

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 915

**PRINTER NO.** 1437

**AMOUNT**

\$100,000

**FUND**

General Fund

**DATE INTRODUCED**

December 18, 2019

**PRIME SPONSOR**

Senator Yaw

**DESCRIPTION**

Senate Bill 915 amends Title 3 (Agriculture) by repealing and replacing the Fertilizer Act. The legislation contains the following provisions:

- Establishes best practices for the use of fertilizer products;
- Requires enhanced labeling of fertilizer products;
- Provides for the Department of Agriculture (department) to promote fertilizer education programs through public outreach in consultation with Pennsylvania State University and the agricultural and turf grass industries;
- Requires advanced reporting of fertilizer use to the department by county and fertilizer use category;
- Requires the annual licensure of fertilizer application businesses 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;
- Provides certification requirements for commercial and public fertilizer applicators and provides for a minimum certification examination fee of \$10;
- Provides for the Treasurer to transfer \$100,000 from the General Fund to the Agronomic Regulatory Account for use by the department to develop the fertilizer applicator certification and recertification courses and any computer programming or software necessary for administration and enforcement;
- Provides new fee structures for fertilizer manufacturer and distributor licenses, specialty fertilizer registration and inspection fees;
- Requires fertilizer licenses to be obtained annually by fertilizer manufacturers for each manufacturing facility and by guarantors for a fee of \$50. Currently, 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 to be registered annually by the guarantor with the department before the sale or distribution for a fee of \$100. Currently, the fee is \$25;
- 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. Currently, the fee is 15 cents per ton;

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- Provides for fertilizer application restrictions and application rates and specifies acts that are prohibited under the law;
- Allows seizure and condemnation of fertilizer not in compliance with the law;
- Provides for criminal and civil penalties for unlawful conduct related to the act;
- Provides for late fees for failing to submit a fee or report on time in the amount of \$25 or 10% of the total amount of late fees, whichever is greater;
- 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 on a continuing basis 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; and
- Provides for the preemption of local laws and regulations that conflict with the act.

### **FISCAL IMPACT:**

The enactment of Senate Bill 915 will cost the Commonwealth \$100,000 as a result of the transfer of \$100,000 from the General Fund to the Agronomic Regulatory Account for use by the department to develop fertilizer applicator certification and recertification courses and any computer programming or software necessary for administration and enforcement.

The Department of Agriculture estimates that new revenues generated from the license fees, registration fees, applicator certification, fines and penalties established in the legislation will generate an additional \$825,000 in revenue annually. This amount will be sufficient to support the department's additional administrative and enforcement responsibilities, including expenditures for: additional staffing to support the program; costs for software to maintain program data; costs related to certification training and examination development; and 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.