

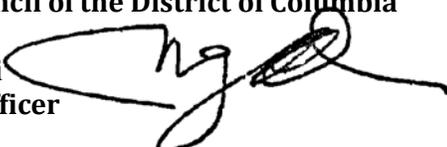
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Mary M. Cheh
Acting Chair, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: June 12, 2012

SUBJECT: Fiscal Impact Statement – “Pesticide Education and Control
Amendment Act of 2012”

REFERENCE: Bill 19-643, Draft Committee Print shared with the Office of Revenue
Analysis on June 1, 2012

Conclusion

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill will generate new special purpose revenues of \$457,100 in FY 2013 and \$1,828,400 in the FY 2013 through FY 2016 financial plan period. The implementation of the legislation will cost \$653,800 in the four-year plan starting FY 2014. Thus, the bill will increase special purpose revenue by \$457,100 in FY 2013 and by \$1,174,600 over the four-year financial plan period. These revenues will accrue to the Pesticide Product Registration Fund.

A separate integrated pest management course offered by the University of the District of Columbia will cost \$621,500 over the four year financial plan and will be subject to its inclusion in an approved budget and financial plan.

Background

The District Department of the Environment’s (DDOE) Toxic Substances Division regulates pesticides within the District of Columbia. In doing so, DDOE registers all pesticides eligible for application in the District for \$130 per pesticide. Pesticide registration fees are deposited into the Pesticide Product Registration Fund—a lapsing fund that supports DDOE’s pesticide program. Currently, pesticides are categorized as general use or restricted use,¹ where restricted use pesticides can only be applied by a licensed applicator.² The Division is also responsible for

¹ Restricted use pesticides in the District are generally consistent with the U.S. Environmental Protection Agency’s (EPA) restricted use list (40 CFR § 152.175, Pesticides classified for restricted use.).

² D.C. Municipal Regulations, Title 20 (Environment) Chapter 23 (Pesticide Applicators).

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inspections of general use pesticides sold in the District and the application of restricted pesticides.³ Lastly, DDOE is responsible for managing the training and certification of licensed applicators, through a partnership with the University of the District of Columbia (UDC). To become a licensed applicator, an individual must have at least one year of specialized training or practical experience in the application of pesticides.

The bill increases the classifications of pesticides in the District, imposes restrictions on the application of pesticides, and creates a new certification of a registered technician for applicators of pesticides. The bill requires DDOE to designate some pesticides as cosmetic⁴ and prohibits their application around schools, child-occupied facilities, water-body contingent properties,⁵ or District properties. The bill exempts pesticides used to improve or maintain water quality⁶ and allows for an applicant to apply for a waiver⁷ to use a cosmetic or restricted use pesticide within the prohibited areas. Currently, the classification of restricted use means a pesticide must be applied by a licensed applicator and not that it is generally restricted from being applied. The bill also increases the pesticide registration fee from \$130 per year to at least \$200 per year.

Next, the bill formalizes as a registered technician an individual working on his or her one year of practical experience to become a licensed applicator. DDOE will establish a new certification process for registered technicians and will partner with UDC, which implements the licensed applicator certification process. The bill requires all applicators to file annual records with DDOE of all pesticide applications in the District.⁸

Lastly, the bill requires UDC to provide an educational course on integrated pest management at least once per month; during the course of a year, the course must be held in each ward. Additionally, UDC must provide a course on integrated pest management for pesticide applicators. This second course should be offered at least once every 90 days. The bill also requires UDC to report to Council, assessing the District's pest management programs, including changes in attitudes and costs associated with pest management in the District.

Financial Plan Impact

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

DDOE will implement the increased pesticide registration fee upon the effective date of the bill while other provisions will be implemented following the issuance of regulations.⁹ DDOE registers over 6,500 pesticides each year and raising the fee by \$70 will generate an additional \$457,100 per year. DDOE will need two new personnel to implement the new waiver program, process applicator reporting, and perform increased inspections. The establishment of a registered technician

³ Through grant funds received from the EPA, DDOE must do a minimum of 170 inspections per year.

⁴ Defined in the bill as a pesticide that is non-essential to manage pests that threaten health, property, or the environment in the District.

⁵ Defined in the bill as property within 25 feet of a waterbody.

⁶ These pesticides are used at drinking water treatment plants, wastewater treatment plants, swimming pools, and other related facilities.

⁷ Exceptions are justified if a good-faith effort is made to seek an alternative pesticide, the desired pesticide is required to protect health, the environment, or property, or there is an emergency situation.

⁸ Minimum-risk and reduced-risk pesticides are excluded from reporting.

⁹ Regulations must be issued within 570 days of the bill's effective date.

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program will require DDOE to enhance its current licensed applicator agreement with UDC at a cost of \$100,000 per year. The fiscal impact of the bill is outlined in the table below.

Estimated Fiscal Impact of Bill 19-643 Pesticide Education and Control Amendment Act of 2012 FY 2013 through FY 2016					
	FY 2013	FY 2014	FY 2015	FY 2016	Total
Increased Registration Fee^a	\$457,100	\$457,100	\$457,100	\$457,100	\$1,828,400
Personnel Costs^b	\$0	(\$112,800)	(\$117,900)	(\$123,100)	(\$353,800)
Registered Technician Training	\$0	(\$100,000)	(\$100,000)	(\$100,000)	(\$300,000)
Total Costs^c	\$0	(\$212,800)	(\$217,900)	(\$223,100)	(\$653,800)
Net Revenues^a	\$457,100	\$244,300	\$239,200	\$234,000	\$1,174,600

Table Notes

^a This is special purpose revenue that accrues to the non-lapsing Pesticide Product Registration Fund.

^b DDOE will require two FTEs.

^c The main cost components will not be implemented until the regulations are published within 570 days.

UDC will require \$621,500 in the four year financial plan to establish the integrated pest management course. These costs include an integrated pest management specialist, a pesticide education outreach extension educator, and associated laboratory, equipment, and general supplies. The additional special purpose revenues received from the increased pesticide registration fee can be used to fund the course, but these provisions are subject to appropriations.