

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 158 (Chairman, Environmental Matters Committee)
(Departmental - Agriculture)

Environmental Matters

Maryland Commercial Feed Law - Fees

This departmental bill increases the annual registration fee for commercial feed products from \$40 to \$50.

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Special fund revenue increase of \$110,000 annually beginning in FY 2001 due to the increase in annual registration fees.

Local Effect: None.

Small Business Effect: The Maryland Department of Agriculture (MDA) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Distributors of commercial feed products are required to register each brand name or product name of commercial feed before distributing it in the State. The annual registration fee is \$40. Providing that the product label has not been altered or changed, a distributor may not be required to register any brand of commercial feed that has been registered by another person. Customer-formula feeds and contract feeds are exempt from registration if the registration fee on the commercial feeds that they contain has been paid.

Registrations expire April 30 each year.

Background: MDA advises that there are about 11,000 livestock feed and pet food products registered each year. Over 91% of the companies producing these products are located in other states. Chapter 31 of 1992 increased the registration fee for commercial feed products from \$35 per product to \$40 per product. The current fee generates approximately \$440,000 in special fund revenue annually. According to MDA, additional revenues are needed to: (1) cover increased operating costs of conducting regular program activities; (2) expand the field inspection and laboratory testing of animal feeds and pet foods; and (3) analyze for additional components and contaminants in livestock feeds and pet foods to ensure that products conform to label claims.

State Fiscal Effect: MDA advises that there are about 11,000 livestock feed and pet food products registered each year. The current registration fee for commercial feed products of \$40 per product generates approximately \$440,000 in revenue annually. By increasing the annual registration fee by \$10, special fund revenue will increase by an estimated \$110,000 annually beginning in fiscal 2001 assuming a constant number of products.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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cm/jr

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