

SENATE BILL REPORT

SSB 5318

As Passed Senate, March 3, 2021

Title: An act relating to fertilizer fees.

Brief Description: Concerning fertilizer fees.

Sponsors: Senate Committee on Agriculture, Water, Natural Resources & Parks (originally sponsored by Senator Warnick; by request of Department of Agriculture).

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/28/21, 2/04/21 [DPS-WM].

Floor Activity: Passed Senate: 3/3/21, 31-18.

Brief Summary of First Substitute Bill

- Increases fertilizer application, license, inspection, and late fees.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 5318 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Honeyford, Rolfes, Short and Stanford.

Staff: Karen Epps (786-7424)

Background: The Washington State Department of Agriculture (WSDA) requires commercial fertilizer to be registered by producers, importers, or packagers before distribution. Bulk fertilizer does not require registration if all commercial fertilizer products in the final product are already registered. Applications for registration include a \$25 fee

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per location. Commercial fertilizer distributed in Washington must be clearly labeled. Bulk commercial fertilizer must be distributed with a written or printed statement supplied to the purchaser at the time of delivery.

Registrants or licensees distributing commercial fertilizer must file semiannual reports with WSDA stating the net tons of each commercial fertilizer distributed in Washington. Individuals responsible for paying inspection fees must include the fees with the report. Registrants or licensees distributing less than 83 tons of commercial fertilizer, less than 167 tons of commercial lime, or an equivalent combination of the two, must pay a minimum fee of \$25. WSDA maintains a publicly-accessible database of fertilizer registration information, and reports biennially to the Legislature on levels of nonnutritive substances in fertilizers.

Summary of First Substitute Bill: The annual license fee for a person who distributes bulk fertilizer is increased from \$25 to \$50 for each out-of-state or in-state location that distributed bulk fertilizer in Washington. The delinquency fee of \$25 is increased to \$50. The application fee for a new registration is increased from \$50 to \$150 for each product, a renewal fee is set at \$120 for each product, and the late fee is increased from \$10 to \$50. Inspection fees on commercial fertilizer is increased from \$0.15 to \$0.20 per ton of lime and from \$0.30 to \$0.35 per ton of all other commercial fertilizer.

Registrants or licensees distributing less than 143 tons, rather than 83, of commercial fertilizer, less than 250 tons, rather than 167, of commercial lime, or an equivalent combination of the two, must pay a minimum fee of \$50 rather than \$25. If the semiannual or annual report indicates that zero tons of commercial fertilizer were distributed during the reporting period, the person responsible for completing the report must pay a filing fee of \$12.50 for a semiannual report or \$25 for an annual report. The late fee is increased from \$25 to \$50. If the appropriate inspection fees are not received by the due date the late fee is equal to 10 percent of the inspection fee owed or \$50, rather than \$25, whichever is greater.

The provisions providing that the penalty does not apply if the applicant furnishes an affidavit that the applicant has not distributed this commercial fertilizer since the expiration date of the applicant's prior license are removed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on First Substitute: PRO: This bill will cover ongoing costs within the fertilizer program at WSDA. The program is seeking maintenance

and inflation fee increases for the fertilizer registration tonnage and bulk fertilizer distribution licenses. Many of these fees have not been increased in over 20 years, so program revenue has not kept up with inflation and cost increases. The program provides registration services for over 780 companies, registering over 9500 products and working with over 500 bulk fertilizer distributors. The fee increases are necessary to ensure that fertilizers do not contain heavy metals, labels are accurate, fertilizers contain the nutrients listed on the label, and safeguards are in place at fertilizer manufacturing and storage facilities. This proposal includes funding for the fertilizer business application database which includes an online customer portal and e-check and credit card payment options. Without this fee increase, program staffing will be reduced as the program is no longer solvent.

CON: The fees will increase new fertilizer product registrations by 200 percent and a renewal fee of 140 percent. There is support for WSDA and the work that they do, but there is not support for fee increases all at once. Bulk fertilizer fees will be passed on to the local supplier. A gradual fee increase over time would be better.

OTHER: The programs funded by these fee increases are essential, critical to the state's agricultural industry. Under normal circumstances, industry would support these fee increases, but these are not normal circumstances. Delaying the increase in fees until January of next year would help farmers get through this year. Industry supports the program and the work that it does, but fee increases are challenging this year. The fertilizer program is a consumer protection program and it makes sure no deleterious products are included in the fertilizer and the necessary nutrients are in the product.

Persons Testifying: PRO: Senator Judy Warnick, Prime Sponsor; Kelly McLain, Washington State Department of Agriculture.

CON: James Connolly, Planet Turf.

OTHER: Mike Schwisow, Washington Winegrowers Association.

Persons Signed In To Testify But Not Testifying: No one.