

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

House Bill 621

(Delegate Lafferty, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Registration of Pesticides - Fee Increase - Disposition of Fees

This bill increases the annual registration fee for pesticides and the terminal registration fee for discontinued pesticides from \$100 to \$110. At least \$10 of each annual registration fee and each terminal registration fee (which are directed to the State Chemist Fund under current law) must be used only for the activities of the Maryland Department of Agriculture (MDA) relating to the collection, analysis, and reporting of data on pesticide use in the State. Money expended from the State Chemist Fund for those activities is supplemental to and not intended to take the place of funding that otherwise would be appropriated for such activities.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: Special fund revenues and expenditures increase by approximately \$130,000 annually, due to additional fee collections and corresponding spending.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
SF Revenue	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
SF Expenditure	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Each brand or product name of a pesticide must be registered with MDA before being distributed in the State. The annual registration fee is \$100. Unless the Secretary of Agriculture determines otherwise, a terminal registration fee of \$100 must also be paid each year for two years for a discontinued pesticide. The fees are directed to the State Chemist Fund, which may be used only to defray partially the costs of inspection, sampling, analysis, and other expenses necessary for administering State law governing pesticide registration and labeling, commercial feed, commercial fertilizer, and the sale of agricultural liming materials and gypsum.

Background: The bill implements a recommendation in the January 2014 Interim Report of the Pesticide Information and Reporting Workgroup. The workgroup was established under Chapters 523 and 524 of 2013 to address various issues relating to data on pesticide use. The workgroup met from July 2013 through December 2013 and received testimony from public health experts; environmental scientists; federal agencies; and representatives for retail merchants, the farming community, and the public. In its report, the workgroup recommends that MDA contract with the U.S. Department of Agriculture's National Agricultural Statistics Service, as it has in the past, to undertake a redeveloped statewide survey relating to pesticide use for the years 2014 and 2015. The report also recommends that an increase in the product registration fee of \$10 be sought during the 2014 legislative session, with the additional funds used exclusively to fund surveys and data collection pursuant to the workgroup.

State Fiscal Effect: Special fund revenues and expenditures increase by approximately \$130,000 annually, reflecting additional fee revenues and the spending of the additional revenues on activities relating to the collection, analysis, and reporting of data on pesticide use in the State. This estimate is based on recent numbers of pesticide products registered each year (fiscal 2010 – 13,531; fiscal 2011 – 13,200; fiscal 2012 – 13,052; fiscal 2013 – 12,771) and the \$10 fee increase. The actual increase in fee revenues and associated expenditures may vary minimally depending on the actual number of pesticide products registered each year.

Additional Information

Prior Introductions: None.

Cross File: SB 700 (Senator Manno) - Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - February 10, 2014
ncs/lgc

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