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NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 603

DEPARTMENT OF AGRICULTURE

FILED: 06/01/2026 11:49 AM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Correcting an error from the last filing, amending Nursery Program Fees

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 07/21/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:

Sunny Summers
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 07/15/2026

TIME: 9:00 AM - 9:30 AM

OFFICER: Sunny Summers

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 232537041810051

SPECIAL INSTRUCTIONS:

Meeting ID: 232 537 041 810 051

Passcode: 3Fp7mL3G

Dial in by phone

+1 503-446-4951,,24868432#

NEED FOR THE RULE(S):

There is a need to correct an error from the last filing and amend the maximum license fee for Nursery Dealers, Florists and Landscape Contractors from \$25,675 to \$29,675 to support program services required to ensure Oregon nursery stock meet Japanese beetle (JB) phytosanitary standards and can readily respond to surges in pest detection within the nursery crop system.

The ODA Nursery Program continues to focus on crop protection and market access or Oregon's #1 commodity. The industry is susceptible to the introduction and establishment of significant quarantine pests. Such detections require additional capacity to deploy staff to provide on-ground and technical assistance, while maintaining inspection and certification services. The 2026 short session bill (HB 5204) passed and included an amendment to allocate general funds dedicated for the ODA JB program across the 2026–2027 crop years to support monitoring and treatments for the beetle. Even with a Oregon JB Program, the nursery industry will still require services to ensure both in-state and incoming shipments from JB infested areas meet rigid quarantine requirements. Some export markets are expected to still require the ODA to uphold a Japanese beetle compliance program, which is supported by the ODA Nursey Program. To ensure agency customer service can support this dynamic regulatory landscape, the ODA will establish two positions within the Nursery Program (1.26 FTE).

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 571 – OR Legislature Website

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

The proposed amendment in nursery license fees is intended to support a restructured Japanese beetle program focused on maintaining market access for Oregon nursery products following the loss of one-time legislative funding. Nursery businesses owned or operated by individuals from historically underserved or marginalized communities may experience a disproportionate impact from increased licensing costs, as these businesses are more likely to be small or emerging operations with limited financial capacity. However, the absence of a Japanese beetle program would create risks to market access and regulatory compliance that could have broader economic impacts on the nursery industry, including smaller operators. The proposed rule seeks to mitigate these risks by supporting continued participation in domestic and export markets while ODA provides outreach and compliance assistance to reduce disproportionate impacts.

FISCAL AND ECONOMIC IMPACT:

The proposed rule amends the maximum nursery license fee to replace prior one-time legislative funding used to support the Japanese beetle program. The amended fee will result in additional licensing costs for nursery operators; however, costs are expected to be proportional to existing licensing structures. Funds generated will support a restructured program focused on surveillance, compliance, and market access rather than eradication. Maintaining program capacity is expected to reduce the risk of trade restrictions and enforcement actions that could otherwise result in higher economic losses to the nursery industry.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s):

The proposed rule is expected to economically affect nursery license holders regulated by ODA under ORS 571 through

increased licensing fees and associated compliance activities related to the restructured Japanese beetle program. No other state agencies are expected to be economically affected by the proposed rule. Units of local government are not required to take action under the rule and are not expected to incur compliance costs. Members of the public are not directly affected, except to the extent they operate licensed nursery businesses.

(2) Effect on small businesses: (a) estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(a) Small businesses subject to the rule

There are approximately 2800 licensed nursery operations in Oregon. Most qualify as small businesses, including sole proprietorships, family-owned nurseries, and small commercial operations, however these small businesses will not be affected by this rule change.

(b) Reporting, recordkeeping, and administrative requirements

The proposed rule does not create new reporting or recordkeeping requirements beyond existing nursery licensing obligations. Licensees will continue to comply with current licensing, inspection, and regulatory requirements. Some businesses may experience increased administrative effort related to compliance with pest management expectations necessary to maintain market access.

(c) Costs of compliance

In addition to increased nursery license fees, some nursery operators may incur additional costs associated with labor, pest monitoring, and pest control activities to meet market access and phytosanitary requirements in the absence of a full eradication program. These costs may include staff time, treatment materials, and operational adjustments. The magnitude of these costs will vary based on business size, location, and existing pest management practices. The rule does not require the purchase of specific equipment or the use of professional services beyond those already used by regulated entities, but compliance may result in increased operational effort for some licensees.

In addition to direct financial impacts, the closure of the eradication program and transition to a market-access-focused approach may result in non-quantifiable impacts, including increased stress and uncertainty for nursery operators related to compliance responsibilities, business continuity, and market access risks. These impacts are difficult to measure but may be more pronounced for small and emerging businesses with limited staffing and resources.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

ODA held a rules advisory committee (RAC) meeting on February 5, 2026 and the attendees were small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

AMEND: 603-054-0018

RULE SUMMARY: Correcting an error from the last filing, amending the maximum license fee for dealers, florists, and landscape contractors from \$25,675 to \$29,675.

CHANGES TO RULE:

603-054-0018

License Fees: Dealers, Florist and Landscape Contractors ¶¶

(1) The license fee for dealers, florist, and landscape contractors shall be as follows: If annual purchases (live plant material only, cut flowers are exempt) are The license fee is:¶¶

(a) Up to \$20,000 = \$176;¶¶

(b) \$20,001-\$100,000 = \$176 plus.00205 over \$20,000;¶¶

- (c) 100,001-\$200,000 = \$340 plus.00166 over \$100,000;¶
- (d) \$200,001-\$500,000 = \$506 plus.00082 over \$200,000;¶
- (e) \$500,001-\$2,000,000 = \$752 plus.00074 over \$500,000;¶
- (f) \$2,000,001 & above = \$1,862 plus.00066 over \$2,000,000;¶
- (g) Maximum Fee = \$252,675.¶

(2) In addition to the annual license fee above, there will be a research assessment equal to 0.0002 of annual sales. The minimum research assessment is \$10.¶

(3) In addition to the annual license fee (1) and research assessment fee (2) above, there will be an assessment for the Plant Pest and Disease Emergency Response Fund. The assessment will be adjusted annually to maintain a fund balance of \$250,000 and will be prorated among all licensees based on annual sales or purchases from the previous year.¶

(4) An applicant for an original license or for a renewal license, without a full calendar year of prior nursery stock sales or purchase experience upon which to base the fees, must follow the licensing process found in ORS 571.057(2).

Statutory/Other Authority: ORS 561, 571

Statutes/Other Implemented: ORS 571.057