



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 295

PRINTER'S NO. 251

PRIME SPONSOR: Rabb

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	\$0	See Fiscal Impact

SUMMARY: Realigns product registration process and tonnage reporting in Title 3 (Agriculture) Chapter 69 (Soil and Plant Amendment Act) with Title 3 Chapter 68 (Fertilizer Act). This legislation would take effect immediately.

ANALYSIS: Act 83 of 2022, repealed the original Fertilizer Law (Title 3 Chapter 67), and replaced it with Chapter 68. Changes in Act 83, modernized fertilizer product registration, including increased registration fees, and tonnage reporting, however those changes caused the fertilizer program to be different than the Soil and Plant Amendment (Title 3 Chapter 69).

Soil and Plant Amendment (Title 3 Chapter 69) requires manufacturers and guarantors of soil/plant amendments to register products, pay inspection fees, and generate reports related to tonnage of product distributed within the Commonwealth.

HB 295 PN 251 updates requirements under Soil and Plant Amendment so that a company that paid a registration fee under the Fertilizer Law (Chapter 68) does not have to pay another registration fee under Chapter 69 for such products if the products are dual-use and are registered, inspected, and reported as fertilizers.

The bill further removes the small package tonnage designation for soil and plant amendments and removes the double tonnage reporting requirement for product registered as a fertilizer and soil/plant amendment.

FISCAL IMPACT:

This legislation would have a minimal fiscal impact on Commonwealth funds.

Fee data for FY 2022/23 shows:

- Soil & Plant Amendment inspection fees (based on tonnage sold) - \$11,000
- Soil & Plant Amendment license fees – approximately \$12,000 per year
- Soil & Plant Amendment product registration fees- approximately \$50,000 per year

According to the Department of Agriculture, this bill would decrease Soil & Plant Amendment (S&PA) product registration fees by approximately \$30,000 per year.

However, with the increase in fertilizer product registration fees under Act 83 of 2022, companies are paying double what they would have paid under the repealed Title 3 Chapter 67 and under Title 3 Chapter 69 (Soil and Plant Amendment).

For each product registration:

- Pre-Chapter 68, fees were \$25 fertilizer + \$25 S&PA = \$50.00 for one dual-purpose product
- Under Chapter 68, the fee is \$100 fertilizer + \$25 S&PA = \$125.00 for one dual-purpose product

Under HB 295 PN 251, one dual-purpose product registration would be \$100.00.

PREPARED BY: Gueorgui Tochev
House Appropriations Committee (D)

DATE: May 23, 2023

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