

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 91 (Delegates Healey and Ruth)
 Environment and Transportation

Agriculture - Neonicotinoid Pesticides - Prohibitions

This bill prohibits a person from distributing, selling, or using any corn, soybean, or wheat seeds that have been coated in or treated with a neonicotinoid pesticide. In addition, the bill generally prohibits a person from using a neonicotinoid pesticide to treat outdoor ornamental plants and turf, except as specified. The bill authorizes the Secretary of Agriculture to temporarily suspend both of these prohibitions under specified conditions.

Fiscal Summary

State Effect: Special fund revenues are expected to decrease annually beginning in FY 2027, as discussed below. General fund expenditures increase by \$337,800 in FY 2027; future years reflect annualization and inflation. State expenditures (all/multiple funds) for various State agencies may increase beginning in FY 2027, as discussed below.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	(-)	(-)	(-)	(-)	(-)
GF Expenditure	\$337,800	\$279,900	\$293,300	\$306,700	\$320,000
All/Mult Exp.	-	-	-	-	-
Net Effect	(\$337,800)	(\$279,900)	(\$293,300)	(\$306,700)	(\$320,000)

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

Local Effect: Local governments expenditures may increase beginning in FY 2027, as discussed below. Local revenues are not affected.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Distribution, Sale, or Use of Certain Seeds Coated in or Treated with a Neonicotinoid Pesticide

The bill prohibits a person from distributing, selling, or using any corn, soybean, or wheat seeds coated in or treated with a neonicotinoid pesticide. The Secretary of Agriculture may temporarily suspend the prohibition if the Secretary, in consultation with the Maryland Department of the Environment (MDE) and the Department of Natural Resources (DNR), determines that (1) there is an insufficient amount of commercially available seed that has not been treated with a neonicotinoid pesticide or (2) compliance with the prohibition would result in an undue financial hardship to agricultural producers. Any temporary suspension must be in effect for one year, after which the Secretary must reevaluate the suspension in accordance with the bill. The Secretary must publish a written directive of any temporary suspension that specifies the type of seeds authorized under the directive and the date by which the Secretary will reevaluate the suspension.

Use of Neonicotinoid Pesticides to Treat Outdoor Ornamental Plants and Turf

The bill also prohibits a person from using a neonicotinoid pesticide to treat outdoor ornamental plants and turf. This prohibition, however, does not apply to the production of agricultural commodities and the application of pesticides by a certified applicator to treat invasive species in woody plants.

The Secretary of Agriculture may temporarily suspend the prohibition if the Secretary, in consultation with MDE and DNR, determines that (1) a valid “environmental emergency” exists; (2) a neonicotinoid pesticide would be effective in addressing the environmental emergency; and (3) there is no other less harmful pesticide or pest management practice that would be effective in addressing the environmental emergency. The Secretary must publish a written directive of any temporary suspension that specifies the type of neonicotinoid pesticide authorized for use under the directive and the date through which the directive applies, which may not be longer than one year from the effective date of the directive.

“Environmental emergency” means an occurrence of any pest which presents (1) a significant risk of harm or injury to the environment or (2) a significant harm, injury, or loss to agricultural crops. The term includes the presence of pests for which the Secretary of Agriculture, in consultation with MDE and DNR, determines need preventive measures to avert a significant risk.

Current Law:

Pesticide Use and Regulation

The Secretary of Agriculture is required to take various actions to regulate pesticide use, including (1) adopting rules and regulations governing the storage, sale, distribution, exchange, use, and disposal of any pesticide and its container and (2) prescribing, when necessary, the time and conditions under which a pesticide may be sold, distributed, exchanged, or used in different areas of the State. The Maryland Department of Agriculture (MDA) regulations require that a person observe all precautions in the handling, use, storage, and disposal of pesticides, so that nontarget areas or organisms, including humans, do not suffer injury, and unreasonable adverse effects on the environment do not occur or are minimized.

Generally, to be sold, distributed, or used in Maryland, a pesticide must be registered by both MDA and the U.S. Environmental Protection Agency. Specified pesticides that have greater potential for causing harm are designated as “restricted use pesticides” and may only be used by a certified applicator or a person working under the supervision of a certified applicator. Each commercial application of any pesticide must be under the supervision of a certified applicator who is responsible and liable for the application.

The State Chemist Section within MDA regulates the sale and distribution of pesticides, among other things. Each pesticide product must be registered annually; the annual fee is \$110 per product. Registration fees are paid into the State Chemist Fund.

Neonicotinoid Pesticides

Chapters 661 and 662 of 2016, among other things, established certain restrictions on the sale and use of neonicotinoid pesticides. With the exception of certain pet care, personal care, and indoor pest control products, neonicotinoid pesticides may not be sold at retail unless the person also sells a restricted use pesticide. A neonicotinoid pesticide may only be sold at retail to a certified applicator or farmer and may only be used by a certified applicator or a farmer (using the pesticide for agricultural purposes), a person working under a certified applicator’s or farmer’s supervision, or a veterinarian.

Turf and Seed Section

The Turf and Seed Section within MDA conducts seed inspection, testing, certification, and quality control services. Farmers and seed producers must generally have seeds certified before use or distribution. Fees for field inspection and tagging of bagged and bulk seed are established in regulation. For example, the field inspection fee for small grains is \$1.75 per acre, with a \$25 minimum charge for each variety produced.

State Revenues: Special fund revenues for MDA are anticipated to decrease by an indeterminate amount beginning in fiscal 2027. Although a reliable estimate of the decrease in special fund revenues cannot be made at this time, special fund revenues could decrease by more than \$100,000 annually, as discussed below.

MDA’s State Chemist Section registers pesticide products on an annual basis for a fee of \$110 per product. Because the bill generally prohibits the use of neonicotinoid pesticides to treat outdoor ornamental plants and turf and prohibits the distribution, sale, or use of certain seeds coated in or treated with a neonicotinoid pesticide, MDA anticipates that, under the bill, fewer pesticide products will be registered, leading to a decrease in special fund revenues from registration fees. While it is unknown how many MDA-registered pesticides are specific to seed treatment and turf and ornamental applications, MDA advises that more than 1,000 registered pesticide products contain neonicotinoids. *For illustrative purposes only*, if 1,000 fewer pesticide products are registered each year, special fund revenues to the State Chemist Fund decrease by \$110,000 annually.

MDA further advises that its Turf and Seed Section collects approximately \$25,000 annually in seed certification fees. Because the bill prohibits a person from distributing, selling, or using specified seeds coated in or treated with a neonicotinoid pesticide, MDA anticipates a decrease in its seed certification activities. As a result, special fund revenues from seed certification fees are anticipated to decrease beginning in fiscal 2027. To the extent the bill’s prohibition on the distribution, sale, or use of affected seeds is temporarily suspended by the Secretary of Agriculture, however, as provided by the bill, any such effect is delayed until the prohibition takes effect.

State Expenditures:

Administrative Costs to Enforce the Bill’s Prohibitions

General fund expenditures for MDA increase by \$337,792 in fiscal 2027, which accounts for the bill’s October 1, 2026 effective date. This estimate reflects the cost of hiring four inspectors (two for the State Chemist Section and two for the Pesticide Regulation Section) to perform inspections, handle complaint investigations, and generally enforce the bill’s prohibitions. It includes salaries, fringe benefits, one-time start-up costs (including the purchase of four vehicles), and ongoing operating expenses.

Positions	4.0
Salaries and Fringe Benefits	\$202,279
Vehicle Purchases	94,000
Other Operating Expenses	<u>41,513</u>
Total FY 2027 State Expenditures	\$337,792

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

It is assumed that DNR and MDE can consult with MDA as necessary – regarding temporary suspensions – using existing budgeted resources.

Other State Agencies as Users of Products Affected by the Bill

Due to the bill's prohibition on using seeds that have been treated with neonicotinoid pesticides and the bill's general prohibition on using neonicotinoid pesticides to treat outdoor ornamental plants and turf, State expenditures (all/multiple fund types) for other State agencies may increase to purchase alternative seeds and/or to use alternative pesticide products. The extent to which other State agencies are affected is unknown. As an example of an affected State agency, DNR advises that it uses corn and seeds treated with neonicotinoid pesticides as part of its wildlife management activities.

Local Expenditures: Similar to the effect described above on State agencies that may use affected seeds or pesticides, any local governments that use neonicotinoid pesticides to treat outdoor ornamental plants and turf may incur additional costs to use alternative pesticide products.

Small Business Effect: The bill likely has a meaningful effect on small business agricultural producers and pest control businesses.

With respect to the bill's prohibition relating to the distribution, sale, or use of certain seeds coated in or treated with a neonicotinoid pesticide, MDA advises that neonicotinoid-treated seeds are standard throughout the industry, and that purchasing untreated seed is difficult and could cost farmers an extra \$150 per bag (an increase of \$75 per acre). MDA further advises that pesticide application costs are expected to increase due to the use of untreated seed, as in-furrow treatments during planting will be needed. Additionally, MDA reports that the use of untreated seed requires an increase in tillage to control pest risk, which further increases costs. The prohibition also likely has a significant impact on producers and dealers that sell neonicotinoid-treated seed. However, under the bill, the Secretary of Agriculture is authorized to temporarily suspend the prohibition if the Secretary, in consultation with MDE and DNR, determines that (1) there is an insufficient amount of commercially available seed that has not been treated with a neonicotinoid pesticide or (2) compliance with the prohibition would result in an undue financial hardship to agricultural producers. Accordingly, the overall effect on agricultural producers is unclear.

With respect to the bill's prohibition on the use of neonicotinoid pesticides to treat outdoor ornamental plants and turf, pest control businesses that use neonicotinoid pesticides for

those purposes are likely to incur additional costs to use alternative pesticides; MDA reports that alternatives cost approximately \$100 to \$120 per acre, while neonicotinoid pesticides cost approximately \$15 to \$25 per acre. Any increase in costs for pest control businesses are likely passed on to customers in the form of higher prices.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Agriculture; Maryland Department of the Environment; Department of Natural Resources; Department of Legislative Services

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caw/lgc

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