

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.102 An act relating to the regulation of agricultural inputs for farming – House Agriculture and Forestry Recommendation Of Amendment – Draft 1.4

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Ways%20and%20Means/Bills/S.102/S.102~Michael%20O'Grady~%20Draft%201.4,%204-16-2021%20As%20Recommended%20out%20of%20House%20Committee%20on%20Agriculture~4-20-2021.pdf>

Bill Summary

The following bill summary is limited to items that are estimated to have a fiscal impact. The bill proposes to create new definitions for “dosage form animal health products” and “feed supplements” and proposes to require that these products be registered with the Agency of Agriculture, Food and Markets (Agency) and subject to commercial feed registration fees. Additionally, the bill proposes new definitions for “plant amendments,” “plant biostimulants,” and “soil amendments” and proposes to require that these products be registered with the Agency and subject to fertilizer and lime registration fees. The bill proposes to restructure the fertilizer and lime registration fee from a \$20 fee per nutrient/plant food element (capped at \$140 per brand/grade) to an \$85 fee per product. The effective date for these provisions would be July 1, 2021.

Fiscal Impacts

Sec. 9 – Commercial Feeds

Feed Supplements – This category of products would be subject to the existing annual registration fee of \$105 per commercial feed product. There are currently approx. 15,000 commercial feed products registered in the state annually that raise approx. \$1.5 million in revenue from the current registration fee. Revenues are deposited in a special fund. With the addition of “feed supplements” the Agency believes that up to 550 additional products may be registered in the state each year, raising an additional \$57,000 in annual revenue.

Dosage form animal health products – This category of products would be subject to a proposed new annual registration fee of \$50 per product. The Agency believes that this is potentially a large universe of products, which is why the proposed fee is lower than for other commercial feed products. The Agency estimates that up to 1,400 products may be subject to the registration requirement, which would raise approx. \$70,000 in annual revenue.

Sec. 10 – Fertilizer and Lime

The current annual registration fee for fertilizer products is set at \$20 per nutrient or plant food element, with a maximum fee per brand or grade of \$140. There are currently approx. 14,000 units subject to the fee that annually raise approx. \$280,000 in revenues. These revenues are deposited in a special fund. Per the Agency, restructuring the fee to \$85 per product would raise an additional \$40,000 per year. Rather than 14,000 “nutrient/plant food elements” being subject to the current \$20 fee, there would be approx. 3,800 products subject to the higher \$85 fee.

The bill also proposes three new categories of products that would be subject to the fertilizer registration requirements and accompanying fee. These categories would be “plant amendments,” “plant biostimulants,” and “soil amendments.” The Agency estimates that these categories may encompass up to 500 additional products. If this estimate were to hold then these product categories would raise approx. \$42,000 in new revenues per year.

Total potential new revenues to the Feed, Seed and Fertilizer special fund from the new feed and fertilizer products – up to \$200,000 annually

Per the Agency, the additional administrative work that would arise as a result of the passage of this bill could be managed with existing staffing.