

**Department of Legislative Services**  
 Maryland General Assembly  
 2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 264

(Chair, Education, Energy, and the Environment  
 Committee)(By Request - Departmental - Agriculture)

Education, Energy, and the Environment

Environment and Transportation

**Plant Disease Control - Nurseries - Inspection, Certification, and Licensing Fees**

This departmental bill increases various fees collected by the Secretary of Agriculture for the certification of nurseries, the licensing of brokers and dealers, and the inspection of nursery stock under statutory provisions related to plant disease control. The bill also requires the Maryland Department of Agriculture (MDA), by January 31, 2026, and by each January 31 thereafter, to report specified data and information – generally relating to licensees and enforcement activities – to specified committees of the General Assembly.

**Fiscal Summary**

**State Effect:** Special fund revenues increase by at least \$113,700 annually beginning in FY 2026. MDA can submit the required report each year using existing budgeted resources.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	\$113,700	\$113,700	\$113,700	\$113,700	\$113,700
Expenditure	0	0	0	0	0
Net Effect	\$113,700	\$113,700	\$113,700	\$113,700	\$113,700

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

**Local Effect:** None.

**Small Business Effect:** MDA has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

## Analysis

**Bill Summary/Current Law:** Under current law, the Secretary of Agriculture is given various responsibilities and authority to control plant diseases (pests), including (1) inspecting nurseries annually for any nursery stock infested or infected with dangerously injurious plant pests and certifying that the nurseries meet MDA standards; (2) inspecting and licensing plant brokers and dealers; (3) the ability to establish quarantines to control, retard, or eradicate dangerously injurious plant pests; (4) the ability to disseminate pesticides by aircraft if necessary to control any plant infestation, plant infection, or animal or human disease with a known or suspected arthropod vector; and (5) the ability to enter any public or private property in the State to inspect, destroy, treat, or experiment with dangerously injurious plant pests.

Pursuant to current law, fees are collected for the certifications and licenses – as well as for inspections – and are deposited in the Plant Protection Fund, which is used to partially defray the cost of administering the plant protection provisions. **Exhibit 1** shows the fees under current law and the fees under the bill.

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### Exhibit 1 Inspection, Certification, and License Fees under Current Law and the Bill

	<u>Current Law</u>	<u>The Bill</u>
<b>Inspection Fees</b>		
One acre or less	\$10	\$20
More than 1 acre to 5 acres	20	30
More than 5 acres to 10 acres	30	40
More than 10 acres	\$3 per acre (up to a maximum of \$1,000)	\$5 per acre (up to a maximum of \$1,500)
<b>Annual Nursery Certification Fee</b>	\$100	\$150
<b>Annual Broker/Dealer License Fee</b>	\$100	\$150

Sources: Department of Legislative Services

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Pursuant to current law, a federal, State, or local public agency is exempt from the fees.

In addition to increasing the fees as shown in Exhibit 1, the bill requires MDA, by January 31, 2026, and by each January 31 thereafter, to report to the Senate Committee on Education, Energy, and the Environment and the House Environment and Transportation Committee on (1) the number of current licensees; (2) the number of inspections conducted

during the preceding calendar year, divided by county; (3) information on the diseases and pests identified; and (4) the number of compliance agreements MDA has entered into.

**Background:** According to MDA, the existing fees have not kept pace with increasing operating costs, and the bill seeks to increase the fees to generate additional revenue for the Plant Protection Fund. MDA further advises that the last time these fees were altered was in 2004.

Although not required by statute, MDA advises that it currently develops an annual report on its plant protection and weed management activities that is similar to the one required by the bill; however, the existing report does not include the number of compliance agreements MDA has entered into. According to the most recent report, in calendar 2024, MDA (1) licensed 1,502 plant dealers and brokers; (2) certified 359 nurseries; (3) issued 139 phytosanitary certificates; and (4) performed inspections at 1,729 Maryland locations.

**State Revenues:** Special fund revenues to the Plant Protection Fund increase by *at least* \$113,672 annually beginning in fiscal 2026. This estimate, which is based on data provided by MDA from calendar 2023, is based on the following assumptions:

- the number of certifications and licenses issued each year remains constant (at calendar 2023 levels) over time;
- the increase in inspection fees is *at least* \$2 per acre, reflecting the difference between the minimum fee, on a per acre basis, under current law (\$3 per acre) and the minimum fee, on a per acre basis, under the bill (generally, \$5 per acre); and
- despite the bill's October 1, 2025 effective date, a full year of increased fees is assumed to be collected in fiscal 2026, based on information provided by MDA regarding the timing of the collection of most fees.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 244 (Chair, Environment and Transportation Committee)(By Request - Departmental - Agriculture) - Environment and Transportation.

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

**Fiscal Note History:** First Reader - January 26, 2025

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Third Reader - March 20, 2025

Revised - Amendment(s) - March 20, 2025

Revised - Clarification - March 20, 2025

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Plant Disease Control - Nurseries - Inspection, Certification, and Licensing Fees

BILL NUMBER: SB 264

PREPARED BY: Kim Rice

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

    WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

  X   WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

It is expected that this bill will have a slight impact on all licensed nurseries, plant brokers and plant dealers. The increase in fees will affect all licensees.

Plant Dealer and Broker – Increase of \$50 per year; this would affect approximately 80% of our licensed customers.

Nursery Certification – Increase of \$50 per year; this would affect approximately 20% of our licensed customers.

Acreage Increases include:

1 acre or less – increase of \$10

1 acre to 5 acres – increase of \$10

5 acres to 10 acres – increase of \$10

More than 10 acres – increases by \$2 for each acre, or part of any acre,

Maximum acreage fee increased \$500

Note, the last fee increase was in 2004.