

SENATE BILL 594

M4

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CF HB 524

By: **Senator Middleton**

Introduced and read first time: February 5, 2010

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Organic Transition Investment Pilot Program – Funding and**
3 **Extension of Sunset**

4 FOR the purpose of authorizing the Governor, in certain fiscal years, to include in the
5 State budget an appropriation for the Organic Agriculture Development Fund
6 for certain purposes; repealing a certain prohibition on the interpretation of
7 certain provisions of law; extending the termination date of the Maryland
8 Organic Transition Investment Pilot Program; and generally relating to the
9 Maryland Organic Transition Investment Pilot Program.

10 BY repealing and reenacting, with amendments,
11 Article – Agriculture
12 Section 10–14A–04
13 Annotated Code of Maryland
14 (2007 Replacement Volume and 2009 Supplement)

15 BY repealing
16 Chapter 554 of the Acts of the General Assembly of 2009
17 Section 2

18 BY repealing and reenacting, with amendments,
19 Chapter 554 of the Acts of the General Assembly of 2009
20 Section 3

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article – Agriculture**

24 10–14A–04.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) There is an Organic Agriculture Development Fund.

2 (b) The purpose of the Fund is to provide financial assistance to producers
3 for the eligible costs associated with transitioning to organic agricultural production in
4 accordance with this section.

5 (c) The Secretary shall administer the Fund.

6 (d) (1) The Fund is a special, nonlapsing fund that is not subject to §
7 7-302 of the State Finance and Procurement Article.

8 (2) The State Treasurer shall hold the Fund separately, and the
9 Comptroller shall account for the Fund.

10 (e) (1) The State Treasurer shall invest the money of the Fund in the
11 same manner as other State money may be invested.

12 (2) Any investment earnings of the Fund shall be credited to the
13 General Fund of the State.

14 (f) The Fund consists of:

15 (1) Money received by the State from any entity receiving federal
16 funding for the purposes consistent with this subtitle;

17 (2) Money received by the State from the federal government for
18 purposes consistent with this subtitle;

19 (3) Money allocated or granted to the Fund by the federal government;
20 [and]

21 (4) **MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**
22 **AND**

23 ~~[(4)]~~ (5) Any other money from any other source accepted for the
24 benefit of the Fund.

25 (g) A producer is eligible for funding under this section for a period of 3
26 consecutive years if the producer:

27 (1) Submits to the Department an organic transition plan that
28 contains:

29 (i) An organic farm plan;

30 (ii) The anticipated eligible costs associated with implementing
31 organic agricultural production practices consistent with an organic farm plan; and

1 (iii) A schedule detailing the anticipated revenue loss for the
2 part of the producer's agricultural operation that the producer intends to convert to
3 organic agricultural production for 3 years preceding the date of the organic transition
4 plan;

5 (2) Submits an application to the Department for a Maryland organic
6 transitional certificate;

7 (3) Enters into an agreement with the Department that obligates the
8 producer to maintain organic certification for a period of 5 consecutive years; and

9 (4) Agrees to receive technical and educational assistance with regard
10 to the development and implementation of organic practice standards, including
11 marketing, business, and risk management plans.

12 (h) (1) Subject to paragraph (2) of this subsection, eligible costs payable to
13 a producer under this subtitle shall be limited to \$100 per acre, not to exceed 20 acres
14 of farmland managed under an organic farm plan.

15 (2) The Secretary may establish by regulation conditions under which
16 assistance may be provided for acreage that exceeds 20 acres.

17 (i) By December 31 of each year, a producer that applies for a payment
18 under this section shall submit to the Department a report of actual revenue loss
19 resulting from transitioning to organic agricultural production.

20 (j) A producer is released from any obligation that arises under subsection
21 (g) of this section if the Pilot Program does not receive sufficient funds in fiscal year
22 2011 or 2012.

23 Chapter 554 of the Acts of 2009

24 [SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be
25 interpreted as requiring the use of State Funding for establishing and implementing
26 the Maryland Organic Transition Investment Pilot Program.]

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2009. It shall remain effective for a period of [3] 6 years and, at the end of June
29 30, [2012] 2015, with no further action required by the General Assembly, this Act
30 shall be abrogated and of no further force and effect.

31 SECTION 2. AND BE IT FURTHER ENACTED, That, for each of the fiscal
32 years 2012 through 2015, the Governor may include in the State budget an
33 appropriation for the Organic Agriculture Development Fund to secure federal
34 matching funds.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2010.