

STATEMENT OF PURPOSE

RS29014C1 / H0455

The Idaho State Department of Agriculture (ISDA) proposes a bill related to Red Tape Reduction within Title 22. The bill has three components: Simplifying the fee structure of the fertilizer program by repealing tonnage fees, simplifying the fee structure of soil and plant amendment program by repealing tonnage fees, and, repealing Title 22, Chapter 32 which governs the artificial production of rainfall. This law is outdated and was superseded by the passage of H 266 in 2021. This legislation would create a more streamlined framework for fertilizer, soil and plant amendment registration. Currently, customers pay a registration fee and then separate fees for tonnage. This process is cumbersome for customers and takes considerable time for ISDA staff to review. This legislation would eliminate the process of paying by tonnage. This type of structure was successfully implemented in the ISDA feed program several years ago.

FISCAL NOTE

ISDA analyzed program revenues based on the current tonnage and registration fee system. The Department assessed program expenses and determined that average costs paid per registered product could be lowered.

In a typical year, the average fertilizer registration cost is \$77 per product, and the average soil and plant amendment registration cost is \$114 (registration plus tonnage fees). ISDA's proposal would set flat rates for both programs (\$75 per fertilizer product and \$90 per soil and plant amendment product). There are approximately 7,200 fertilizers registered and approximately 1,700 soil and plant amendment products registered in Idaho. This bill would decrease costs for industry by \$55,344 in the first year.

The total expected savings to industry is \$186,000 over the next five years, which means there will be a commensurate decrease in ISDA dedicated funding. ISDA revenue will see a decrease in the first year and then smaller decreases in subsequent years as additional new products are registered in the program. These programs have adequate fund balances, and ISDA could implement the changes while maintaining services. This proposal will decrease overall, average costs for customers and will result in significant savings to staff time due to a simplified process. If passed, ISDA would be able to shift staff away from paperwork review towards field work and technical assistance.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).