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By: **Delegates Billings, Grosfeld, Hubbard, Bobo, Pendergrass, Mandel,  
Oaks, Hurson, Pitkin, Franchot, Turner, Conroy, and Kopp**

Introduced and read first time: February 12, 1998

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Chicken Excise Tax - Nutrient Waste Management Fund**

3 FOR the purpose of imposing an excise tax on all chickens or chicken parts sold to  
4 retail food vendors in the State; requiring a distributor of chickens or chicken  
5 parts to pay the chicken excise tax and to complete and submit certain returns  
6 at certain times; providing for administration of the tax by the Comptroller;  
7 authorizing the Comptroller to adopt certain regulations to administer, collect,  
8 and enforce the chicken excise tax; making certain provisions of law relating to  
9 the administration, collection, and enforcement of taxes applicable to the  
10 chicken excise tax; providing for distribution of the net revenue from the tax to  
11 the Nutrient Waste Management Fund; establishing a Nutrient Waste  
12 Management Fund to be administered by the Department of the Environment  
13 and to be used solely for the costs of managing and disposing of wastes from  
14 chicken farming operations in the State; defining certain terms; and generally  
15 relating to the imposition of a chicken excise tax and the Nutrient Waste  
16 Management Fund.

17 BY adding to  
18 Article - Environment  
19 Section 9-352 to be under the new part "Part VII. Nutrient Waste Management  
20 Fund"  
21 Annotated Code of Maryland  
22 (1996 Replacement Volume and 1997 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
24 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Environment**

## 2 PART VII. NUTRIENT WASTE MANAGEMENT FUND.

3 9-352.

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
5 INDICATED.6 (2) "CHICKEN EXCISE TAX" MEANS THE TAX IMPOSED UNDER THIS  
7 SECTION.8 (3) "DISTRIBUTOR" MEANS A PERSON WHO SELLS CHICKENS OR  
9 CHICKEN PARTS TO A RETAIL FOOD VENDOR IN THE STATE.10 (4) "FUND" MEANS THE NUTRIENT WASTE MANAGEMENT FUND  
11 ESTABLISHED UNDER SUBSECTION (F) OF THIS SECTION.12 (5) "PROCESSED WEIGHT" MEANS THE WEIGHT BASED ON WHICH A  
13 DISTRIBUTOR SELLS CHICKENS OR CHICKEN PARTS TO A RETAIL FOOD VENDOR.14 (B) (1) AN EXCISE TAX OF 1 CENT PER POUND IS IMPOSED ON ALL  
15 CHICKENS AND CHICKEN PARTS SOLD TO A RETAIL FOOD VENDOR IN THE STATE.16 (2) A DISTRIBUTOR SHALL PAY THE CHICKEN EXCISE TAX BASED ON  
17 THE PROCESSED WEIGHT OF CHICKENS OR CHICKEN PARTS THAT THE DISTRIBUTOR  
18 SELLS TO RETAIL FOOD VENDORS IN THE STATE.

19 (C) EACH DISTRIBUTOR SHALL:

20 (1) PAY THE CHICKEN EXCISE TAX; AND

21 (2) COMPLETE AND SUBMIT A RETURN UNDER OATH AND REMIT THE  
22 TAX TO THE COMPTROLLER ON OR BEFORE THE 21ST DAY OF THE MONTH THAT  
23 FOLLOWS THE MONTH IN WHICH A SALE WAS MADE, AND FOR OTHER PERIODS AND  
24 ON OTHER DATES THAT THE COMPTROLLER SPECIFIES BY REGULATION, INCLUDING  
25 PERIODS FOR WHICH NO TAX WAS DUE.

26 (D) (1) THE COMPTROLLER:

27 (I) SHALL ADMINISTER THE CHICKEN EXCISE TAX; AND

28 (II) MAY ADOPT ANY REGULATIONS THAT ARE NECESSARY OR  
29 APPROPRIATE TO ADMINISTER, COLLECT, AND ENFORCE THE CHICKEN EXCISE TAX.30 (2) EXCEPT TO THE EXTENT THEY ARE INCONSISTENT WITH THIS  
31 SUBSECTION, THE PROVISIONS OF TITLE 13 OF THE TAX - GENERAL ARTICLE  
32 APPLICABLE TO THE SALES AND USE TAX SHALL GOVERN THE ADMINISTRATION,  
33 COLLECTION, AND ENFORCEMENT OF THE CHICKEN EXCISE TAX UNDER THIS  
34 SUBSECTION.

1           (3)     THE COMPTROLLER MAY PROVIDE BY REGULATION FOR PAYMENT  
2 OF THE CHICKEN EXCISE TAX BY A RETAIL FOOD VENDOR IN THE STATE WHO  
3 POSSESSES CHICKENS OR CHICKEN PARTS IN THE STATE ON WHICH THE  
4 DISTRIBUTOR DOES NOT PAY THE CHICKEN EXCISE TAX.

5     (E)     (1)     FROM THE CHICKEN EXCISE TAX REVENUE, THE COMPTROLLER  
6 SHALL DISTRIBUTE THE AMOUNT NECESSARY TO ADMINISTER THE TAX TO AN  
7 ADMINISTRATIVE COST ACCOUNT.

8           (2)     AFTER MAKING THE DISTRIBUTION REQUIRED UNDER PARAGRAPH  
9 (1) OF THIS SUBSECTION, THE COMPTROLLER SHALL DISTRIBUTE THE REMAINING  
10 CHICKEN EXCISE TAX REVENUE TO THE NUTRIENT WASTE MANAGEMENT FUND  
11 ESTABLISHED UNDER SUBSECTION (F) OF THIS SECTION.

12     (F)     (1)     THERE IS A NUTRIENT WASTE MANAGEMENT FUND.

13           (2)     THE NUTRIENT WASTE MANAGEMENT FUND SHALL CONSIST OF:

14                   (I)     THE CHICKEN EXCISE TAX REVENUE DISTRIBUTED TO THE  
15 FUND UNDER SUBSECTION (E) OF THIS SECTION;

16                   (II)    MONEYS APPROPRIATED TO THE FUND IN THE STATE BUDGET;  
17 AND

18                   (III)   MONEYS MADE AVAILABLE TO THE FUND FROM ANY OTHER  
19 SOURCE.

20           (3)     THE DEPARTMENT SHALL ADMINISTER THE FUND.

21           (4)     SUBJECT TO THE APPROPRIATION PROCESS IN THE ANNUAL  
22 OPERATING BUDGET, THE DEPARTMENT IN CONSULTATION WITH THE DEPARTMENT  
23 OF AGRICULTURE SHALL USE THE FUND SOLELY FOR THE COSTS OF MANAGING AND  
24 DISPOSING OF WASTES FROM CHICKEN FARMING OPERATIONS IN THE STATE,  
25 INCLUDING:

26                   (I)     PROVIDING FINANCIAL ASSISTANCE TO CHICKEN FARMERS  
27 FOR NUTRIENT MANAGEMENT PLANNING AND DISPOSAL OF WASTES FROM CHICKEN  
28 FARMING OPERATIONS;

29                   (II)    CONDUCTING OUTREACH TO CHICKEN FARMERS AND  
30 TRAINING AND EDUCATIONAL PROGRAMS REGARDING MANAGING NUTRIENTS AND  
31 DISPOSING OF WASTES FROM CHICKEN FARMING OPERATIONS; AND

32                   (III)   DEVELOPMENT AND IMPLEMENTATION OF NUTRIENT  
33 MANAGEMENT PLANS AND ALTERNATIVE METHODS OF CHICKEN WASTE  
34 TREATMENT AND DISPOSAL, INCLUDING COMBUSTION OR TRANSPORTATION OF  
35 WASTES FOR APPROVED DISPOSAL.

36     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 July 1, 1998.

