



VERMONT LEGISLATIVE
Joint Fiscal Office

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • <https://jfo.vermont.gov>

Fiscal Note

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Ted Barnett, Fiscal Analyst

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

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, based on data provided by AAFM, JFO estimates the bill could result in up to \$34,000 of lost annual revenue starting in fiscal year 2026 from the proposed ban on neonicotinoid pesticides starting July 1, 2025. According to the AAFM, approximately 170 pesticides currently on the market contain neonicotinoids. Revenue loss could result from lost pesticide registration fees if producers choose to cease sales of these products without registering pesticides for allowed uses or developing alternative products. The ban on treated article seeds is not estimated to have a fiscal impact.

Potential Revenues Affected by H.706

Fee Type	Effective Fiscal Year	Fund	Total Fund Revenue (FY23)	Fee amount	Potential Revenue Loss
Pesticide Registration	Fiscal year 2026	AF&M-Pesticide Monitoring	\$2,501,662	\$185	Up to -\$31,450
		Agricultural Water Quality Special Fund	\$814,413	\$15	Up to -\$2,550

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

The fiscal impacts caused by the ban ultimately depend on market response. If producers of pesticides are granted exemption orders or register new products or uses 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 these estimates.