

DATE: January 15, 2021
TO: Joint Standing Committee on Agriculture, Conservation & Forestry
Megan Patterson, Director of the Board of Pesticides Control
FROM: Samantha Warren, UMS Director of Government & Community Relations
RE: **Report on Use of Funds Provided By P.L. 2020, Ch. 548**

In June 2019, the Maine Legislature overwhelmingly passed LD 1518, “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.”

This legislation sought to establish a 15-cent container fee on most registered pesticides purchased in the state, charged to consumers at the point-of-sale. Retailers who collected the fee were allowed to retain 3-cents per container to defray their costs for doing so and for remitting the remaining revenue to the Maine Revenue Service. The majority of the proceeds were to be directed to the University of Maine and its Cooperative Extension Diagnostic and Research Laboratory in Orono.

As part of our commitment to public accountability and transparency, the university made a friendly amendment that an annual reporting requirement overviewing our use of these funds be added to LD 1518. The first report would be due on Jan. 15, 2021, approximately 18 months after the legislation was expected to be enacted and presumably fully implemented, and submitted to the Joint Standing Committee on Agriculture, Conservation & Forestry and the Board of Pesticides Control (BPC).

As BPC leaders and returning members of this esteemed committee may recall, consistent with her commitment to impose no new taxes or fees, Governor Mills decided to hold the bill for further review, and ultimately, let it become law without her signature on Jan. 12, 2020. It went into effect June 16, 2020, placing added responsibilities on retailers three months into an unexpected global pandemic that has deeply disrupted their operations and necessitated new regulatory requirements to protect public health and slow the spread of the virus. A further complication is that the State’s list of registered products subject to the container fee does not currently contain the UPC codes that retailers often program into their electronic systems to trigger the fee charge at the point-of-sale.

As a result, initial implementation of the new law has been challenging, and despite record sales on pesticides products including disinfectant due to COVID-19, less than \$40,000 in container fee revenue has been remitted to MRS as of December 10, 2020. To date, the University of Maine System has not drawn down any of these funds, and thus, has no funded activities to report.

We understand there may be legislation taken up this session to clarify some aspects of the new law in part to make it easier for retailers to comply, which the university welcomes. In that event, we would also encourage changes in how the funds are dispersed so that MRS and the BPC receive their appropriate administrative fees “off the top” as is common, rather than the university having to reimburse them after-the-fact as was written in this law. We are currently working to negotiate a memorandum of understanding to address these issues in the short-term, but correction in law would create greater predictability and process. In the meantime, the university remains committed to the fair and reasonable statewide implementation of the container fee established by P.L. 2020, Ch. 548, and more importantly, to research, education and outreach activities that protect public, environmental and economic health. To advance both, we are grateful for our ongoing partnership with this Committee, the BPC, the MRS, and Maine retailers and consumers.