

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6295
BILL NUMBER: SB 129

NOTE PREPARED: Feb 14, 2022
BILL AMENDED:

SUBJECT: Seed Tests.

FIRST AUTHOR: Sen. Leising
FIRST SPONSOR: Rep. Lehe

BILL STATUS: As Passed House

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Seed Testing for Purity and Germination:* The bill requires the State Seed Commissioner to charge fees for testing seed for purity and germination that are commensurate with fees that are standard in the seed testing industry. The bill repeals certain requirements for agricultural seed in packages that are not more than one pound.

Seed Registration and Labeling: The bill provides that \$25 is the minimum fee to register pure or mixed cultures of microorganisms and materials with the State Chemist. It allows the State Chemist to adopt rules to establish fees that are necessary for the administration of certain laws concerning the sale and transfer of plant cultures, including costs of inspections, registration of products, and product analysis.

It voids rules concerning fees for seed analysis, testing, and examination.

Effective Date: July 1, 2022.

Explanation of State Expenditures: *Seed Testing for Purity and Germination:* By requiring that seed testing fees be commensurate with industry fees, the bill allows expenses associated with seed testing to be covered by the fees. Currently, the Office of the Indiana State Chemist and Seed Commissioner (OISC) covers costs associated with seed testing that are not covered by the current fee amounts. The OISC estimates annual expenditures for testing materials to be about \$60,000, and over \$100,000 if any labor is considered (seed testing revenues are estimated at \$15,000 to \$20,000). The bill also allows the seed testing fees to be set without the adoption of rules.

Seed Registration and Labeling: Adoption of rules by the OISC should be a routine administrative function

and not require any additional resources.

Explanation of State Revenues: *Seed Testing for Purity and Germination:* The OISC currently sets fees for seed testing by rules. The bill requires that the fees for testing seed must be commensurate to fees that are standard in the seed testing industry. The bill also allows the seed testing fees to be set without the adoption of rules, which should allow fees to be adjusted more regularly. The OISC estimates that they receive \$15,000 to \$20,000 of annual seed testing revenue. To the extent that current fees are lower than industry fees, and the fees are increased, revenue to the OISC should increase.

Seed Registration and Labeling: The bill makes the current \$25 seed registration fee the minimum fee that may be charged. The bill allows the OISC to adopt rules to establish fees that are necessary for the administration of laws regarding the sale and transfer of plant cultures. Revenues from seed registration fees could increase if higher fees are adopted.

Additional Information: The OISC currently charges seed testing fees of \$6 (single test) to \$10 (combination tests) depending on the type of test (purity with noxious weed examination and/or warm germination test). For seed mixtures, the fee is \$3 for each additional type in the mixture for single tests and \$5 for each additional type in the mixture for combination tests. For comparison, the Indiana Crop Improvement Association charges from \$12 to \$18 for purity tests (an additional \$10 for noxious test), and from \$13.50 to \$17.50 for germination tests.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Indiana State Chemist and Seed Commissioner.

Local Agencies Affected:

Information Sources:

https://www.oisc.purdue.edu/seed/pdf/seed_service_information_form.pdf

https://www.oisc.purdue.edu/seed/pdf/2020_seed_summary_report.pdf

https://www.oisc.purdue.edu/seed/pdf/annual_seed_registration_form.pdf

https://www.oisc.purdue.edu/seed/pdf/form_s2.pdf

https://www.oisc.purdue.edu/seed/pdf/microorganism_form.pdf

https://www.oisc.purdue.edu/seed/pdf/app_in_seed_permit_2017.pdf

Indiana Crop Improvement Association: *2020 Price List: Laboratory Testing and Field Services.*

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