

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 891 (Delegate Pitkin. *et al.*)

Environmental Matters

Fertilizers - Recycled Hazardous Material

This bill prohibits the distribution of commercial fertilizers in the State that consist, wholly or partly, of material reprocessed or recycled from a hazardous material, a controlled hazardous substance, or a hazardous or toxic chemical unless: (1) the reprocessed or recycled hazardous constituent is allowed for sale in the State; and (2) the commercial fertilizer is labeled as to the content of the reprocessed or hazardous constituent; the potential risks associated with exposure of humans, animals, or plants to the constituent and its hazardous precursor; and contraindications to use the use of the constituent. Before the Maryland Department of Agriculture (MDA) may allow a reprocessed or recycled hazardous constituent for sale in a commercial fertilizer in the State, MDA is required to review the constituent, in consultation with the Maryland Department of the Environment (MDE), the Department of Natural Resources, and other interested units and persons to determine that the constituent: (1) is safe for its intended use in specific amounts as applied; and (2) does not pose a risk to the health or safety of humans, domestic and wild animals, plants, and aquatic resources.

The proceedings for determining that a reprocessed or recycled hazardous constituent may be allowed for sale in the State shall include notice and a public hearing. All commercial fertilizers are required to be conspicuously labeled as stated above. The purchaser of a commercial fertilizer is to be provided the material safety data sheet for the constituent at the time of sale.

Fiscal Summary

State Effect: Potential expenditure increase of \$161,600 in FY 1999, which reflects one-time start-up costs. Future year increases reflect annualization and inflation. Potential indeterminate decrease in special fund revenue.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	(--)	(--)	(--)	(--)	(--)

GF Expenditures	\$161,600	\$181,300	\$187,800	\$194,500	\$201,500
Net Effect	\$161,600	\$181,300	\$187,800	\$194,500	\$201,500

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Minimal impact on local governments.

Small Business Effect: Minimal.

Fiscal Analysis

State Effect: MDA advises that there are approximately 3,100 materials that could potentially have to be reviewed before a commercial fertilizer containing one or more of them would be allowed to be distributed in the State. As a result, MDA estimates that general fund expenditures could increase by an estimated \$114,008 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of two Chemists to conduct laboratory analyses of samples of fertilizer products, one Environmental Specialist to review the stated constituents of each fertilizer product, and one Office Secretary to handle paperwork related to performing the tasks required by the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

MDE estimates that general fund expenditures could increase by an estimated \$47,576 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of hiring one Toxicologist to perform tests to determine the environmental and health risks associated with the fertilizer or fertilizer constituents. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year expenditures reflect (1) full salary with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

MDA and MDE could realize an indeterminate increase in expenditures as a result of the notice and public hearing provision of the bill. Any increase cannot be reliably estimated at this time. However, the Department of Legislative Services (DLS) advises that administrative activities associated with notification and public hearings could likely be handled with the existing resources of MDA and MDE.

MDA special fund revenues could decrease if persons that are required to register fertilizers for sale in the State decide not to register fertilizers due the review process required by the bill. However, any revenue loss cannot be reliably estimated at this time because it is not known with any certainty the extent to which this could happen.

The Department of Natural Resources advises that the requirements of the bill could be handled with existing agency resources.

Information Source(s): Maryland Department of Agriculture, Maryland Department of the Environment, Department of Natural Resources, Department of Legislative Services

Fiscal Note History: First Reader - March 16, 1998

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