

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 695

(Senators Carozza and Bailey)

Education, Health, and Environmental Affairs

Environment and Transportation

**Natural Resources - Voluntary Firewood Treatment Certification Program -
Establishment**

This bill establishes the Voluntary Firewood Treatment Certification Program in the Department of Natural Resources (DNR) to certify “forest product operators” who export firewood to other states and use heat treatment and other procedures to prevent the presence of wood boring pest infestations, wood inhabiting pests, and plant disease pathogens in the firewood products. At least once annually, and at any other time that DNR considers necessary, DNR may inspect the facility and equipment used by a forest product operator certified under the bill; DNR must keep a report of each inspection conducted. DNR, in consultation with the Maryland Department of Agriculture (MDA), must adopt implementing regulations that establish (1) the criteria for certification and (2) the procedures for suspension and revocation of a certification issued under the bill. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: Special fund expenditures increase by \$10,000 in FY 2023 and by \$5,000 annually thereafter. Revenues are not affected.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	10,000	5,000	5,000	5,000	5,000
Net Effect	(\$10,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: “Forest product operator” means a person engaged in a forest products business who holds a forest product operator’s license issued by DNR under § 5-608 of the Natural Resources Article.

DNR may issue a firewood treatment certification to a forest product operator if (1) the forest product operator submits a complete application for the certification on a DNR-provided form and (2) DNR determines, on inspection, that the facility, equipment, and treatment methods used by the forest product operator meet the criteria for certification established by DNR by regulation. A firewood treatment certification:

- must have a term of one year;
- may include any conditions DNR considers necessary;
- may be renewed in accordance with regulations adopted by DNR;
- may not be transferred; and
- may be suspended or revoked for failure to comply with (1) the provisions of the bill; (2) a regulation adopted by DNR pursuant to the bill; or (3) a condition or requirement of the certification.

Current Law:

Forest Product Operator’s License

Any person engaged in a forest products business must have a forest product operator’s license issued by DNR. Under DNR regulations, “forest products” includes trees or tree parts that are harvested for compensation, green lumber, logs, pulpwood, firewood, bark, chips shavings, and sawdust. A “forest product operator” is defined as a person who represents to the public that the person is available to engage in the commercial trade of forest products, including the harvesting, transporting, selling, or reselling of forest products.

Under current regulations, to obtain a license, an applicant must (1) pay a fee of \$20 per year; (2) complete a form provided by DNR indicating the applicant’s sales of forest products during the previous calendar year; and (3) obtain specified worker’s compensation insurance. A forest product operator’s license is valid for one year.

Statute outlines various requirements for licensed forest product operators. DNR may suspend or revoke a forest product operator’s license for failure to comply with the statutory requirements, subject to various notification and hearing requirements. A person

aggrieved by a final decision of DNR in a contested case relating to a license suspension or revocation may appeal, as specified.

Federal Requirements

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has established quarantines that limit the movement of firewood to prevent the inadvertent spread of invasive pest species between states. APHIS requirements vary depending on the types of pests and where the firewood is moved. Maryland is currently included in the [Federal European Gypsy Moth Quarantine](#). APHIS has [specific requirements](#) for kiln certifications, treatments, and firewood labeling for the export of firewood outside of quarantine zones.

Maryland Pest Control

Currently, there are no requirements for firewood to be treated in State statute or regulations. However, under MDA regulations, a pest control applicator, pest control consultant, or public agency applicator certified by MDA may perform pest control relating to wood treatment, which includes pest control for the preservation of wood or wood products, including utility pole maintenance, and includes, but is not limited to, pressure treatments, dipping, soaking, diffusion, injection, and topical applications. Additionally, a pest control applicator, public agency applicator, or pest control consultant certified by MDA may perform pest control in forests, forest nurseries, restoration projects, or forest-seed producing areas.

State Expenditures: DNR advises that a small portion of an existing employee's time can be dedicated to conducting inspections, training, and outreach under the bill, so the bill does not require hiring additional staff. However, DNR advises that additional equipment is needed to inspect the facilities and kiln equipment used by forest product operators certified under the bill. Kiln testing equipment consists of probes to measure and record the temperature of firewood inside a kiln, and the probes require replacement on an annual basis. The initial purchase of the kiln testing equipment costs approximately \$10,000, and the cost to replace probes is approximately \$5,000. Therefore, special fund expenditures increase by \$10,000 in fiscal 2023 and by \$5,000 annually thereafter for DNR to purchase and replace the kiln testing equipment.

MDA can coordinate with DNR to develop regulations using existing resources.

Small Business Effect: The bill may have a meaningful positive impact on any small businesses that are certified under the bill by providing new opportunities to export firewood to states that may have established quarantines to prevent the spread of invasive pests and pathogens from imported firewood. Any small businesses that may have

otherwise avoided exporting their firewood products to such states may experience an increase in sales.

DNR advises that kilns used for treating firewood can cost between \$10,000 and \$100,000. Therefore, certified small businesses that begin exporting firewood under the bill incur costs to purchase kilns.

Additional Comments: DNR advises that there are currently 406 licensed forest product operators in the State, of which 138 are firewood dealers. DNR further advises that at least 1 firewood dealer may seek certification under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1140 (Delegate Adams, *et al.*) - Environment and Transportation.

Information Source(s): U.S. Department of Agriculture; Maryland Department of Agriculture; Department of Natural Resources; Department of Legislative Services

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