

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 112

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Agriculture)

Education, Health, and Environmental Affairs

Environment and Transportation

Pest Control Compact - Repeal

This departmental bill repeals provisions establishing and governing a pest control compact among states.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None. The bill does not directly affect State finances because the pest control compact no longer exists in practice.

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). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law/Background: MDA indicates that the Interstate Pest Control Compact (IPCC) was formed in 1968 to remedy funding restraints and address realities of plant pest infestations or outbreaks. It allowed individual states to contribute to plant pest control, suppression, or eradication beyond their state boundaries toward the end of cooperation and to prevent or lessen infestation in their own state. Contributions were made to an insurance fund established under the compact, which consisted of initial buy-in contributions from states and interest income.

According to MDA, in 2012 the Internal Revenue Service reclassified IPCC from a public charity to a private foundation, which had significant tax implications for IPCC and the insurance fund. In September 2012, the governing board of IPCC voted to dissolve the compact and transfer the balance of the insurance fund to the National Association of State Departments of Agriculture's Research Foundation. Maryland had not contributed or accepted money under the compact in many years. IPCC ended operations in February 2013.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture; Interstate Pest Control Compact, 2012 Annual Report; Department of Legislative Services

Fiscal Note History: First Reader - January 20, 2016
md/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: **Pest Control Compact - Repeal**

BILL NUMBER: SB 112
PREPARED BY: Agriculture
(Dept./Agency)

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON
MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS