

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 952 (Delegate Stull. *et al.*)

Appropriations

University System of Maryland - Soil Testing - Fees and Procedures

This bill requires a soil testing laboratory in the University System of Maryland (USM) to establish procedures and requirements for the submission of agricultural field soil samples for testing and to make them available to the agricultural community. A USM soil testing laboratory may not charge a fee for testing an agricultural field soil sample submitted by a resident of the State in accordance with those procedures and requirements. A USM soil testing laboratory must report the test results of an agricultural field soil sample to the person submitting the sample within 60 days of receipt of the sample.

Fiscal Summary

State Effect: Special fund revenue decrease of \$177,000 in FY 2001 due to the bill's prohibition on charging a fee for agricultural soil sample tests. Future year estimates reflect an increase in the number of samples anticipated under current law. Minimal increase in expenditures to the extent that additional soil samples are submitted as a result of the bill.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenues	(\$177,000)	(\$221,200)	(\$276,600)	(\$276,600)	(\$276,600)
SF Expenditures	-	-	-	-	-
Net Effect	(\$177,000)	(\$221,200)	(\$276,600)	(\$276,600)	(\$276,000)

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

Local Effect: None.

Small Business Effect: Minimal. Most agricultural operations are small businesses. Currently, USM assesses a fee of \$6 per soil sample for testing. Under this bill, farmers could submit agricultural field soil samples for testing free of charge.

Analysis

Current Law: USM is not currently required to provide soil testing to farmers for free.

Background: Before 1988, USM provided soil testing to farmers free of charge. From 1982 through 1986, USM charged a fee of \$4 per soil sample. From 1987 through 1991, USM charged a fee of \$5 per soil sample. The current fee is \$6 per sample. Soil tests are conducted to test for nutrient content. As nutrient management plans are developed and implemented pursuant to the Water Quality Improvement Act (WQIA) of 1998, the need to test soils is anticipated to increase significantly.

State Revenues: In 1999, USM tested approximately 23,600 agricultural soil samples at a fee of \$6 each. Although the actual number of soil samples that will be submitted is unknown, for purposes of this estimate it is assumed that the number of agricultural field soil samples submitted to USM for testing will increase by 25% annually through fiscal 2003. This reflects the staggered deadlines under the WQIA to develop and implement nutrient management plans. Under this bill, USM would no longer be able to assess a testing fee. Assuming that approximately 29,500 samples are submitted in fiscal 2001, revenues are expected to decrease by an estimated \$177,000 in fiscal 2001 (29,500 x \$6). Future year estimates reflect a 25% increase in the number of samples submitted through fiscal 2003. In fiscal 2004 and 2005, the estimates assume that the number of samples submitted will remain at the estimated fiscal 2003 level.

State Expenditures: Because many agricultural operations, pursuant to the WQIA, will be required to test soils regardless of any fee charged, this bill is not anticipated to result in a significant increase in the number of soil samples submitted. USM advises that although the fee charged for each sample is \$6, the average cost to test each sample is approximately \$20. To the extent that any agricultural operations not required to develop nutrient management plans choose to submit additional soil samples as a result of this bill, costs would increase accordingly. Legislative Services advises, however, that any such increase is not anticipated to be significant. It is assumed that USM could handle the bill's reporting requirements with existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: SB 416 (Senator Stolfus) - Economic and Environmental Affairs.

Information Source(s): University System of Maryland, Maryland Department of Agriculture, Department of Legislative Services

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drg/jr

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