



Oregon
Department
of Agriculture

OREGON DEPARTMENT OF AGRICULTURE

HB2443 Fertilizer Fees

Presented to the
House Committee on Agriculture and Natural Resources
March 3, 2015

Description

HB 2443 proposes to increase certain program fees to provide \$70,000 annually for research grants related to fertilizer and water. This bill also increases product evaluation fees to insure cost recovery for product analysis and registration. Finally, HB 2443 provides for general housekeeping to update statutory language to be consistent with recommendations from the Association of Plant Control Officials.

Background

The fertilizer program registers, inspects and licenses the manufacture and distribution of fertilizer, agricultural amendments, soil amendments, lime, gypsum and compost products offered for sale in Oregon. During fiscal year 2014 the program: registered or re-registered over 9,000 products, issued 208 Licenses, received tonnage reports from 656 distributors, inspected and sampled 297 products. Oregon law provides for a Fertilizer Research Committee to help the Oregon Department of Agriculture (ODA) pursue research related to water and fertilizer issues. Law authorizes use of a portion of the tonnage fees collected for fertilizer sold in Oregon to "fund grants for research and development related to the interaction of fertilizer, agricultural amendment or agricultural mineral products and ground water or surface water."

In 2011, the regulated fertilizer community requested a reinstatement of the Fertilizer Research Committee and the use of \$70,000 per year fund to conduct research related to water and fertilizer issues. In 2012 support was provided for two research projects:

- Making the Case for Implementing Groundwater Protection through Fertilizer management
- Independent Review of the Lower Umatilla Basin (LUB) Groundwater Management Area (GWMA) Monitoring Program

These projects are addressing key problems that are a challenge to agricultural production. Fulfilling this request has drawn down cash balances as expenses exceed total revenues and the program fees are at their statutory cap.

Proposal

The ODA in consultation with members of the regulated fertilizer community identified areas in existing statute that need to be updated or changed. The law, ORS 633.362(3), provides a product evaluation fee not to exceed \$50. New fertilizer products are being introduced alleging to have unique qualities due to new additives and biological material. The lab costs to confirm the presence of these new materials exceeds \$50. The cost of analyzing these new materials is estimated to cost up to \$500 per product evaluation. If the evaluation fee is not increased, these lab expenses will need to be subsidized by registration and tonnage fees paid by other registrants. HB 2443 raises the evaluation fee to an amount not to exceed \$500 to ensure individual registrants more fully cover the cost of their product analysis.

In addition, general housekeeping is proposed for ORS 633.311 to 633.479 to update terms to be consistent with recommendations of the Association of American Plant Food Control Officials, to remove terms and products no longer in commerce, and to include new products that need to be described.

Comparison of existing and proposed fees

Fertilizer Revenue	Current	SB 2443 Proposed Caps	Proposed increased in rule 2015-17
Product Registration			
Fertilizer	\$25	\$50	\$25+\$5=\$30
Mineral	\$25	\$50	\$25+\$5=\$30
Amendment	\$25	\$50	\$25+\$5=\$30
Lime	\$25	\$50	\$25+\$5=\$30
Evaluation Fee	\$50	Cost up to \$500 per new product	Cost up to \$500 per new product
Manufacturer/Bulk Distributor License	\$50	No change	No change
Tonnage Fee			
Fertilizer	\$0.45	No change	No change
Mineral	\$0.45	No change	No change
Amendment	\$0.45	No change	No change
Compost	\$0.05	No change	No change
Gypsum	\$0.05	No change	No change
Lime	\$0.00	New \$0.05	New \$0.05
Minimum tonnage fee every six months	\$0	New \$15	New \$15

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