

Date of Hearing: June 26, 2024

ASSEMBLY COMMITTEE ON AGRICULTURE  
Esmeralda Soria, Chair  
SB 1522 (Committee on Agriculture) – As Introduced March 11, 2024

**SENATE VOTE:** 37-0

**SUBJECT:** Fertilizing material

**SUMMARY:** This bill would extend the label registration of someone who manufactures or distributes fertilizing material from 2 years to 4 years and adjusts registration fees accordingly. This bill would allow the Secretary of the California Department of Food and Agriculture (CDFA) to adjust the mill assessment rate on fertilizing materials registered for sale in California without using administrative regulations and/or the rulemaking process provided the Fertilizing Industry Advisory Board (FIAB) determines the change is necessary. Finally, this bill updates definitions and makes technical changes. Specifically, **this bill:**

- 1) Defines “fertilizing material” to mean any commercial fertilizer, agricultural mineral, beneficial substance, or organic input material.
- 2) Defines “beneficial substance” to mean any substance or compound, other than primary plant nutrients, secondary plant nutrients, and micronutrients, and excluding pesticides, that can be demonstrated by scientific research to be beneficial to one or more species of plants, soil, or media. A beneficial substance includes, but is not limited to, plant biostimulants.
- 3) Defines “labeling” to mean all written, printed, or graphic matter on, accompanying, or used in promoting the sale of any fertilizing material, including advertisements, brochures, posters, internet websites, and television and radio announcements.
- 4) Allows CDFA to establish a schedule for all registrations to be submitted to the department for approval and be valid for up to four years.
- 5) Allows the department to adjust the registration fee from \$200 to \$400 per product, and from \$500 to \$1,000 per organic product to accommodate the doubling of the registration time.
- 6) Exempts any substance distributed for the purpose of promoting plant growth or improving the quality of crops by conditioning soils from registration as long as the substance is sold in bulk. These would include, but would not be limited to, hay, straw, sand, wood products, manures, and compost sold without guarantees for plant nutrients.
- 7) Allows the Secretary of CDFA to adjust the mill assessment rate based upon a finding and recommendation of FIAB, not to exceed 2 mills (\$0.002).
- 8) Clarifies if a person has obtained multiple fertilizing materials licenses and their tonnage reports are submitted after the required dates specified, a late fee may be imposed and is limited to one \$200 late fee per person.
- 9) Includes technical fixes such as recognizing standardized definitions for plant biostimulants and beneficial substances.

- 10) Establishes authority for CDFA to refuse to issue fertilizing material licenses or registrations in circumstances when a person has an unpaid fine, fee, assessment, or penalty levied for a violation if it remains unpaid after 30 days of the issuance of a hearing officer's decision, a superior court judgment, a stipulated settlement payment deadline, or any combination thereof, until that fine, fee, assessment, or penalty is paid in full.

**EXISTING LAW:**

- 1) Establishes the Fertilizing Materials Inspection Program, which is an industry-funded program that ensures consumers receive fertilizing materials that are safe and effective and meet the quality and quantity guaranteed by the manufacturer. The program's three arms include registration, inspection and research.
- 2) Requires each differing label for specialty fertilizer, packaged agricultural mineral, auxiliary soil and plant substance, organic input material, and packaged soil amendment be registered (*Food and Agricultural Code (FAC) 14601*).
  - a. The registrations are valid for a period of 2 years and requires the fee to be no more than \$200 per product, except for the fee for organic material, which would be no more than \$500 per product.
- 3) Allows the Secretary of CDFA to reduce the mill assessment to a lower rate that provides sufficient revenue to carry out the registration program (*FAC 14601(d)*).
- 4) States that a licensee who sells or distributes bulk fertilizing materials in California must pay an assessment not to exceed 2 mills (\$0.002) per dollar of sales for all fertilizing materials; and, also states that a licensee whose name appears on the label of packaged fertilizing materials shall pay an assessment not to exceed 2 mills per dollar of sales (*FAC 14611*).

**FISCAL EFFECT:** Unknown.

**COMMENTS:** The rulemaking process that is currently required to change the mill assessment rate utilizes significant staff resources and presents a lengthy and time-consuming process for program personnel and CDFA legal staff.

FIAB believes the current process is prohibitive and one that does not let the department react quickly enough to the economic trends of the fertilizer industry. While CDFA has amended this regulation twice in the past eight years, FIAB has indicated that they have elected to not adjust the mill assessment rate at times due to the inability to react quickly enough to current economic market conditions. As such, the fertilizer industry has suffered due to the lack of more timely and nimble rate adjustments. Due to the lengthy regulatory process, when FIAB recommends a rate adjustment, the change will not be enacted until over a year after they were originally intended by FIAB and the Secretary.

Supporters state, this bill will also improve CDFA's ability to improve and expedite the fertilizer registration process, particularly for organic fertilizers. This bill extends the registration period for these products, and assure needed resources are available for product assessments. Additionally, it will allow CDFA to respond more efficiently to recommendations of the Fertilizer Inspection Advisory Board (FIAB) regarding fertilizer mill tax. Currently, the

regulatory process can result in extensive delays to CDFA's approval process. The changes identified in this bill and supported by WPH will allow CDFA to more efficiently respond to research and education needs related to the environmentally safe and agronomically sound use of fertilizers. The proposals within this bill have been extensively discussed via the FIAB's public process. WPH strongly believes this bill will enhance the operations of CDFA's Fertilizer Division and help encourage the further development and use of new technologies that will strengthen California's Healthy Soils Program and California agriculture's sustainability.

**REGISTERED SUPPORT / OPPOSITION:****Support**

Biotechnology Innovation Organization  
Western Plant Health Association

**Opposition**

None on file.

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