

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 293 (Delegate Morhaim. *et al.*)

Environmental Matters

Agriculture - Interim Protection Act

This bill prohibits a person from expanding swine production over 250 swine or from conducting new swine production before October 1, 2005. The moratorium does not apply to dairy production. The Secretary of Agriculture may impose a civil fine of not more than \$100 per unit of two swine in violation of the prohibition.

The bill also requires the Maryland Department of Agriculture (MDA) to study the impact of intensive animal production systems and contract farming relationships on the State's farmers and rural economy. The Maryland Department of the Environment (MDE) must study the environmental effects of intensive animal production systems, particularly the effects on the State's water quality. The Department of Health and Mental Hygiene (DHMH) must study the impact of intensive animal production systems on human health and food safety, particularly the effects of the use of antibiotics and heavy metals in animal feed. By October 1, 2002, MDA, MDE, and DHMH each must submit a report of their findings to the Governor and the General Assembly. The bill also establishes a 17-member Citizens Advisory Committee on Intensive Animal Production and requires the committee to oversee the conduct, completion, and distribution of the reports.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$187,500 in FY 2001 and \$62,500 in FY 2002 for contractual services to perform the study required of DHMH. MDA and MDE could meet the bill's requirements with existing budgeted resources. The civil fine provision of the bill is not anticipated to significantly affect State finances or operations.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: There is no prohibition relating to expanded or new swine production in the State. Swine production facilities are regulated under the Water Quality Improvement Act (WQIA) of 1998 (Chapters 324 and 325 of 1998). Operations with 2,500 hogs or more must also obtain a permit from MDE under the federal National Pollutant Discharge Elimination System (NPDES).

Background: In the last few years, some states such as North Carolina, Georgia, Kentucky, and Oklahoma have taken actions to prevent expanded swine production, at least temporarily, due to concerns relating to water pollution and odor nuisances. The WQIA provided for a variety of measures to manage nutrients from agricultural operations in the State. Large hog farms, among other agricultural operations, will face tougher federal regulations relating to nutrient management after 2001.

Small Business Effect: According to MDA, there are 495 existing swine production farms in Maryland. Persons planning on expanding swine production over 250 swine or establishing new swine production in the State before October 1, 2005, would be prohibited from doing so and would be subject to a civil penalty not exceeding \$100 per unit of two swine for violations of the prohibition. Because the number of farms that are planning on expanding swine production over the bill's limit and the number of entities planning to establish new swine production is unknown, a reliable estimate of the prohibition's impact cannot be made at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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