



## NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 603

**DEPARTMENT OF AGRICULTURE**

**FILED**

02/10/2026 3:35 PM

ARCHIVES DIVISION

SECRETARY OF STATE

FILING CAPTION: Increases to Nursery Program Fees

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 03/25/2026 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: 03/18/2026

TIME: 9:00 AM - 10:00 AM

OFFICER: Sunny Summers

### REMOTE HEARING DETAILS

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

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 25489295746879

### SPECIAL INSTRUCTIONS:

Meeting ID: 254 892 957 468 79

Passcode: L8yj2JC6

Dial in by phone

+1 503-446-4951,,746202564#

### NEED FOR THE RULE(S)

There is a need to increase Nursery license fees to support program services required to ensure Oregon nursery stock meet Japanese beetle phytosanitary standards. ODA proposes an 18.7% increase, effective across all three nursery license types. Increased fees would go into effect for licensees issued for the new license year starting July 2026.

The Oregon Legislature did not provide ODA with any funding for the Japanese beetle monitoring and eradication program. Without an active Japanese beetle program, Oregon can no longer uphold its pest-free status which means Oregon plant products are now subject to heightened phytosanitary restrictions for import into key markets. Increased regulatory oversight requires the agency to create and support a Japanese beetle compliance program. To ensure agency customer service can support this changing regulatory landscape, the ODA will establish two positions within the Nursery Program (1.26 FTE).

For the past several biennia, the Japanese beetle eradication program has been funded through one-time General Fund or Lottery Fund appropriations from the Oregon Legislature, separate from ODA's base budget. During the 2025 legislative session, a bill to continue this funding did not pass, and the end-of-session budget package did not include funds for the program. This resulted in the closure of the JB Program, which provided trapping and treatment of infested properties as well as statewide surveillance. A reshaped JB Program, with a focus on market access rather than eradication, is now required.

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## DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS 571 – OR Legislature Website

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

The proposed increase 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.

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## FISCAL AND ECONOMIC IMPACT:

The proposed rule increases nursery license fees to replace prior one-time legislative funding used to support the Japanese beetle program. The fee increase 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.

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## 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. These businesses will be subject to the proposed license fee increase and related compliance activities.

(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.

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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.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

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RULES PROPOSED:

603-054-0016, 603-054-0017, 603-054-0018

AMEND: 603-054-0016

RULE SUMMARY: Increases license fees for growers and collectors

CHANGES TO RULE:

603-054-0016

License Fees: Growers and Collectors ¶

(1) The license fee for nursery growers, other than greenhouse growers of herbaceous plants, and for collectors of native plants shall be as follows: If Annual Sales are - The license fee is:¶

(a) Up to \$20,000 = \$14876;¶

(b) \$20,001-\$100,000 = \$14876 plus.00472560 over \$20,000;¶

(c) \$100,001-\$200,000 = \$526624 plus.00437519 over \$100,000;¶

(d) \$200,001-\$500,000 = \$961,143 plus.00354420 over \$200,000;¶

(e) \$500,001-\$2,000,000 = \$2,025403 plus.002512 over \$500,000;¶

(f) \$2,000,001 & above = \$5,2056,168 plus.00064172 over \$2,000,000;¶

(g) Maximum Fee = \$25,0009.675.¶

(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

RULE SUMMARY: Increases license fees for greenhouse growers of herbaceous plants

CHANGES TO RULE:

603-054-0017

License Fees: Greenhouse Growers of Herbaceous Plants ¶

(1) The license fee for greenhouse growers of herbaceous plants shall be as follows: If Annual Sales are - The license fee is:¶

(a) Up to \$20,000 = \$14876;¶

(b) \$20,001-\$100,000 = \$14876 plus .00173205 over \$20,000;¶

(c) 100,001-\$200,000 = \$286340 plus .0014066 over \$100,000;¶

(d) \$200,001-\$500,000 = \$42506 plus .0006982 over \$200,000;¶

(e) \$500,001-\$2,000,000 = \$633752 plus .0006274 over \$500,000;¶

(f) \$2,000,001 & above = \$1,563862 plus .000566 over \$2,000,000;¶

(g) Maximum Fee = \$25,0009,675.¶

(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

RULE SUMMARY: Increases license fees for dealers, florists, and landscape contractors

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 = \$14876;¶

(b) \$20,001-\$100,000 = \$14876 plus.00173205 over \$20,000;¶

(c) 100,001-\$200,000 = \$286340 plus.0014066 over \$100,000;¶

(d) \$200,001-\$500,000 = \$42506 plus.0006982 over \$200,000;¶

(e) \$500,001-\$2,000,000 = \$633752 plus.0006274 over \$500,000;¶

(f) \$2,000,001 & above = \$1,563862 plus.0005666 over \$2,000,000;¶

(g) Maximum Fee = \$25,000675.¶

(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