

MAINE STATE LEGISLATURE

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8/11/19
R.D.S.

L.D. 1518

Date: 6/11/19 Majority (Filing No. H-554)

AGRICULTURE, CONSERVATION AND FORESTRY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1111, L.D. 1518, Bill, "An Act To Establish a Fund for Portions of the Operations and Outreach Activities of the University of Maine Cooperative Extension Diagnostic and Research Laboratory and To Increase Statewide Enforcement of Pesticide Use"

Amend the bill by striking out the title and substituting the following:

'An Act To Establish a Fund for Portions of the Operations and Outreach Activities of the University of Maine Cooperative Extension Diagnostic and Research Laboratory'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 7 MRSA c. 419 is enacted to read:

CHAPTER 419

TICK LABORATORY AND PEST MANAGEMENT FUND

§2471. Tick Laboratory and Pest Management Fund

The Tick Laboratory and Pest Management Fund, referred to in this chapter as "the fund," is established. The fund is nonlapsing, is administered by the University of Maine at Orono and consists of funds derived from the pesticide container fee under Title 36, section 4911, appropriations and allocations to the fund and funds from other public and private sources. The fund, to be accounted within the University of Maine at Orono, must be held separate and apart from all other money, funds and accounts. Eligible investment earnings credited to the assets of the fund become part of the assets of the fund. Any balance remaining in the fund must be disbursed on a quarterly basis to the University of Maine at Orono.

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§2472. Expenditures from the fund

Funds in the fund must be distributed by the University of Maine at Orono as provided in this section.

1. Pesticide container fee reimbursement. Funds must be provided for ongoing reimbursement to the State Tax Assessor on a monthly basis by the 15th of the month following collection, to pay for administrative costs not to exceed \$40,000 annually from collection of the pesticide container fee imposed under Title 36, section 4911.

2. Registered pesticides. Funds must be provided for ongoing reimbursement, not to exceed \$60,000 annually, to the Board of Pesticides Control, established in Title 5, section 12004-D, subsection 3 and referred to in this chapter as "the board," to generate and maintain a list of pesticides registered with the board pursuant to section 607 and answer inquiries relating to the list. The board shall post on its publicly accessible website, a list of currently registered pesticide products.

3. Administrative costs. Funds must be provided for ongoing reimbursement to the University of Maine at Orono for administrative costs not to exceed 10% of the balance remaining in the fund after the amounts under subsections 1 and 2 are subtracted.

4. Pest management education. Twenty-five percent of the balance remaining in the fund after the amounts under subsections 1, 2 and 3 are subtracted must be provided to the University of Maine Cooperative Extension pest management unit for outreach and education initiatives on pest management and pesticide safety and pesticide application and use, particularly for homeowners and other individuals using pesticides.

5. Tick laboratory costs. Fifty percent of the balance remaining in the fund after the amounts under subsections 1, 2 and 3 are subtracted must be provided to the University of Maine Cooperative Extension pest management unit for nonadministrative costs related to a tick laboratory, including, but not limited to:

- A. Testing ticks provided by residents of the State for pathogenic organisms;
- B. General tick laboratory operations;
- C. Salaries;
- D. Tick management research, demonstrations and educational outreach, including community integrated pest management and developing educational materials;
- E. Equipment, materials and supplies;
- F. Facility expansion; and
- G. Medical and veterinary pest management focusing on health-related issues caused by ticks and other arthropods as needed.

6. Pest research. Twenty-five percent of the balance remaining in the fund after the amounts under subsections 1, 2 and 3 are subtracted must be provided to the University of Maine at Orono or to an entity in collaboration with the University of Maine at Orono for a pest research project to be identified every 3 years by a pest research committee designated by the University of Maine at Orono, the University of Maine System and the department in the 2nd year of the project. The pest research committee under this subsection consists of 7 members, including:

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1 A. One member who is an extension specialist with pest management expertise,
2 appointed by the dean of the University of Maine Cooperative Extension;

3 B. Two members who are faculty of the University of Maine at Orono, College of
4 Natural Sciences, Forestry, and Agriculture with pest management expertise,
5 appointed by the dean of the University of Maine at Orono, College of Natural
6 Sciences, Forestry, and Agriculture, Maine Agricultural and Forest Experiment
7 Station;

8 C. Two members, one representing the agricultural sector and one who is a
9 commercial pesticide applicator, appointed jointly by the dean of the University of
10 Maine Cooperative Extension and the dean of the University of Maine at Orono,
11 College of Natural Sciences, Forestry, and Agriculture, Maine Agricultural and
12 Forest Experiment Station;

13 D. One member representing a campus of the University of Maine System other than
14 the University of Maine campus in Orono and having pest management expertise,
15 appointed by the Chancellor of the University of Maine System; and

16 E. One member from the department with pest management expertise, appointed by
17 the commissioner.

18 Members serve one-year terms and may be reappointed to successive terms.

19 7. Report. No later than January 15th of each year, the University of Maine at
20 Orono shall submit a report to the board and the joint standing committee of the
21 Legislature having jurisdiction over agriculture matters on use of the funds under this
22 chapter.

23 8. Rules. The board may adopt rules to carry out the provisions of this chapter.
24 Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,
25 chapter 375, subchapter 2-A.

26 **Sec. 2. 36 MRSA c. 723** is enacted to read:

27 **CHAPTER 723**

28 **PESTICIDE CONTAINER FEE**

29 **§4911. Fee imposed**

30 1. Imposition. A fee is imposed on the retail sale in the State of containers of
31 pesticide products registered with the Board of Pesticides Control, established in Title 5,
32 section 12004-D, subsection 3 and referred to in this chapter as "the board," in the amount
33 of 15¢ per container. Three cents of the container fee imposed under this subsection may
34 be retained by the retailer to defray the costs associated with collecting the fee.

35 2. Exemptions. The following products are exempt from the fee under subsection 1:

36 A. A container of pesticides sold by a manufacturer or manufacturer's representative
37 directly to a pesticide applicator licensed under Title 22, section 1471-D;

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1 B. A container of pesticides sold to a pesticide applicator licensed under Title 22,
2 section 1471-D that is exempt from sales tax pursuant to section 1760, subsection 7-B
3 or 7-C; and

4 C. A container of paint, stain, wood preservative or sealant registered as a pesticide
5 with the board.

6 3. Administration of fee. The fee imposed by this chapter is administered as
7 provided in chapter 7 and Part 3, with the fee imposed pursuant to this chapter to be
8 considered as imposed under Part 3. The revenue collected during the preceding month
9 pursuant to this subsection must be transferred to the Treasurer of State on a monthly
10 basis on or before the last day of the month. The Treasurer of State shall credit all
11 revenue derived from the fee imposed by this chapter to the Tick Laboratory and Pest
12 Management Fund established under Title 7, chapter 419.

13 **Sec. 3. University of Maine at Orono to conduct study on browntail**
14 **moths.** Upon the effective date of this Act, the University of Maine at Orono shall
15 commence a study of browntail moths as the first research project to be conducted under
16 the Maine Revised Statutes, Title 7, section 2472, subsection 6.

17 **Sec. 4. Appropriations and allocations.** The following appropriations and
18 allocations are made.

19 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
20 **Revenue Services, Bureau of 0002**
21 Initiative: Provides a one-time allocation for administrative costs associated with revision
22 of the sales tax return to accommodate the pesticide container fee.

23	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
24	All Other	\$16,000	\$0
25			
26	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$16,000</u>	<u>\$0</u>

27	ADMINISTRATIVE AND FINANCIAL		
28	SERVICES, DEPARTMENT OF		
29	DEPARTMENT TOTALS	2019-20	2020-21
30			
31	OTHER SPECIAL REVENUE FUNDS	\$16,000	\$0
32			
33	DEPARTMENT TOTAL - ALL FUNDS	<u>\$16,000</u>	<u>\$0</u>

34 **AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF**
35 **Pesticides Control - Board of 0287**
36 Initiative: Provides allocations for one half-time Office Associate II position to generate
37 and maintain a list of registered pesticides.

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1	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
2	POSITIONS - LEGISLATIVE COUNT	0.500	0.500
3	Personal Services	\$24,213	\$33,890
4	All Other	\$2,625	\$2,625
5			
6	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$26,838</u>	<u>\$36,515</u>

7	AGRICULTURE, CONSERVATION AND		
8	FORESTRY, DEPARTMENT OF		
9	DEPARTMENT TOTALS	2019-20	2020-21
10			
11	OTHER SPECIAL REVENUE FUNDS	\$26,838	\$36,515
12			
13	DEPARTMENT TOTAL - ALL FUNDS	<u>\$26,838</u>	<u>\$36,515</u>

14 **UNIVERSITY OF MAINE SYSTEM, BOARD OF TRUSTEES OF THE**
 15 **Tick Laboratory and Pest Management Fund N330**
 16 Initiative: Allocates funds to allow expenditures from revenue received from the pesticide
 17 container fee.

18	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
19	All Other	\$26,662	\$102,485
20			
21	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$26,662</u>	<u>\$102,485</u>

22 **UM Cooperative Extension - Pesticide Education Z059**
 23 Initiative: Allocates funds to allow expenditures from revenue received from the pesticide
 24 container fee to be used for tick laboratory costs.

25	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
26	All Other	\$27,000	\$54,000
27			
28	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$27,000</u>	<u>\$54,000</u>

29 **UM Cooperative Extension - Pesticide Education Z059**
 30 Initiative: Allocates funds to allow expenditures from revenue received from the pesticide
 31 container fee to be used for pest management education.

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1 The amendment removes from the bill the requirement that a political subdivision of
2 the State that wants to eliminate use in the political subdivision of a pesticide registered
3 by the United States Environmental Protection Agency submit a request to eliminate use
4 of that pesticide to the Board of Pesticides Control.

5 The amendment provides that the fund is funded by a pesticide container fee
6 administered by the State Tax Assessor of 15¢ per container, rather than 20¢ as in the bill.

7 The amendment removes the provision of the bill that allows the State Tax Assessor
8 to inspect the books or records of a retailer or to inspect the premises of a retailer where
9 general use pesticides are stored, handled, transported or merchandised for the purpose of
10 determining what pesticide products are taxable. The State Tax Assessor has the
11 authority to inspect under current law pursuant to the Maine Revised Statutes, Title 36,
12 section 112.

13 The amendment also provides a one-time allocation to the Department of
14 Administrative and Financial Services, Maine Revenue Services for administrative costs
15 associated with revision of the sales tax return to accommodate the pesticide container
16 fee.

17 The amendment provides that the effective date of the legislation is January 1, 2020.

18 **FISCAL NOTE REQUIRED**

19 **(See attached)**



129th MAINE LEGISLATURE

LD 1518

LR 2240(02)

An Act To Establish a Fund for Portions of the Operations and Outreach Activities of the University of
Maine Cooperative Extension Diagnostic and Research Laboratory and To Increase Statewide
Enforcement of Pesticide Use

Fiscal Note for Bill as Amended by Committee Amendment *A(H-554)*

Committee: Agriculture, Conservation and Forestry

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Appropriations/Allocations				
Other Special Revenue Funds	\$110,000	\$220,000	\$226,600	\$233,400
Revenue				
Other Special Revenue Funds	\$110,000	\$220,000	\$226,600	\$233,400
Transfers				
Other Special Revenue Funds	\$0	\$0	\$0	\$0

Fiscal Detail and Notes

The bill establishes a fee of \$.15 on sales of containers of pesticide products registered by the Board of Pesticides Control and requires that revenue from the fee be deposited into a newly established Tick Laboratory and Pest Management Fund to be administered by the University of Maine. Maine Revenue Services estimates this fee will generate \$110,000 in fiscal year 2019-20 and \$220,000 in fiscal year 2020-21. After distributions are made to the entities as detailed below, the net amount of revenue remaining in the fund is estimated to be \$26,662 in fiscal year 2019-20 and \$102,485 in fiscal year 2020-21 and the bill includes Other Special Revenue Funds allocations of those amounts to allow expenditures from the fund.

The bill allows up to \$40,000 annually be made available to the State tax Assessor for administrative costs associated with updating the sales tax return to accommodate the pesticide container fee. The bill includes a one-time Other Special Revenue Funds allocation of \$16,000 in fiscal year 2019-20 to the Department of Administrative and Financial Services for this purpose.

The bill includes Other Special Revenue Funds allocations of \$26,838 in fiscal year 2019-20 and \$36,515 in fiscal year 2020-21 to the Board of Pesticides Control within the Department of Agriculture Conservation and Forestry for one half-time Office Associate II position to generate and maintain a list of registered pesticides.

The University of Maine Cooperative Extension will use a portion of the revenue generated for tick laboratory costs and pest management education. This bill includes Other Special Revenue Funds totaling \$40,500 in fiscal year 2019-20 and \$81,000 in fiscal year 2020-21 to the University of Maine Cooperative Extension within the University of Maine System for the initiatives.