LICENSED BY THE SECRETARY OF AGRICULTURE IN 5 ACCORDANCE WITH TITLE 8, SUBTITLE 8 OF THE AGRICULTURE ARTICLE IF THE 6 MANURE SPREADING EQUIPMENT IS USED: 7 TO SPREAD POULTRY MANURE AND BEDDING FROM NORMAL (I) 8 POULTRY PRODUCTION WITH A CAPABILITY OF BEING CALIBRATED TO 1.0 TON PER 9 ACRE: OR 10 (II) TO APPLY SOLID OR LIQUID LIVESTOCK WASTE. 11 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION 12 INCLUDES 100% OF THE EXPENSE THAT A TAXPAYER INCURS TO BUY POULTRY OR 13 LIVESTOCK MANURE SPREADING EQUIPMENT IF THE TAXPAYER: 14 (I) PURCHASED THE SPREADING EQUIPMENT AFTER DECEMBER 15 31, 1997; AND OWNS THE SPREADING EQUIPMENT FOR AT LEAST 3 YEARS 16 (II)17 AFTER THE TAXABLE YEAR IN WHICH THE SUBTRACTION IS MADE. 18 THE SUBTRACTION ALLOWED UNDER PARAGRAPH (2) OF THIS 19 SUBSECTION MAY BE CARRIED OVER TO SUCCEEDING TAXABLE YEARS, NOT TO 20 EXCEED 5 YEARS, UNTIL THE FULL AMOUNT OF THE SUBTRACTION IS USED. 21 10-308. 22 In addition to the modification under § 10-307 of this subtitle, the 23 amounts under this section are subtracted from the federal taxable income of a 24 corporation to determine Maryland modified income. 25 The subtraction under subsection (a) of this section includes the amounts (b) 26 allowed to be subtracted for an individual under: 27 (1) § 10-208(d) of this title (conservation tillage equipment expenses); 28 § 10-208(i) of this title (reforestation or timber stand expenses); (2) 29 [and] 30 (3) § 10-208(k) of this title (wage expenses for targeted jobs); AND § 10-208(M)OF THIS TITLE (POULTRY OR LIVESTOCK MANURE 31 32 SPREADING EQUIPMENT). 33 SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland 34 read as follows:

# 1 Article - Tax - General

- 2 10-704.9.
- 3 (A) SUBJECT TO THE PROVISIONS OF THIS SECTION, AN INDIVIDUAL OR A
- 4 CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A
- 5 TAXABLE YEAR IN THE AMOUNT EQUAL TO 50% OF THE CERTIFIED ADDITIONAL
- 6 COMMERCIAL FERTILIZER COSTS NECESSARY TO CONVERT AGRICULTURAL
- 7 PRODUCTION TO A NUTRIENT MANAGEMENT PLAN UNDER TITLE 8, SUBTITLE 8 OF
- 8 THE AGRICULTURE ARTICLE.
- 9 (B) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY ONLY BE
- 10 CLAIMED BY AN INDIVIDUAL OR A CORPORATION FOR UP TO 3 CONSECUTIVE
- 11 TAXABLE YEARS.
- 12 (2) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED
- 13 \$4,500 IN ANY TAXABLE YEAR.
- 14 (3) (I) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY
- 15 TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE INDIVIDUAL
- 16 OR CORPORATION FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR CORPORATION
- 17 MAY APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE
- 18 EARLIER OF:
- 19 1. THE FULL AMOUNT OF THE EXCESS IS USED; OR
- 20 2. THE EXPIRATION OF THE 5TH SUCCEEDING TAXABLE
- 21 YEAR.
- 22 (II) ANY EXCESS CREDIT CARRIED FORWARD UNDER THIS
- 23 PARAGRAPH DOES NOT APPLY TO THE CREDIT LIMIT SPECIFIED IN PARAGRAPH (2) OF
- 24 THIS SUBSECTION.
- 25 (C) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT BE EARNED FOR
- 26 ANY CREDIT YEAR BEGINNING ON OR AFTER JANUARY 1, 2006.
- 27 (D) (1) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, AN INDIVIDUAL
- 28 OR A CORPORATION MUST RECEIVE A STATEMENT FROM THE DEPARTMENT OF
- 29 AGRICULTURE CERTIFYING:
- 30 (I) THAT THE INDIVIDUAL OR CORPORATION HAS SUBMITTED A
- 31 NUTRIENT MANAGEMENT PLAN TO THE DEPARTMENT IN ACCORDANCE WITH TITLE
- 32 8, SUBTITLE 8 OF THE AGRICULTURE ARTICLE;
- 33 (II) THAT THE ADDITIONAL COMMERCIAL FERTILIZER COSTS ARE
- 34 NECESSARY TO CONVERT AGRICULTURAL PRODUCTION TO COMPLY WITH A
- 35 NUTRIENT MANAGEMENT PLAN UNDER TITLE 8, SUBTITLE 8 OF THE AGRICULTURE
- 36 ARTICLE; AND

- 1 (III) THE AMOUNT OF THE CREDIT THAT THE INDIVIDUAL OR 2 CORPORATION IS ELIGIBLE TO TAKE FOR THE TAXABLE YEAR.
- 3 (2) AN INDIVIDUAL OR A CORPORATION MUST FILE PROOF OF 4 CERTIFICATION BY THE DEPARTMENT OF AGRICULTURE IN A MANNER PRESCRIBED 5 BY THE COMPTROLLER.
- 6 (E) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE STATE
  7 DEPARTMENT OF AGRICULTURE SHALL ADOPT REGULATIONS NECESSARY TO CARRY
  8 OUT THE PROVISIONS OF THIS SECTION.
- 9 SECTION 7. AND BE IT FURTHER ENACTED, That for Fiscal Year 2000 the
- 10 Governor shall include in the annual budget bill an amount of not less than \$350,000
- 11 for the cost share program under § 6-107.1 of the Agriculture Article; for Fiscal Year
- 12 2000 and each fiscal year thereafter, the Governor shall include in the annual budget
- 13 bill an amount not less than \$620,000 for the employment of contractual nutrient
- 14 management planners through the University of Maryland Cooperative Extension
- 15 Service; for Fiscal Year 2000, the Governor shall include in the annual budget bill an
- 16 amount of not less than \$1,000,000 for the State cost sharing program under §
- 17 8-803.1 as enacted by Section 3 of this Act.
- 18 SECTION 8. AND BE IT FURTHER ENACTED, That, for each of Fiscal Years
- 19 2000 and 2001, the Governor shall include in the annual budget bill an amount of not
- 20 less than \$1,500,000 for the Pilot Project under Section 2 of this Act; that Section 2 of
- 21 this Act shall remain effective for a period of 3 years and, at the end of June 30, 2001,
- 22 with no further action required by the General Assembly, Section 2 of this Act shall be
- 23 abrogated and of no further force and effect. Any money remaining in the Poultry
- 24 Litter Transportation Pilot Project or due to the Poultry Litter Transportation Pilot
- 25 Project after June 30, 2001 shall be paid to the General Fund.
- 26 SECTION 9. AND BE IT FURTHER ENACTED, That for each of Fiscal Years
- 27 2000 and 2001, the Governor shall include in the annual budget bill an amount not
- 28 less than \$1,000,000 for the purposes of implementing Section 4 of this Act; and that
- 29 Section 4 of this Act shall remain effective for a period of 3 years and, at the end of
- 30 June 30, 2001, with no further action required by the General Assembly, Section 4 of
- 31 this Act shall be abrogated and of no further force and effect. Any money remaining in
- 32 the Animal Waste Technology Fund on June 30, 2001 or due to the Animal Waste
- 33 Technology Fund after June 30, 2001 shall be paid into the General Fund.
- 34 SECTION 10. AND BE IT FURTHER ENACTED, That Section 5 of this Act
- 35 shall be applicable to all taxable years beginning after December 31, 1997.
- 36 SECTION 11. AND BE IT FURTHER ENACTED, That Section 6 of this Act
- 37 shall be applicable to all taxable years beginning after December 31, 1998.
- 38 SECTION 12. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 39 July 1, 1998.