

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form

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9-15-15 3:42 PM
ARCHIVES DIVISION
SECRETARY OF STATE

Department of Agriculture

Agency and Division

603

Administrative Rules Chapter Number

Update ODA fertilizer rule to implement HB 2443 new fertilizer fees.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Adopting: 603-059-0060

Amending: 603-059-0030, 603-059-0050, and 603-059-0080

Amend and Renumber: 603-059-0020, 603-059-0055, and 603-059-0070

Statutory Authority:

ORS 561.144 and ORS 633.311 - 633.479

Other Authority:

Statutes Implemented:

ORS 561.144 and ORS 633.311 - 479

Need for the Rule(s):

The 2015 Oregon Legislature passed Engrossed HB 2443 that authorized a fee increase for fertilizer, soil amendment, compost and lime product registration, implemented an inspection fee for lime, increased the product evaluation fee, and implemented updates to conform with the American Association of Plant Food Control Officials Official Publication #68. The fees are the sole source for funding research on the interaction of registered materials with the soil/crop ecosystem and surface and groundwaters of Oregon. The funds are required to maintain the current level of fertilizer research and continue the program into the future.

Documents Relied Upon, and where they are available:

Engrossed HB 2443

Department fiscal projections and records

Fiscal and Economic Impact:

Agency: Adoption of the proposed amendments and changes result in the maintenance of at least \$70,000 annually to continue funding fertilizer research activities with any additional revenue used to maintain program activities. The increase in product evaluation fees allows the department to conduct enhanced analysis of relatively new product ingredients that are continually evolving.

Affected Businesses: The increased product registration fee will result in an increase of \$10.00 per product registered with registration fees increasing to \$35.00/yr. Approximately 9,500 products were registered in FY 2014. The lime inspection fee will impact approximately 35 Lime tonnage reporters and result in approximately \$10,413.00 in 2016 (new fee collected on only 2nd period sales) and \$20,826.00 in FY 2017. The product evaluation fee increase is expected to generate an additional \$10,000 to \$30,000 annually depending on the number of products required to pay the evaluation fee that register.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

No impact expected.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

Increased product registration fee. Impacts approximately 9,500 products registered by ~700 product manufacturers, product importers and product distributors. Businesses are of varying sizes. Impact is an additional \$10.00 per product registered. Numbers of products registered per business range from 1 to approximately 500 for an impact range of \$10.00 to \$5,000.00. All data is from FY 2014.

Increased product evaluation fee. Impacts product registration in two categories by approximately 100 product manufacturers, product importers and product distributors. Businesses are of varying sizes. Impact is \$35.00 / product for products with biological ingredients and \$35.00 for products with fulvic acid. Numbers of product registered per business range from 1 to 100 for an impact range of \$10.00 to \$1,000.00. All data is from FY 2014.

New Lime inspection fee. Impacts approximately 35 lime tonnage reporters with an average impact of an additional \$298.00 in FY 2016 and

an additional \$596.00 in FY 2017.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

The are no additional or new reproting, recordkeeping or administrative activities associated with the increased product registration fee. The new reproting, recordkeeping or administrative activities associated with the increased product evaluation fee consist of registrants completing an additional line of information on the product registration form and calculating the correct registration fee from a new fee matrix table. These increased activities are on;y required for products that fall in the 2 categories of product that require an evaluation fee. Projected additional cost is up to \$20 / product registered

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The new reproting, recordkeeping or administrative activities associated with the new lime inspection fee consist of compleing an additional calculation of the fee and submitting the fee with the semi-annual tonnage reporting. Predicted additional annual cost is \$10 / tonnage report submitted

c. Equipment, supplies, labor and increased administration required for compliance:

No additional equipment, supplies,labor of knowlwedge is required for compliance with all provisions of this rule change.

How were small businesses involved in the development of this rule?

Small business owners/operators that are regulated under this Rule were present as members of the Fertilizer Research Advisory Committee and along with other industry representatives participated in the review, development and legislative process that culminated in Engrossed HB 2443 passage and the development of these Rule changes.

**Administrative Rule Advisory Committee consulted?: Yes
If not, why?:**

<u>10-23-2015 5:00 p.m.</u>	<u>Sue Gooch</u>	<u>Susan.C.Gooch@state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address