

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 420 (Chairman, Environmental Matters Committee)
 (By Request – Departmental –Agriculture)

Environmental Matters Education, Health, and Environmental Affairs

Pesticide Registration - Fees and Retention of Unexpended Funds

This departmental bill increases the annual registration fee, from \$60 to \$100, for each pesticide product distributed in Maryland; increases the terminal registration fee, from \$60 to \$100, for each discontinued pesticide product; and reduces, from \$100,000 to \$75,000, the maximum amount of unexpended funds from pesticide registration fee revenues that may carry over at the end of a fiscal year without reverting to the general fund.

Fiscal Summary

State Effect: Special fund revenues could increase by \$400,000 annually as a result of the fee increases. The bill does not require any additional expenditures.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000

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

Local Effect: The bill would not affect local government operations or finances.

Small Business Effect: The Maryland Department of Agriculture (MDA) has determined that this bill will have minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: A distributor must register with the Secretary of Agriculture each brand or product name of a pesticide before distributing it in the State. The registration for each pesticide expires December 31 each year. The annual registration fee is \$60. Unless the Secretary determines otherwise, each applicant also must pay an annual terminal registration fee of \$60 for each discontinued pesticide for two years. The registration fee and all late fees must be placed in a special fund to be used only to defray partially the cost of administering the Maryland Pesticide Registration and Labeling Law. Any unexpended funds up to a maximum of \$100,000 may not revert to the general funds of the State at the end of the fiscal year.

Background: The annual registration fee and the terminal registration fee were increased from \$35 per product to \$60 per product in 1992. Fee revenue is paid into the Office of the State Chemist and used for testing and examining products in order to enforce Maryland laws governing quality, content, and labeling. MDA advises that this bill is necessary in order to offset increased costs associated with the regulatory program, enhance testing capabilities, increase the number of products analyzed and the number of analyses performed, upgrade and replace aging laboratory equipment, and conduct special projects such as unwanted pesticide disposal and pesticide usage surveys.

MDA advises that Maryland's registration fee is currently one of the lowest in the U.S. Further, MDA advises that this proposal would put Maryland's fee at the national median, but still less than the national average of about \$130 per product.

State Revenues: Special fund revenues could increase by an estimated \$400,000 annually as a result of the increase in the registration fees from \$60 to \$100. According to MDA, approximately 10,000 pesticide products are registered each year.

General funds would not be affected by the bill's provision that reduces the maximum carryover of funds. In recent years, the unexpended funds from pesticide registration fee revenues have been less than \$75,000 per year.

State Expenditures: Although the bill does not require any additional expenditures, MDA advises that it will use the additional fee revenue to cover increased costs for salaries and benefits of inspectors and chemists assigned to the pesticide regulatory program; to expand the field inspection and laboratory testing of pesticide products to ensure that products conform to label claims; to purchase replacement or additional equipment to upgrade the capabilities of the laboratory; and to ensure that it is a state-of-the-science laboratory. MDA advises that existing staff will perform the additional inspections and testing.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 14, 2003
mld/jr Revised - House Third Reader - March 20, 2003
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