

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 792

**PRINTER NO.** 1004

**AMOUNT**

No Adverse Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

June 22, 2017

**PRIME SPONSOR**

Senator Alloway

**DESCRIPTION**

Senate Bill 792 amends Title 3 (Agriculture) by repealing and replacing the Fertilizer Act. The legislation contains the following provisions:

- Requires fertilizer licenses be obtained annually by fertilizer manufacturers for each manufacturing facility and by guarantors for a fee of \$50. Presently, the fee is \$25.
- A "guarantor" is defined as a manufacturer or distributor of fertilizer whose name appears on the product.
- Requires each specialty fertilizer be registered annually by the guarantor with the Department of Agriculture before the sale or distribution for a fee of \$100.
- Requires the guarantor to label fertilizer distributed in the Commonwealth with the following information: the brand and grade of fertilizer; a guaranteed analysis; a derived from statement; directions for use; the name and address of guarantor; and the net weight.
- Requires the labeling information to accompany delivery of bulk purchases.
- Requires fertilizer stored in bulk for distribution to be labeled.
- Specifies the contents of fertilizer sold to consumers at retail and intended for use on turf.
- Requires the guarantor whose name appears on the label to pay an inspection fee at the rate of 17 cents per ton of fertilizer sold on a semiannual basis or a minimum inspection fee of \$25. Presently, the fee is 15 cents per ton.
- Requires the guarantor to submit reports to the department by county and fertilizer use category of the net tons of each brand and grade of fertilizer distributed in the Commonwealth.
- Requires the department to inspect, sample and analyze fertilizer distributed in the Commonwealth and inspect the storage of bulk fertilizer.
- Provides for guarantors to pay penalties to the consumer for plant food deficiencies from the guaranteed analysis in an amount equal to five (5) times the commercial value of the product.
- Prohibits the misbranding and adulteration of fertilizer.
- Requires the licensure of fertilizer application businesses annually for a fee of \$100. Requires businesses with one or more locations or more than one name to license each location, place of business or business entity.
- Requires each licensed fertilizer application business employ at least one person that holds a valid commercial or public applicator certification.

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- Requires that fertilizer application businesses ensure that fertilizer technicians do not apply fertilizer unless they have completed a training program administered by a certified applicator employed by the business.
- Provides certification requirements for commercial and public applicators and provides for a minimum certification examination fee of \$10.
- Provides that commercial applicator certification expires annually and public applicator certification expires every three years.
- Provides for recertification of applicators by providing evidence of having received continuing education credits in technology related to fertilizer application approved and monitored by the department.
- Requires fertilizer applicators and technicians to maintain a detailed record for every application of fertilizer.
- Requires airports that used nitrogen based materials to melt snow to develop a five (5) year plan for mitigating the impact of runoff and submit a report annually to the department regarding the use of nitrogen based materials.
- Provides for fertilizer application restrictions, default application rates and specifies acts that are prohibited under the law.
- Provides for the department, in consultation with Penn State University and representatives of the agricultural and turf grass industries, to establish an outreach program to educate the public on the proper use, application, handling and storage of fertilizers.
- Provides that the department may annually publish information regarding fertilizer use.
- Provides for seizure and condemnation of fertilizer not in compliance with the law.
- Provides for late fees for failing to submit any fee or report on time in the amount of \$25 or 10% the total amount of late fees, whichever is greater.
- Provides for criminal and civil penalties for unlawful conduct related to the act.
- Provides for all funds collected from license fees, registration fees, applicator certification, fines and penalties to be paid into a special restricted account in the General Fund known as the Agronomic Regulatory Account. Moneys in the account are appropriated to the department for the purposes of this chapter.
- Provides the department with the authority to increase fees to meet the cost of administration and enforcement of the provisions contained in the act.
- The legislation is scheduled to take effect immediately.

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### **FISCAL IMPACT:**

The Department of Agriculture estimates that Senate Bill 792 will have no adverse fiscal impact on Commonwealth funds. New revenues generated from the license fees, registration fees, applicator certification, fines and penalties established in the legislation are estimated to generate an additional \$800,000 annually. This amount will be sufficient to support the department's additional administrative and enforcement responsibilities, which will include expenditures for the following: additional staffing to support the program; costs for software to maintain program data; costs related to certification training and examination development; and providing an outreach program to educate the public on the proper use, application and handling of fertilizers. Additionally, provisions contained in the legislation provide the department with the ability to adjust fees to meet its costs related to the program.