



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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**Fiscal Note**

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**H.706 – An act relating to banning the use of neonicotinoid pesticides**

**As recommended by the House Committee on Agriculture, Food Resiliency, and Forestry, Draft 3.3**

**Bill Summary**

This bill would ban certain uses of neonicotinoid pesticides beginning on July 1, 2025 and the use of neonicotinoid treated article soybean and cereal grains crop seeds starting January 1, 2029. It would also create an exemption order process at the Agency of Agriculture, Food, and Markets (AAFM), which would allow use of specified neonicotinoid products in certain applications.

**Fiscal Impact**

This bill would impact Special Fund revenues and the AAFM budget. On the revenue side, JFO estimates the bill could result in approximately \$29,750 of lost annual revenue starting in fiscal year 2026 from the proposed ban on neonicotinoid pesticides starting July 1, 2025. According to the Agency of Agriculture, Food, and Markets, approximately 170 pesticides currently on the market contain neonicotinoids. The revenue loss would result from lost pesticide registration fee revenues.

The Agency of Agriculture would incur additional Special Fund revenue losses from the proposed ban on neonicotinoid treated seed starting in fiscal year 2029. These revenue losses could total approximately \$12,850 and come from lost registration fees from seed distributors and lost tonnage fees from neonicotinoid treated seeds. In fiscal year 2029 and beyond, the combined revenue loss could total approximately \$42,600.

Fee Type	Effective Fiscal Year	Fund	Total Fund Revenue (FY23)	Fee amount	Estimated Approximate Annual Revenue Loss
Pesticide Registration	Fiscal year 2026	AF&M-Pesticide Monitoring	\$2,501,662	\$175	\$29,750
Seed Distributor Registration	Fiscal year 2029	AF&M-Feed Seeds & Fertilizer	\$2,290,941	\$85	\$850
Seed Tonnage Fees	Fiscal year 2029	AF&M-Feed Seeds & Fertilizer	\$2,290,941	\$10 per ton	\$12,000

The Agency also forecasts needing three additional positions to handle the additional workload associated with issuing written exemption orders for pesticides and treated article seeds. These additional positions would cost approximately \$330,000 and are not accounted for in the bill.

These fiscal impacts ultimately depend on market response to the bans. If producers of pesticides and treated seeds are granted exemption orders or register new products that comply with the bans, the estimated fee revenue loss would decrease. If the demand for annual exemptions is higher or lower than expected, the administrative budgetary needs at the AAFM could change from estimates.