



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 251

PRINTERS NO. 1842

PRIME SPONSOR: Yaw

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund; Agronomic Regulatory Account	See Fiscal Impact	See Fiscal Impact

SUMMARY: Senate Bill 251, Printer's Number 1842, repeals the existing Fertilizer Chapter and replaces it with updated fees for fertilizer manufacturers and guarantors.

ANALYSIS: This bill amends Title 3 (Agriculture) by repealing the existing Fertilizer Chapter and adds Chapter 68 to replace it with updated fees for fertilizer manufacturers and guarantors with regulatory oversight by the Department of Agriculture. It also provides for labeling, packaging, sale and distribution requirements of fertilizers for agriculture, turf and specialty uses. Several definitions related to the program are included such as: certified applicator, commercial applicator, distributor, guarantor and fertilizer application license.

Section 6802 addresses the licensing requirements related to fertilizer manufacturers and guarantors as follows:

1. Each person engaged in the manufacture of fertilizer to be distributed in this Commonwealth and each guarantor of the fertilizer shall, on or before July 1 of each year or prior to manufacture or distribution of the fertilizer, obtain a fertilizer license for each facility located in this Commonwealth and for each guarantor by completing a form furnished by the department and paying a \$50 application fee. All licenses shall expire on June 30 of each year.
2. The department may require an applicant to submit the labeling for the fertilizer and an analysis of selected components that may be in the fertilizer.

Section 6803 addresses the registration of specialty fertilizers as follows:

1. Each brand and grade of specialty fertilizer shall be registered by the guarantor with the department before being offered for sale, sold or distributed in this Commonwealth. An application for each brand and grade of specialty fertilizer shall be made on a form furnished by the department and shall be accompanied by a fee of \$100 per each grade of each brand. Labels for each brand and grade shall accompany the application. All registrations shall expire on June 30 of each year.
2. If the application for renewal is not filed prior to June 30 of each year, a penalty of \$25 or 10% of the total registration fee for all products sought to be registered, whichever is greater may be assessed and added to the original fee and shall be paid by the applicant before the renewal of the specialty fertilizer registration is issued.

Section 6805 addresses label and labeling requirements for fertilizers. It also states that the department may require proof of labeling claims made for fertilizer.

Section 6806 establishes that inspection fees shall be paid semiannually and not later than January 31 and July 31 of each year an inspection fee at the rate of 17 cents per ton of fertilizer distributed in the Commonwealth. The inspection fee paid semiannually amount shall be no less than \$25.

Section 6807 requires tonnage reports be submitted listing by county the intended use and net tons of each brand and grade of fertilizer distributed in this Commonwealth for the period covered by the inspection fee. The department may promulgate regulations to establish additional tonnage reporting requirements and a penalty of \$25 or 10% of the total inspection fee, whichever is greater, shall be imposed for a fee or report not submitted on time. Additional penalty payments are outlined under Section 6817 assessed for deficiencies from the guaranteed analysis of the fertilizer.

Section 6815 states that the department, through guidelines established in consultation with The Pennsylvania State University and representatives of the agricultural and turf grass industries, shall establish and administer a program of public outreach to educate the public on proper use, application, handling and storage of fertilizers.

Section 6817 authorizes the department to promulgate and enforce rules and regulations necessary for administration and implementation of this chapter. Regulations currently in place shall remain in effect, to the extent they are consistent with this chapter, until such time as new regulations are promulgated by the department.

Section 6825 provides for enforcement related to civil and criminal penalties as follows:

- first offense is a summary offense and the fine amount changes from a range of \$50-\$100 to a range of \$100-\$500;
- subsequent offense within three years is a misdemeanor of the second degree and the fine amount remains at no less than \$500 and no more than \$1,000;
- maximum amount for a civil penalty increases from \$2500 to \$5000; and
- using trade secrets acquired under authority of the act to advantage remains a misdemeanor of the third degree with a fine of not less than \$500.

Additional sections provide civil remedies whereas the Office of Attorney General, at the request of the department, may initiate actions in Commonwealth Court or the court of common pleas of the county in regard to a violation of this chapter. The department may also cooperate with and enter into agreement with governmental agencies of the Federal Government, agencies of this Commonwealth or another state to carry out this chapter.

Section 6831 outlines the disposition of funds, stating that money received from license fees, registration fees, applicator certification, inspection fees, fines and penalties shall be paid into a

special restricted account in the General Fund known as the Agronomic Regulatory Account. All money in the Agronomic Regulatory Account is appropriated on a continuing basis to the department for the purposes of this chapter and Chapters 69 (relating to soil and plant amendment) and 71 (relating to seed).

This legislation would take effect immediately upon enactment, while the provisions related to fertilizer labeling become effective in 18 months.

FISCAL IMPACT: Enactment of this legislation is projected to generate an additional \$510,000 in new revenues for the department annually from the increased license, registration and inspection fees related to fertilizers and the fines and penalties established. This projection is based on agency estimates comparing current and proposed fees on existing licenses. The additional revenue will be deposited into the special restricted account in the General Fund known as the Agronomic Regulatory Account and will continue to support the agency's additional administrative and enforcement responsibilities and an outreach program to educate the public on the proper use, application and handling of fertilizers.

PREPARED BY: Jeffrey Clukey
House Appropriations Committee (R)

DATE: July 1, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.