



VERMONT LEGISLATIVE Joint Fiscal Office

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

Fiscal Note

April 22, 2024

Ted Barnett, Fiscal Analyst

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

As recommended by the Senate Committee on Agriculture

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 pesticides or treated article seed in certain applications. These provisions would only take effect if similar legislation in New York State also takes effect.

Fiscal Impact

This bill could result in a negligible impact on AAFM Special Fund revenues, starting in fiscal year 2026. On the revenue side, based on data provided by AAFM, the bill could impact up to \$34,000 of 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. However, because neonicotinoid pesticides will be allowed in certain cases, including on turf, JFO estimates that any actual fee revenue loss would be negligible. The ban on treated article seeds is not estimated to have a fiscal impact, as it is likely that the agricultural seed market would be able to provide alternatives to current seeds currently treated with nicotinoids.

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

Overall, whether there are fiscal impacts caused by the ban ultimately depends on market response. If producers of pesticides are granted exemption orders or register new products or uses that comply with the bans, the actual fee revenue loss would decrease.

In addition to potential revenue losses, the exemption orders process, which would start in fiscal year 2026, could require additional staff time at AAFM to implement. This additional workload could create budgetary pressure if there is a need for more staff to complete exemptions, however, this potential pressure is likely to be limited.