Unofficial Copy M4 1998 Regular Session 8lr2470 CF HB 599

By: Senators Stoltzfus, Middleton, Colburn, Bromwell, Craig, Derr, Dyson, Ferguson, Fry, Hafer, Haines, Hogan, McCabe, Middlebrooks, Munson,

and Neall

Introduced and read first time: February 6, 1998 Assigned to: Economic and Environmental Affairs

#### A BILL ENTITLED

### 1 AN ACT concerning

2

# Nutrient Management Practices Improvement Act of 1998

3	FOR the purpose of	of	authorizi	ng th	e Secretary	of Agriculture to adopt certain	
4	1 .*	1	. •		. 1		

- 4 regulations relating to certain cost share programs; establishing certain limits
- for certain cost share programs; authorizing the Secretary of Agriculture to
- adopt certain regulations; requiring the Governor to provide sufficient funding
- 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;
- 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
- 26 corporate income tax for certain expenses associated with the purchase of
- 27 certain agricultural machinery under certain conditions; providing that the
- 28 subtraction may be carried over to succeeding taxable years under certain
- 29 circumstances; providing for a tax credit under the Maryland individual and
- 30 corporate income tax for certain expenses associated with certain costs
- 31 necessary to convert agricultural production to a certain nutrient management
- 32 plan under certain circumstances; placing certain restrictions, conditions, and
- 33 limits on the use of the tax credit; providing that the tax credit may be carried

1 2 3 4 5 6	over to succeeding taxable years under certain circumstances; requiring an individual or corporation to receive a certain certification from the Department of Agriculture and file proof of the certification; defining certain terms; providing for the termination of certain provisions of this Act; stating certain fundings; providing legislative intent; and generally relating to nutrient management practices.
7	BY repealing and reenacting, without amendments,
8	Article - Agriculture
9	Section 6-101(a), (d), and (e), 6-102, 6-106, 6-113, 6-201(f), 8-801, 8-805, and
10	
11 12	Annotated Code of Maryland (1985 Replacement Volume and 1997 Supplement)
12	(1963 Replacement Volume and 1997 Supplement)
13	BY adding to
14	Article - Agriculture
15	
16 17	8-803.3, 8-803.4, and 8-807 Annotated Code of Maryland
18	·
	(1) of Topiatonian visual and 1), i supplement,
	BY repealing and reenacting, with amendments,
20	
21	
22 23	· ·
23	(1983 Replacement Volume and 1997 Supplement)
24	BY adding to
25	1
26	
27 28	•
20	(1997 Replacement Volume and 1997 Supplement)
29	BY adding to
30	
31	
32	
33	•
34	(1995 Replacement Volume and 1997 Supplement)
	BY repealing and reenacting, without amendments,
36	
37	
38	Annotated Code of Maryland

Section 10-208(a) Annotated Code of Maryland

33

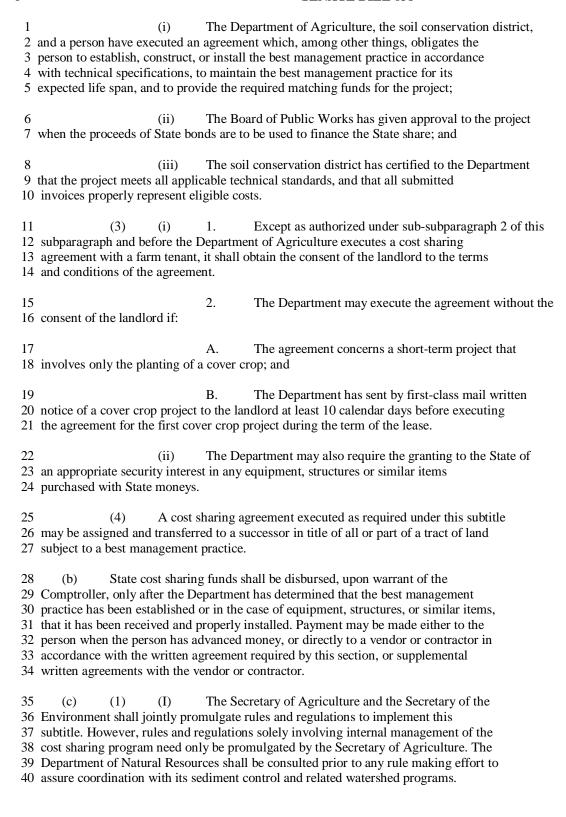
(2)

Unground hay; or

1 2	(1997 Replacement Volume) (As enacted by Chapter 485 of the Acts of the General Assembly of 1997)						
3 4 5 6 7	BY repealing and reenacting, without amendments, Article - Tax - General Section 10-308(a) Annotated Code of Maryland (1997 Replacement Volume)						
8 9 10 11 12 13	BY adding to Article - Tax - General Section 10-208(m) Annotated Code of Maryland (1997 Replacement Volume) (As enacted by Chapter 485 of the Acts of the General Assembly of 1997)						
14 15 16 17 18	BY adding to Article - Tax - General Section 10-704.9 Annotated Code of Maryland (1997 Replacement Volume)						
19 20 21 22 23	Section 10-308(b) Annotated Code of Maryland						
24 25	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:						
26	Article - Agriculture						
27	6-101.						
28	(a) In this subtitle the following words have the meanings indicated.						
29 30	(d) "Commercial feed" means a material which is distributed for use as feed or for mixing in feed for any animal, other than man, except:						
31 32	(1) Unmixed and unprocessed whole seeds or meal made directly from the entire seeds;						

- 1 (3) Whole or ground straw, stover, silage, cobs, and hulls not mixed with 2 any other material.
- 3 (e) "Contract feed" means a commercial feed which is formulated according to 4 an agreement between a distributor and a contract feeder.
- 5 6-102.
- The State Chemist shall administer the provisions of this subtitle subject to the supervision of the Secretary.
- 8 6-106.
- 9 (a) The Secretary shall sample, inspect, test and make analyses of commercial
- 10 feed distributed in the State at any time and place and to the extent the Secretary
- 11 considers necessary to ensure compliance with this subtitle.
- 12 (b) The Secretary shall adopt the methods of sampling and analysis from
- 13 sources, such as the journal of the Association of Official Analytical Chemists, or
- 14 methods that insure representative sampling and accurate examination.
- 15 (c) In determining for administrative purposes whether a commercial feed is
- 16 deficient in any component, the Secretary shall be guided solely by the official sample
- 17 obtained and analyzed as provided by this section.
- 18 (d) When inspection and analysis of an official sample indicates a commercial
- 19 feed is adulterated or misbranded, the Secretary shall forward the results of the
- 20 analysis to the person who registers the product and the person from whom the
- 21 sample is taken. The Secretary shall furnish the distributor with a portion of the
- 22 sample concerned within 30 days if he requests it.
- 23 (e) The Secretary may enter on any public or private premises, including any
- 24 transportation vehicle, during regular business hours to obtain access to commercial
- 25 feeds or to records relating to their distribution.
- 26 6-107.1.
- 27 (A) (1) THE SECRETARY SHALL ADOPT REGULATIONS THAT ESTABLISH A
- 28 STATE COST SHARE PROGRAM TO OFFSET THE CAPITAL COSTS OF MODIFYING FEED
- 29 MILLS TO USE PHYTASE, OTHER ENZYMES, OR FEED ADDITIVES.
- 30 (2) STATE COST SHARING FOR A PROJECT UNDER THIS SECTION MAY BE
- 31 MADE AVAILABLE FOR UP TO 50% OF ELIGIBLE COSTS.
- 32 (B) THE SECRETARY SHALL ADOPT REGULATIONS THAT ESTABLISH
- 33 APPROPRIATE LABELING AND DISTRIBUTION REQUIREMENTS FOR CONTRACT FEED.
- 34 6-113.
- 35 (a) The Secretary may issue and enforce a written stop-sale order to the
- 36 owner, custodian, or distributor of any commercial feed that the Secretary finds is in

- 1 violation of any provision of this subtitle or regulation under this subtitle, or has been
- 2 found by federal or State authorities to cause unreasonable adverse effects to
- 3 humans, animals, or the environment.
- 4 (b) The order prohibits sale or distribution of the commercial feed until the
- 5 Secretary has evidence that the feed is in compliance with the law and until the
- 6 Secretary provides a written release from the stop-sale order.
- 7 (c) The Secretary may file a petition for condemnation in the circuit court of
- 8 the county in which the commercial feed is located. If the court finds the commercial
- 9 feed to be in violation of the provisions of this subtitle and orders the condemnation,
- 10 the commercial feed shall be disposed of in any manner consistent with the quality of
- 11 the commercial feed and the laws of the State. The court may not dispose of the
- 12 commercial feed without first giving the claimant an opportunity to apply to the court
- 13 for release of it or for permission to process or relabel the commercial feed so that it
- 14 complies with the provisions of this subtitle.
- 15 6-201.
- 16 (f) "Commercial fertilizer" means any substance containing a recognized plant
- 17 nutrient used for its plant nutrient content and designed for use or claimed to have
- 18 value in promoting plant growth, except unmanipulated animal and vegetable
- 19 manure, marl, lime, wood ashes, and gypsum.
- 20 8-405.
- 21 (A) THE GENERAL ASSEMBLY FINDS THAT, FROM FISCAL YEAR 1991 THROUGH
- 22 FISCAL YEAR 1998, INADEQUATE RESOURCES HAVE BEEN PROVIDED FOR THE SOIL
- 23 CONSERVATION DISTRICTS TO EMPLOY ADEQUATE FIELD PERSONNEL TO ASSIST
- 24 FARMERS IN THE PREPARATION OF SOIL CONSERVATION AND WATER QUALITY
- 25 PLANS.
- 26 (B) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PROVIDE SUFFICIENT
- 27 TECHNICAL ASSISTANCE AND RESOURCES THROUGH THE SOIL CONSERVATION
- 28 DISTRICTS TO ASSIST FARMERS IN PURSUIT OF SOIL CONSERVATION AND WATER
- 29 QUALITY PLANS AND OTHER ACTIVITIES AUTHORIZED UNDER THIS TITLE.
- 30 (C) FOR FISCAL YEAR 2000 AND EACH FISCAL YEAR THEREAFTER, THE
- 31 GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN AMOUNT SUFFICIENT
- 32 TO EMPLOY NOT LESS THAN 110 FIELD PERSONNEL IN THE SOIL CONSERVATION
- 33 DISTRICTS UNDER THIS TITLE.
- 34 8-704.
- 35 (a) State cost sharing in any project may be made available for up to 87
- 36 |n\$ percent of eligible costs, not to exceed a dollar amount of up to \$50,000 as
- 37 determined by a regulation adopted jointly by the Secretary of Agriculture and the
- 38 Secretary of the Environment.
- 39 (2) State cost sharing funds may be made available for any project if:



- 7 **SENATE BILL 658** 1 (II)THE SECRETARY OF AGRICULTURE, IN CONSULTATION WITH 2 THE SECRETARY OF THE ENVIRONMENT, SHALL ADOPT REGULATIONS AUTHORIZING 3 THE DISBURSEMENT OF STATE COST SHARING FUNDS FOR THE CONSTRUCTION OF 4 POULTRY MANURE STORAGE FACILITIES ON FARMS WHICH DO NOT HAVE A 5 COMMERCIAL POULTRY OPERATION OR A COMMERCIAL EGG LAYING OPERATION. 6 All rules and regulations promulgated under this section shall be 7 approved by the Board of Public Works prior to the use of the proceeds of State bonds 8 in the cost sharing program. The Department of Agriculture and the Department of the (3) 10 Environment may enter into agreements with appropriate federal and local 11 governmental entities to assist in administering this subtitle. 12 8-704.1. 13 (A) IN THIS SECTION, "SERVICE" MEANS POULTRY LITTER MATCHING 14 SERVICE. 15 (B) THE DEPARTMENT SHALL CREATE A POULTRY LITTER MATCHING 16 SERVICE. THE PURPOSE OF THE SERVICE IS TO DEVELOP TRANSFER PROGRAMS 17 (C) 18 AND MARKETING TECHNIQUES TO PROMOTE AND FACILITATE THE TRANSFER OF 19 POULTRY LITTER. 20 THE SERVICE IS TO BE IMPLEMENTED IN CONJUNCTION WITH THE 21 POULTRY LITTER TRANSPORTATION PILOT PROJECT SET FORTH IN § 8-704.2 OF THIS 22 TITLE. 23 (E) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL 24 SUFFICIENT FUNDS TO CARRY OUT THIS SECTION. 25 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland 26 read as follows:
- **Article Agriculture** 27
- 28 8-704.2.
- 29 IN THIS SECTION, "PILOT PROJECT" MEANS THE POULTRY LITTER (A) 30 TRANSPORTATION PILOT PROJECT.
- IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT: 31 (B)
- 32 FOR A 3-YEAR PERIOD THE STATE SHALL FACILITATE THE PROMPT (1) 33 TRANSPORTATION OF POULTRY LITTER FROM FARMS IN AREAS OF THE STATE THAT
- 34 EXPERIENCE PHOSPHOROUS OVERENRICHMENT;

33

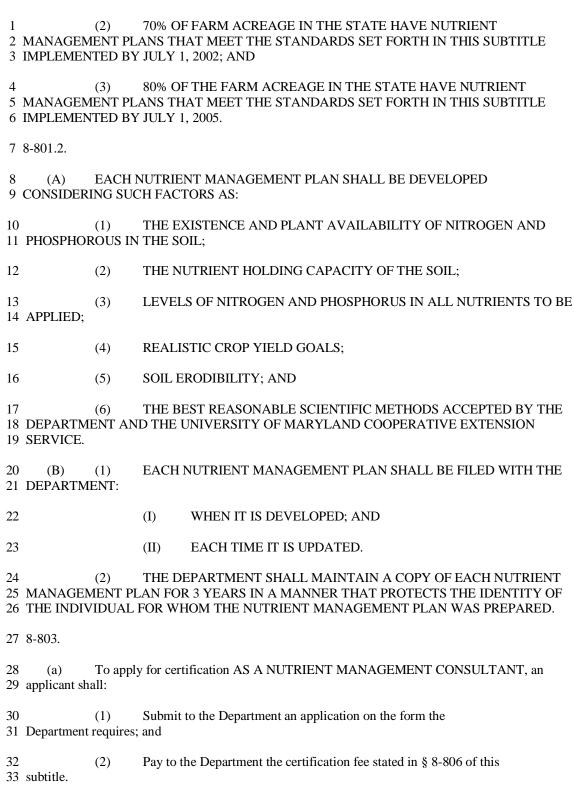
(1)

35 IMPLEMENTED BY JULY 1, 2000;

**SENATE BILL 658** 1 (2) THE PILOT PROJECT SHALL ENCOURAGE VOLUNTARY 2 PARTICIPATION TO ACHIEVE THE REMOVAL OF POULTRY LITTER PRODUCED BY 20% 3 OF THE POULTRY IN THE FOUR LOWER EASTERN SHORE COUNTIES IN MARYLAND. 4 THE PILOT PROJECT SHALL BE IMPLEMENTED IN CONJUNCTION 5 WITH THE POULTRY LITTER MATCHING SERVICE SET FORTH IN § 8-704.1 OF THIS 6 TITLE. 7 THE PURPOSE OF THE PILOT PROJECT IS TO ESTABLISH A COST SHARE (C) 8 PROGRAM TO ASSIST IN THE TRANSPORTATION OF POULTRY LITTER FROM FARMS 9 OVER A PERIOD OF 3 YEARS: 10 (1) TO BE USED IN AREAS WITH SOIL HOLDING CAPACITY FOR 11 PHOSPHOROUS; OR 12 (2)TO BE USED IN WAYS OTHER THAN LAND APPLICATION. 13 (D) THE DEPARTMENT OF AGRICULTURE SHALL ADOPT REGULATIONS 14 AUTHORIZING THE DISBURSEMENT OF COST-SHARE FUNDS FROM THIS PROGRAM. THE DEPARTMENT OF AGRICULTURE SHALL PROVIDE THE ASSISTANCE 15 (E) 16 NECESSARY TO ENSURE THAT POULTRY LITTER IS TESTED IN ACCORDANCE WITH 17 DEPARTMENTAL PROCEDURES BEFORE TRANSPORTATION OF THE LITTER OCCURS. SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland 18 19 read as follows: 20 **Article - Agriculture** 21 8-801. 22 (a) In this subtitle the following words have the meanings indicated. 23 "Certified nutrient management consultant" means an individual certified (b) 24 by the Department to prepare a nutrient management plan. "Nutrient management plan" means a plan prepared under this subtitle by 25 (c) 26 a certified nutrient management consultant to manage the amount, placement, 27 timing, and application of animal waste, commercial fertilizer, sludge, or other plant 28 nutrients to prevent pollution and to maintain productivity. 29 8-801.1. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT BASED UPON THE 30 31 AVAILABILITY OF ADEQUATE FUNDS AND TECHNOLOGICAL RESOURCES, THE 32 FOLLOWING GOALS BE ATTAINABLE:

50% OF FARM ACREAGE IN THE STATE HAVE NUTRIENT

34 MANAGEMENT PLANS THAT MEET THE STANDARDS SET FORTH IN THIS SUBTITLE



(b)	The Dep	partment shall certify any individual who:					
	(1)	Meets the requirements of this subtitle;					
(2) Meets the Department's educational requirements, INCLUDING A PROGRAM ON THE PROPER APPLICATION OF NUTRIENTS;							
	(3) Passes a Department approved examination; and						
	(4)	(i) Is employed by a person licensed under this subtitle; or					
		(ii) Holds a license as required by this subtitle.					
(c)	To apply	for a license an applicant shall:					
Department	(1) requires;	Submit to the Department an application on the form the and					
this subtitle.	(2)	Pay to the Department the applicable license fee stated in § 8-806 of					
(d) subtitle.	The Dep	The Department shall license a person who meets the requirements of this					
(e) is renewed a	A certificate or license is issued for 1 year unless the certificate or license as provided by this subtitle.						
(f) an additiona	The Department shall renew the certificate or license of any applicant for l 1-year term if the applicant:						
requires;	(1)	Submits a renewal application on the form that the Department					
subtitle;	(2)	Pays to the Department the applicable fee stated in § 8-806 of this					
	(3)	Complies with applicable continuing education requirements; and					
	(4)	Otherwise is entitled to be certified or licensed.					
8-803.1.							
OFFSET TH CERTIFIED	IE COST NUTRI	COST SHARING MAY BE MADE AVAILABLE TO FARMERS TO HELP S OF HAVING A NUTRIENT MANAGEMENT PLAN PREPARED BY A ENT MANAGEMENT CONSULTANT WHO IS NOT EMPLOYED BY THE L GOVERNMENT.					
	(c) Department this subtitle. (d) subtitle. (e) is renewed a (f) an additional requires; subtitle;  8-803.1. (A) OFFSET TECERTIFIED	(1) PROGRAM ON THE  (3) (4)  (c) To apply (1) Department requires; (2) this subtitle.  (d) The Department renewed as provide (f) The Department requires; (1) requires; (2) subtitle; (3) (4) 8-803.1.  (A) STATE OFFSET THE COST					

STATE COST SHARE FUNDS ARE TO BE MADE AVAILABLE FOR ELIGIBLE

30 (B) STATE COST SHARE FUNDS ARE TO BE MADE AV. 31 COSTS UP TO 50% PER ACRE, NOT TO EXCEED \$3 PER ACRE.

- 1 (C) THE SECRETARY OF AGRICULTURE SHALL ADOPT REGULATIONS
- 2 AUTHORIZING THE DISBURSEMENT OF STATE COST SHARING FUNDS UNDER THIS
- 3 SUBTITLE.
- 4 8-803.2.
- 5 (A) A PERSON WHO APPLIES NUTRIENTS FOR HIRE SHALL BE A CERTIFIED
- 6 NUTRIENT MANAGEMENT CONSULTANT OR WORK UNDER A NUTRIENT
- 7 MANAGEMENT CONSULTANT CERTIFIED UNDER § 8-803 OF THIS ARTICLE.
- 8 (B) A PERSON WHO APPLIES NUTRIENTS FOR HIRE WHO IS NOT A CERTIFIED
- 9 NUTRIENT MANAGEMENT CONSULTANT SHALL MAKE AVAILABLE DOCUMENTATION,
- 10 IN THE FORM OF A WORK ORDER, BILL OF LADING, OR SIMILAR DOCUMENT, TO THE
- 11 LANDOWNER OR LAND MANAGER THAT THE PERSON IS WORKING UNDER A
- 12 CERTIFIED NUTRIENT MANAGEMENT CONSULTANT.
- 13 (C) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS
- 14 SECTION.
- 15 8-803.3.
- 16 (A) THIS SECTION DOES NOT APPLY TO:
- 17 (1) A PERSON WHO APPLIES NUTRIENTS TO 10 ACRES OR LESS OF LAND
- 18 EACH YEAR; OR
- 19 (2) A PERSON WHO APPLIES NUTRIENTS FOR HIRE.
- 20 (B) A PERSON WHO ENGAGES IN THE ACTIVITY OF APPLYING NUTRIENTS TO
- 21 LAND WHICH THE PERSON OWNS OR MANAGES SHALL COMPLETE AN EDUCATIONAL
- 22 PROGRAM IN NUTRIENT APPLICATION EVERY 3 YEARS.
- 23 (C) THE SECRETARY, IN CONSULTATION WITH THE NUTRIENT MANAGEMENT
- 24 ADVISORY COMMITTEE UNDER § 8-804, SHALL CREATE OR APPROVE EDUCATIONAL
- 25 PROGRAMS UNDER THIS SECTION.
- 26 (1) THE NUTRIENT APPLICATION EDUCATIONAL PROGRAMS ARE TO BE
- 27 OFFERED AT SITES DISTRIBUTED THROUGHOUT THE STATE.
- 28 (2) THE DEPARTMENT SHALL ISSUE TO A PARTICIPANT UPON
- 29 COMPLETION OF AN EDUCATION PROGRAM UNDER THIS SECTION, A VOUCHER OF
- 30 COMPLETION.
- 31 (3) THE DEPARTMENT SHALL MAINTAIN A REGISTRY OF PERSONS WHO
- 32 HAVE RECEIVED VOUCHERS OF COMPLETION IN A NUTRIENT APPLICATION
- 33 EDUCATIONAL PROGRAM UNDER THIS SECTION.
- 34 8-803.4.
- 35 (A) THIS SECTION APPLIES TO THE APPLICATION OF COMMERCIAL
- 36 FERTILIZER, AS DEFINED IN § 6-201 OF THIS ARTICLE:

4	SENATE BILL 050
1 2	(1) THAT IS PERFORMED BY A PERSON WHO APPLIES COMMERCIAL FERTILIZER FOR HIRE; AND
3	(2) THAT IS APPLIED TO PROPERTY THAT IS:
4	(I) NOT USED FOR AGRICULTURAL PURPOSES; AND
5	(II) 1. 3 OR MORE ACRES; OR
6	2. STATE PROPERTY.
	(B) A PERSON WHO APPLIES COMMERCIAL FERTILIZER PURSUANT TO THIS SECTION SHALL COMPLETE AN EDUCATIONAL PROGRAM IN COMMERCIAL FERTILIZER APPLICATION EVERY 3 YEARS.
	(C) (1) THE SECRETARY, IN CONSULTATION WITH THE NUTRIENT MANAGEMENT ADVISORY COMMITTEE UNDER § 8-804 OF THIS SUBTITLE, SHALL CREATE OR APPROVE A COMMERCIAL FERTILIZER APPLICATION PROGRAM.
13 14	(2) THE PROGRAM IS TO BE OFFERED AT SITES THROUGHOUT THE STATE.
15 16	(3) THE DEPARTMENT SHALL ISSUE TO A PARTICIPANT UPON COMPLETION OF A PROGRAM UNDER THIS SECTION, A VOUCHER OF COMPLETION.
17 18	(4) THE DEPARTMENT SHALL MAINTAIN A REGISTRY OF PERSONS WHO HAVE RECEIVED VOUCHERS OF COMPLETION UNDER THIS SECTION.
19	8-804.
22 23	(a) The Department shall establish a Nutrient Management Advisory Committee. The Secretary shall appoint to the Committee representatives of the agricultural community, the environmental community, [industry] THE COMMERCIAL LAWN CARE, BIOSOLIDS, AND AGRICULTURAL FERTILIZER INDUSTRIES, academia, and appropriate government units.
25 26	(b) In consultation with the Nutrient Management Advisory Committee, the Department shall by regulation:
27 28	(1) Prescribe the criteria, form, and content for certified nutrient management plans applicable to licensees and certificate holders;
31	(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
33 34	(3) Adopt guidelines and requirements for licensees on record keeping and on reporting requirements to the Department on nutrient management plans.

1	3-805.						
	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.						
5	3-806.						
6 7	(a) Except for a government agency, the Department shall charge the following fees under this subtitle:						
8	(1) Certificate\$50;						
9	(2) License (individual or sole proprietorship)\$50;						
10	(3) License (corporation or partnership)						
11	(4) Renewal\$50.						
12 13	(b) The Department shall charge an applicant for the full cost of any training provided by the Department under this subtitle.						
14 15	4 (c) All moneys collected under this subtitle shall be deposited in the General 5 Fund of the State.						
16	8-807.						
19 20	ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DEPARTMENT OF  3 AGRICULTURE SHALL REPORT TO THE GOVERNOR, AND, IN ACCORDANCE WITH §  2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON THE  5 FARM ACREAGE COVERED BY NUTRIENT MANAGEMENT PLANS AND THE  6 IMPLEMENTATION AND EVALUATION OF THOSE PLANS.						
22	Article 41 - Governor - Executive and Administrative Departments						
23	18-316.						
24 25	(A) IN THIS SECTION, "ASSESSMENT TEAM" MEANS THE NUTRIENT MANAGEMENT PROGRESS ASSESSMENT TEAM.						
26	(B) THERE IS A NUTRIENT MANAGEMENT PROGRESS ASSESSMENT TEAM.						
27	(C) THE ASSESSMENT TEAM SHALL BE COMPOSED OF:						
28	(1) THE SECRETARY OF AGRICULTURE OR THE SECRETARY'S DESIGNEE;						
29 30	(2) AN AGRONOMIST FROM THE MARYLAND AGRICULTURAL EXPERIMENT STATION;						
31 32	(3) A WATER QUALITY SPECIALIST FROM THE UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE; AND						

1		(4)	ONE RI	EPRESENTATIVE FROM EACH OF THE FOLLOWING ENTITIES:
2 3	SERVICE;		(I)	UNIVERSITY OF MARYLAND COOPERATIVE EXTENSION
4			(II)	SOIL CONSERVATION DISTRICTS;
5			(III)	MARYLAND FARM BUREAU;
6			(IV)	MARYLAND STATE GRANGE;
7			(V)	MARYLAND PORK PRODUCERS ASSOCIATION;
8			(VI)	DELMARVA POULTRY INDUSTRY, INC.;
9			(VII)	DELAWARE-MARYLAND AGRIBUSINESS ASSOCIATION;
10			(VIII)	MARYLAND ASSOCIATION OF GREEN INDUSTRIES;
11 12	ENVIRONN	MENT A	(IX) SSOCIA	BIOSOLIDS COMMITTEE OF THE CHESAPEAKE WATER ΓΙΟΝ; AND
13			(X)	ASSOCIATION OF FOREST INDUSTRIES, INC.
16	MADE TOV	GENERA VARDS	AL 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.
		SESSM	ENT TEA	IENT OF AGRICULTURE SHALL PROVIDE STAFF ASSISTANCE AM. THE ASSESSMENT TEAM MAY USE THE STAFF TO ASSIST VAL REPORT.
	(F) AND THE O YEAR ON T	GENERA	L ASSE	ENT TEAM SHALL PROVIDE ANALYSIS TO THE GOVERNOR MBLY AND MAKE RECOMMENDATIONS BY JULY 1 OF EACH G:
24 25	ALTERNAT	(1) ΓIVE US		CONOMIC COSTS AND BENEFITS ASSOCIATED WITH MANURE;
26 27	MANAGEM	(2) MENT PF		EVEL OF PARTICIPATION IN A VOLUNTARY NUTRIENT 4;
28 29	THE GOAL	(3) S OF § 8		IONAL RESOURCES THAT MAY BE NEEDED TO ACCOMPLISH OF THE AGRICULTURE ARTICLE;

THE LATEST DEVELOPMENTS IN PHOSPHOROUS MITIGATION,

31 INCLUDING THE EFFECTIVENESS OF PHYTASE AND OTHER ENZYMES, GENETICALLY

32 ENGINEERED CORN, SOIL ADDITIVES, AND OTHER INNOVATIONS;

1 2	PROGRAMS	(5) S;	THE EFFECTIVENESS OF NUTRIENT APPLICATION EDUCATION
3	PILOT PRO	(6) JECT SE	THE EFFECTIVENESS OF THE POULTRY LITTER TRANSPORTATION T FORTH IN § 8-704.2 OF THE AGRICULTURE ARTICLE; AND
7	LEVELS OF	PHOSP	FOR TARGETED AREAS DETERMINED BY THE SECRETARY OF IE TEAM WILL PROVIDE AN ASSESSMENT OF THE BACKGROUND HOROUS IN THE SOIL, CURRENT LEVELS OF PHOSPHOROUS IN THE DVEMENT OF PHOSPHOROUS IN AND ON THE LAND.
9 10	SECTIO read as follo		D BE IT FURTHER ENACTED, That the Laws of Maryland
11			Article 83A - Department of Business and Economic Development
12			SUBTITLE 8. ANIMAL WASTE TECHNOLOGY FUND.
13	6-801.		
14 15	(A) INDICATE		S SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
	` /	MENT, II	AL WASTE TECHNOLOGY PROJECT" MEANS THE RESEARCH, MPLEMENTATION, OR MARKET DEVELOPMENT OF TECHNOLOGY D TO:
19		(1)	REDUCE THE AMOUNT OF NUTRIENTS IN ANIMAL WASTE;
20		(2)	ALTER THE COMPOSITION OF ANIMAL WASTE;
21		(3)	USE ANIMAL WASTE IN A PRODUCTION PROCESS; OR
			DEVELOP ALTERNATIVE WASTE MANAGEMENT STRATEGIES TRANSFER AND TRANSPORTATION OF ANIMAL WASTE TO AREAS IN CH CAN MAKE A BENEFICIAL USE OF THE MANURE.
25	(C)	"FUND'	MEANS THE ANIMAL WASTE TECHNOLOGY FUND.
26 27	\ /		RAM" MEANS THE ORGANIZATIONAL UNIT IN THE DEPARTMENT RS THE ANIMAL WASTE TECHNOLOGY FUND.
28	6-802.		
	FINANCIA	L ASSIS	RPOSE OF THE ANIMAL WASTE TECHNOLOGY FUND IS TO PROVIDE TANCE TO INDIVIDUALS AND BUSINESS ENTERPRISES THAT RCH AND DEVELOP TECHNOLOGIES THAT ARE INTENDED TO:
32		(1)	REDUCE THE AMOUNT OF NUTRIENTS IN ANIMAL WASTE;
33		(2)	ALTER THE COMPOSITION OF ANIMAL WASTE;

31

32

(D)

(1)

33 ANIMAL WASTE TECHNOLOGY PROJECTS; AND

#### SENATE BILL 658

1 USE ANIMAL WASTE IN A PRODUCTION PROCESS; AND (3) 2 DEVELOP ALTERNATIVE ANIMAL WASTE MANAGEMENT (4) 3 STRATEGIES, INCLUDING THE TRANSFER AND TRANSPORTATION OF ANIMAL WASTE 4 TO AREAS IN MARYLAND WHICH CAN MAKE A BENEFICIAL USE OF THE ANIMAL 5 WASTE. THE GOAL OF THE FUND IS TO ENCOURAGE THE DEVELOPMENT AND 6 (B) 7 IMPLEMENTATION OF ECONOMICALLY FEASIBLE TECHNOLOGIES AND PRACTICES 8 THAT HELP PROTECT THE PUBLIC HEALTH AND THE ENVIRONMENT BY REDUCING 9 THE AMOUNT OF NUTRIENTS FROM ANIMAL WASTE THAT ARE RELEASED INTO 10 STATE WATERS. 11 6-803. 12 (A) THERE IS AN ANIMAL WASTE TECHNOLOGY FUND IN THE DEPARTMENT. 13 (B) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND NOT SUBJECT 14 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE. 15 (C) THE FUND MAY CONSIST OF: MONEYS APPROPRIATED BY THE STATE; 16 (1) 17 (2) MONEYS MADE AVAILABLE THROUGH FEDERAL PROGRAMS OR 18 PRIVATE CONTRIBUTIONS; 19 INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES 20 FROM MONEYS IN THE FUND; 21 (4) REPAYMENTS OF PRINCIPAL AND INTEREST FROM LOANS MADE 22 FROM THE FUND; INCOME FROM EQUITY INVESTMENTS THAT THE DEPARTMENT 23 (5) 24 MAKES FROM THE FUND; 25 PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY (6) 26 THE DEPARTMENT OF COLLATERAL RELATED TO ANY FINANCING PROVIDED BY THE 27 DEPARTMENT UNDER THIS SUBTITLE: APPLICATION OR OTHER FEES PAID TO THE PROGRAM IN 28 29 CONNECTION WITH THE PROCESSING OF REQUESTS FOR ASSISTANCE; AND 30 (8) ANY OTHER MONEYS MADE AVAILABLE TO THE FUND.

THE PROGRAM MAY USE MONEYS IN THE FUND TO:

PROVIDE FINANCIAL ASSISTANCE TO DEFRAY THE COSTS OF

1 (2) PAY EXPENSES FOR ADMINISTRATIVE, ACTUARIAL, LEGAL, AND 2 TECHNICAL SERVICES ASSOCIATED WITH OPERATING THE FUND.									
3 6-80	3 6-804.								
4	4 FINANCIAL ASSISTANCE PROVIDED FROM THE FUND MAY BE:								
5 6 WA	(1) USED ONLY TO PAY THE COSTS OF CARRYING OUT AN ANIMAL WASTE TECHNOLOGY PROJECT; AND								
7	(2) IN THE FORM OF:								
8			(I) A GRANT;						
9			(II) A LOAN;						
10			(III) A LOAN GUARANTEE;						
11 12 GR	ANT ON	N THE SA	(IV) A LOAN THAT IS CONVERTIBLE IN WHOLE OR IN PART TO A ATISFACTION OF SPECIFIED CONDITIONS; OR						
13			(V) AN EQUITY INVESTMENT.						
14 6-8	805.								
15 16 TE	(A) CHNOLO		ELIGIBLE FOR ASSISTANCE FROM THE FUND, AN ANIMAL WASTE OJECT MUST HAVE STRONG POTENTIAL FOR:						
17		(1)	IMPROVING THE PUBLIC HEALTH;						
18		(2)	PRESERVING THE VIABILITY OF THE AGRICULTURAL INDUSTRY;						
19		(3)	IMPROVING THE ENVIRONMENT;						
20 21 ST	ATE;	(4)	HAVING A POSITIVE ECONOMIC DEVELOPMENT IMPACT IN THE						
22		(5)	FACILITATING THE INVOLVEMENT OF PRIVATE ENTERPRISE; AND						
23 24 PR	OGRAM	(6) I.	LEADING TO A COST-EFFECTIVE ANIMAL WASTE MANAGEMENT						
27 PR	EFEREN	OF MONICE TO	AMOUNT OF FINANCIAL ASSISTANCE REQUESTED EXCEEDS THE IEYS AVAILABLE IN THE FUND, THE PROGRAM SHALL GIVE THE ANIMAL WASTE TECHNOLOGY PROJECTS THAT DEMONSTRATE OTENTIAL FOR:						
29		(1)	IMPROVING THE PUBLIC HEALTH;						
30		(2)	PRESERVING THE VIABILITY OF THE AGRICULTURAL INDUSTRY;						

1		(3)	IMPRO	VING THE ENVIRO	NMENT;		
2 3	STATE;	(4)	HAVIN	G A POSITIVE ECC	NOMIC DEVE	LOPMENT IMPA	ACT IN THE
4		(5)	FACILI	TATING THE INVO	LVEMENT OF	PRIVATE ENTE	RPRISE; AND
5 6	PROGRAM.	(6)	LEADI	NG TO A COST-EFF	ECTIVE ANIM	IAL WASTE MAI	NAGEMENT
7	6-806.						
8 9				MPOSE TERMS AN ROM THE FUND.	D CONDITION	IS ON FINANCIA	L
10	6-807.						
11 12	(A) COMPTRO			EASURER SHALL COUNT FOR THE		ND AND THE ST	`ATE
13 14	(B) FUND.	ANY IN	IVESTM	ENT EARNINGS O	F THE FUND S	HALL BE PAID I	NTO THE
15 16	SECTION read as follo		D BE IT	FURTHER ENACT	ED, That the La	ws of Maryland	
17				Article - T	ax - General		
18	10-208.						
	amounts und	der this se	ection are	modification under § subtracted from the and adjusted gross in	federal adjusted		
24 25 26	TENANT O PREPARED ACCORDA	N FARM BY AN NCE WI	PMENT" ILAND I INDIVII TH TITL	S SUBSECTION, "PO MEANS EQUIPME N ACCORDANCE ' DUAL LICENSED E JE 8, SUBTITLE 8 O JIPMENT IS USED:	NT THAT IS U WITH A NUTR Y THE SECRE F THE AGRICU	SED BY A FARM IENT MANAGEN TARY OF AGRIC	I OWNER OR MENT PLAN CULTURE IN
		PRODUC	(I) CTION V	TO SPREAD POUL VITH A CAPABILIT			
31			(II)	TO APPLY SOLID	OR LIQUID LI	VESTOCK WAS	ГЕ.
	<b>INCLUDES</b>		F THE E	IBTRACTION UND XPENSE THAT A T EADING EQUIPME	AXPAYER IN	CURS TO BUY PO	

(I) PURCHASED THE SPREADING EQUIPMENT AFTER DECEMBER 1 2 31, 1997; AND (II)OWNS THE SPREADING EQUIPMENT FOR AT LEAST 3 YEARS 4 AFTER THE TAXABLE YEAR IN WHICH THE SUBTRACTION IS MADE. THE SUBTRACTION ALLOWED UNDER PARAGRAPH (2) OF THIS 6 SUBSECTION MAY BE CARRIED OVER TO SUCCEEDING TAXABLE YEARS, NOT TO 7 EXCEED 5 YEARS, UNTIL THE FULL AMOUNT OF THE SUBTRACTION IS USED. 8 10-308. 9 In addition to the modification under § 10-307 of this subtitle, the 10 amounts under this section are subtracted from the federal taxable income of a 11 corporation to determine Maryland modified income. 12 (b) The subtraction under subsection (a) of this section includes the amounts 13 allowed to be subtracted for an individual under: 14 (1) § 10-208(d) of this title (conservation tillage equipment expenses); 15 § 10-208(i) of this title (reforestation or timber stand expenses); (2) 16 [and] 17 § 10-208(k) of this title (wage expenses for targeted jobs); AND (3) 18 (4) § 10-208(M) OF THIS TITLE (POULTRY OR LIVESTOCK MANURE 19 SPREADING EQUIPMENT). SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland 20 21 read as follows: 22 Article - Tax - General 23 10-704.9. 24 (A) SUBJECT TO THE PROVISIONS OF THIS SECTION, AN INDIVIDUAL OR A 25 CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A 26 TAXABLE YEAR IN THE AMOUNT EQUAL TO 50% OF THE CERTIFIED ADDITIONAL 27 COMMERCIAL FERTILIZER COSTS NECESSARY TO CONVERT AGRICULTURAL 28 PRODUCTION TO A NUTRIENT MANAGEMENT PLAN UNDER TITLE 8, SUBTITLE 8 OF 29 THE AGRICULTURE ARTICLE. THE CREDIT ALLOWED UNDER THIS SECTION MAY ONLY BE 30 31 CLAIMED BY AN INDIVIDUAL OR A CORPORATION FOR UP TO 3 CONSECUTIVE 32 TAXABLE YEARS. 33 THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED 34 \$4,500 IN ANY TAXABLE YEAR.

- **SENATE BILL 658** 1 (3)IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY (I)2 TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE INDIVIDUAL 3 OR CORPORATION FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR CORPORATION 4 MAY APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE 5 EARLIER OF: 1. 6 THE FULL AMOUNT OF THE EXCESS IS USED; OR 2. THE EXPIRATION OF THE 5TH SUCCEEDING TAXABLE 7 8 YEAR. 9 ANY EXCESS CREDIT CARRIED FORWARD UNDER THIS (II)10 PARAGRAPH DOES NOT APPLY TO THE CREDIT LIMIT SPECIFIED IN PARAGRAPH (2) OF 11 THIS SUBSECTION. 12 THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT BE EARNED FOR 13 ANY CREDIT YEAR BEGINNING ON OR AFTER JANUARY 1, 2006. 14 TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, AN INDIVIDUAL (D) (1) 15 OR A CORPORATION MUST RECEIVE A STATEMENT FROM THE DEPARTMENT OF 16 AGRICULTURE CERTIFYING: 17 (I) THAT THE INDIVIDUAL OR CORPORATION HAS SUBMITTED A 18 NUTRIENT MANAGEMENT PLAN TO THE DEPARTMENT IN ACCORDANCE WITH TITLE 19 8, SUBTITLE 8 OF THE AGRICULTURE ARTICLE: THAT THE ADDITIONAL COMMERCIAL FERTILIZER COSTS ARE 21 NECESSARY TO CONVERT AGRICULTURAL PRODUCTION TO COMPLY WITH A 22 NUTRIENT MANAGEMENT PLAN UNDER TITLE 8, SUBTITLE 8 OF THE AGRICULTURE 23 ARTICLE; AND 24 (III)THE AMOUNT OF THE CREDIT THAT THE INDIVIDUAL OR 25 CORPORATION IS ELIGIBLE TO TAKE FOR THE TAXABLE YEAR. AN INDIVIDUAL OR A CORPORATION MUST FILE PROOF OF 26 27 CERTIFICATION BY THE DEPARTMENT OF AGRICULTURE IN A MANNER PRESCRIBED 28 BY THE COMPTROLLER. 29 SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE STATE (E) 30 DEPARTMENT OF AGRICULTURE SHALL ADOPT REGULATIONS NECESSARY TO CARRY 31 OUT THE PROVISIONS OF THIS SECTION.
- 32 SECTION 7. AND BE IT FURTHER ENACTED, That for Fiscal Year 2000 the
- 33 Governor shall include in the annual budget bill an amount of not less than \$350,000
- 34 for the cost share program under § 6-107.1 of the Agriculture Article; for Fiscal Year
- 35 2000 and each fiscal year thereafter, the Governor shall include in the annual budget
- 36 bill an amount not less than \$620,000 for the employment of contractual nutrient
- 37 management planners through the University of Maryland Cooperative Extension
- 38 Service; for Fiscal Year 2000, the Governor shall include in the annual budget bill an

- 1 amount of not less than \$1,000,000 for the State cost sharing program under §
- 2 8-803.1 as enacted by Section 3 of this Act.
- 3 SECTION 8. AND BE IT FURTHER ENACTED, That, for each of Fiscal Years
- 4 2000 and 2001, the Governor shall include in the annual budget bill an amount of not
- 5 less than \$1,500,000 for the Pilot Project under Section 2 of this Act; that Section 2 of
- 6 this Act shall remain effective for a period of 3 years and, at the end of June 30, 2001,
- 7 with no further action required by the General Assembly, Section 2 of this Act shall be
- 8 abrogated and of no further force and effect. Any money remaining in the Poultry
- 9 Litter Transportation Pilot Project or due to the Poultry Litter Transportation Pilot
- 10 Project after June 30, 2001 shall be paid to the General Fund.
- 11 SECTION 9. AND BE IT FURTHER ENACTED, That for each of Fiscal Years
- 12 2000 and 2001, the Governor shall include in the annual budget bill an amount not
- 13 less than \$1,000,000 for the purposes of implementing Section 4 of this Act; and that
- 14 Section 4 of this Act shall remain effective for a period of 3 years and, at the end of
- 15 June 30, 2001, with no further action required by the General Assembly, Section 4 of
- 16 this Act shall be abrogated and of no further force and effect. Any money remaining in
- 17 the Animal Waste Technology Fund on June 30, 2001 or due to the Animal Waste
- 18 Technology Fund after June 30, 2001 shall be paid into the General Fund.
- 19 SECTION 10. AND BE IT FURTHER ENACTED, That Section 5 of this Act
- 20 shall be applicable to all taxable years beginning after December 31, 1997.
- 21 SECTION 11. AND BE IT FURTHER ENACTED, That Section 6 of this Act
- 22 shall be applicable to all taxable years beginning after December 31, 1998.
- 23 SECTION 12. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 24 July 1, 1998.