1	HOUSE BILL NO. 131
2	INTRODUCED BY Z. PERRY
3	BY REQUEST OF THE DEPARTMENT OF AGRICULTURE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AGRICULTURAL REPORTING AND FEE
6	REQUIREMENTS RELATING TO PRODUCE, AGRICULTURAL SEED, COMMERCIAL FEED, AND
7	COMMERCIAL FERTILIZERS; AMENDING SECTIONS 80-3-314, 80-5-131, 80-9-206, 80-10-101, 80-10-103,
8	80-10-201, 80-10-202, 80-10-203, 80-10-204, 80-10-207, AND 80-10-303, MCA; AND PROVIDING AN
9	IMMEDIATE EFFECTIVE DATE."
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11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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13	Section 1. Section 80-3-314, MCA, is amended to read:
14	"80-3-314. Reporting requirements assessment fees exceptions. (1) Produce sold or distributed
15	in this state must be reported on forms approved by the department and must be assessed a fee for each
16	produce unit or equivalent poundage. The fee amount may be adjusted by rule but must be at least 3 cents and
17	not more than 7 cents for each produce unit.
18	(2) The produce dealer who first distributes produce in this state or a grower who retails Montana-grown
19	produce with gross annual sales exceeding \$25,000 shall pay the produce assessment fee established in
20	subsection (1). However, any produce dealer in possession of the produce may be held responsible for payment
21	of the fee unless the grower has paid for a produce dealer license or has made available to the produce dealer
22	a written form provided by the department stating that the assessment fees are being paid.
23	(3) The report and fees are due on or before the 30th day of the month following each calendar quarter
24	30 days after the last day of the reporting period. The reporting periods end June 30 and December 31.
25	(4) Payment of the produce assessment fee is not required on produce that is:
26	(a) grown and retailed in Montana by the grower if annual gross retail sales by the grower do not exceed
27	\$25,000;
28	(b) grown in this state, not packaged for market, and sold for resale by the grower;
29	(c) in the case of vegetative seed potato products, intended or used for planting purposes; or
30	(d) purchased from or distributed by a produce dealer licensed under 80-3-321 if the produce has been
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1	reported and the assessment fee has been paid.
2	(5) Fees must be paid only if they total more than \$5 in a reporting period."
3	
4	Section 2. Section 80-5-131, MCA, is amended to read:
5	"80-5-131. Assessment on sales into Montana reporting rulemaking. (1) Except as provided
6	in this subsection, seed labelers located outside Montana who sell agricultural seed in Montana shall report those
7	sales and pay a fee of 20 cents per \$100 in gross annual sales of agricultural seed. The department may by rule
8	adjust the assessment fee to maintain adequate funding for the administration of this part. The assessment fee
9	may not be less than 20 cents per \$100 or more than 30 cents per \$100 in gross annual sales of agricultural
10	seed. Fees must be paid only if they total more than \$5 in a reporting period.
11	(2) The department shall by rule establish:
12	(a) reporting requirements, including persons who shall report, the form of reports, the reporting period,
13	and the scope of information to be reported;
14	(b) the due date applicable to reports; and
15	(c) penalty provisions applicable to reports that are not received by the due date, not to exceed 10
16	or 10% of the assessment due, whichever is greater.
17	(3) Failure to submit the report as required or to pay the assessment in full constitutes a violation subject
18	to the penalty provisions of this chapter."
19	
20	Section 3. Section 80-9-206, MCA, is amended to read:
21	"80-9-206. Inspection fees filing of annual statement. (1) An inspection fee must be paid on all
22	commercial feeds, including customer formula feeds, except pet foods and specialty pet foods, distributed in this
23	state as follows:
24	(a) The feed manufacturer has primary responsibility for paying inspection fees. However, the distributor
25	is responsible for inspection fees if the manufacturer has not paid them.
26	(b) Except as provided in this subsection (1)(b), the inspection fee is 18 cents a ton. Inspection fees must
27	be paid on each commercial feed, including customer formula feeds and feed ingredients that are defined as
28	commercial feeds even though they are used in the manufacture of other commercial feeds. However, premixes
29	prepared and used within a feed plant or transferred from one plant to another within the same organization are
30	exempt. The department may by rule adjust the inspection fee to maintain adequate funding for the administration

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1 of this part. The fee may not be less than 18 cents a ton or more than 25 cents a ton.

(c) A person producing a commercial feed with a feed mixing plant at a feed lot or a poultry, swine, or
dairy operation may not be required to pay inspection fees on the commercial feeds produced and used in the
feeding operation at the site, but is responsible for any unpaid inspection fees on commercial feed purchased by
that person and on any commercial feed that person produces and distributes other than in that person's feeding
operations at the site.

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(d) Fees must be paid only if they total more than \$5 in an annual reporting period.

8

(2) Each person who holds a license as required in 80-9-201(1) shall:

9 (a) file, not later than January 31 of each year, an annual statement setting forth the number of tons of 10 commercial feeds distributed in this state during the preceding calendar year and, upon filing the statement, shall 11 pay the inspection fee. Inspection fees that have not been remitted to the department on or before January 31 12 have a penalty fee of 10% or a minimum of \$10 <u>\$25</u>, whichever is more, added to the amount due. The 13 assessment of this penalty fee does not prevent the department from taking other action as provided in this 14 chapter.

(b) keep those records that are necessary or are required by the department to indicate accurately the
 tonnage of commercial feed distributed in this state. The department may examine the records to verify
 statements of tonnage.

(c) make accurate and prompt reports as required. Failure to do so is sufficient cause for the department
to cancel or refuse to reissue a license."

20

21 Section 4. Section 80-10-101, MCA, is amended to read:

22 **"80-10-101. Definitions.** As used in this chapter, the following definitions apply:

(1) "Brand" means a term, design, or trademark used in connection with one or several grades ofcommercial fertilizer.

(2) "Blending" means the physical mixing or combining, including mixing through simultaneous or
 sequential application, of any combination of materials to produce a uniform mixture of:

27 (a) one or more fertilizer materials with one or more filler materials; or

28 (b) two or more fertilizer materials.

(3) (a) "Commercial fertilizer" includes any substance containing one or more recognized plant nutrients
 that is used for its plant nutrient content and that is designed for use or claimed to have value in promoting plant

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1 growth, yield, or quality of the crop. 2 (b) Commercial fertilizer includes the following types of fertilizer: 3 (i) Bulk fertilizer is commercial fertilizer, dry or liquid, that is distributed in nonpackage form or in 4 containers of greater than 1,000 pounds. 5 (ii) Fertilizer material is commercial fertilizer that either: 6 (A) contains important quantities of not more than one of the primary plant nutrients; 7 (B) has 85% or more of its plant nutrient content present in the form of a single chemical compound; or 8 (C) is derived from a plant or animal residue or byproduct or a natural material deposit that has been 9 processed in such a way that its content of primary plant nutrients has not been materially changed except by 10 purification and concentration. 11 (iii) Mixed fertilizer is commercial fertilizer, dry or liquid, that contains any combination or mixture of 12 fertilizer materials. 13 (iv) Specialty fertilizer is commercial fertilizer, dry or liquid, that is distributed primarily for nonfarm use 14 and includes commercial fertilizers used for research or experimental purposes. 15 (4) "Custom blend" means a fertilizer blended according to specifications provided to a blender in a soil 16 test nutrient recommendation or to meet a specific consumer request prior to blending. 17 (5) "Deficiency" means the amount of nutrient found by analysis to be less than that guaranteed. 18 Deficiency may result from a lack of nutrient ingredients or a lack of uniformity. 19 (6) "Distribute" means to offer for sale, sell, barter, or otherwise supply commercial fertilizers or soil 20 amendments. 21 (7) "Distributor" means a person who distributes. 22 (8)(7) "Grade" means the percentages of total nitrogen, available phosphate, and soluble potash stated 23 in whole numbers in the same terms, order, and percentages as in the guaranteed analysis. Specialty fertilizers 24 may be guaranteed in fractional units of less than 1% of total nitrogen, available phosphate, and soluble potash. 25 Fertilizer materials, bonemeal, manures, and similar materials may be guaranteed in fractional units. 26 (9)(8) "Guaranteed analysis" means the minimum percentage of plant nutrients as described in 80-10-102. 27 28 (10)(9) "Investigational allowance" means an allowance for variations inherent in the taking, preparation, 29 and analysis of an official sample of fertilizer. 30 (11)(10) "Label" means the display of all written, printed, or graphic matter on a container or a statement

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1 accompanying a fertilizer or soil amendment. 2 (12)(11) "Labeling" means all written, printed, or graphic matter on or accompanying any fertilizer or soil 3 amendment and advertisements, brochures, websites, posters, and television and radio announcements used 4 in promoting the sale of a fertilizer or soil amendment. 5 (13)(12) "Licensee" means a person licensed under 80-10-202. 6 (14)(13) "Local legislation" means but is not limited to any ordinance, motion, resolution, amendment, 7 regulation, or rule adopted by a political subdivision. 8 (15)(14) "Manufacture" means the formulation, mixing, blending, or further processing of commercial 9 fertilizers or soil amendments. 10 (16) "Manufacturer" means a person who manufactures commercial fertilizer or soil amendments. 11 (17)(16) "Official sample" means any sample of commercial fertilizer taken by the department and 12 designated as official by the department. 13 (18)(17) "Other ingredients" means nonsoil amending ingredients present in soil amendments. 14 (19)(18) "Percent or percentage" means the percentage by weight. 15 (20)(19) "Person" means an individual, partnership, association, firm, or corporation. 16 (21)(20) "Political subdivision" means any local government entity, including but not limited to any city, 17 county, town, or municipal corporation and any other corporate or political body that is responsible for government 18 activities in a geographic area smaller than the state. 19 (22)(21) "Primary nutrient" means the total nitrogen (N), available phosphate (P₂O₅), and soluble potash (K₂O). 20 21 (23) "Quarterly" means the periods from January 1 through March 31, April 1 through June 30, July 1 22 through September 30, and October 1 through December 31. 23 (24)(22) "Registrant" means the person who registers a commercial fertilizer or a soil amendment. 24 (25)(23) (a) "Soil amendment" means any substance that is intended to improve the physical or chemical 25 characteristics of soil. 26 (b) The term does not include commercial fertilizers, unmanipulated animal or vegetable manures, 27 pesticides, and other ingredients that are exempted from the definition by rule. 28 (26)(24) "Supplier" means a person who distributes fertilizers or soil amendments into Montana. 29 (27)(25) "Ton" means a net weight of 2,000 pounds. 30 (28)(26) "Unmanipulated animal or vegetable manures" means substances composed primarily of Legislative ervices - 5 -Authorized Print Version - HB 131 Division

excreta, plant remains, or mixtures of those substances that have not been processed in any manner, including
 the addition of plant nutrients, drying, grinding, and other means."

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SECTION 5. SECTION 80-10-103, MCA, IS AMENDED TO READ:

5 "80-10-103. Assessment to fund educational and experimental programs -- collection. Money to 6 fund 80-10-104 through 80-10-106 must be produced by an assessment of 75 cents per ton of fertilizer 7 manufactured in or distributed into Montana <u>for final sale</u>. Collections must be made in accordance with 8 procedures in 80-10-207 and payment is the responsibility of the in-state manufacturer or of the supplier if the 9 fertilizer is not manufactured in Montana."

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Section 6. Section 80-10-201, MCA, is amended to read:

12 "80-10-201. Registration. (1) (a) Each brand and grade of fertilizer and each soil amendment except 13 unmanipulated animal or vegetable manures must be registered by the manufacturer or the supplier on behalf 14 of the manufacturer before distribution in this state. The application for registration must be submitted to the 15 department on a form approved by the department and must be accompanied by:

16 (i) a nonrefundable fee of \$20 per grade for each fertilizer and for each soil amendment;

17 (ii) a nonrefundable fee of \$35 for each specialty fertilizer; and

(iii) a fee of \$10 for each commercial and specialty fertilizer to be used for ground water protection, as
required in 80-15-302(3).

- 20 (b) Upon approval, the department shall furnish a copy of the registration to the applicant. All 21 registrations expire on December 31 of each year.
- 22 (2) (a) The application for registration must include:
- 23 (i) the brand and grade;
- 24 (ii) the guaranteed analysis;
- 25 (iii) the source of each plant food element guaranteed;
- 26 (iv) the name and address of the registrant;
- 27 (v) the net weight for packaged products;
- 28 (vi) an electronic copy of each label and labeling when requested by the department; and
- 29 (vii) analytical information on nutrient ingredients and nonnutrient ingredients as required by rule.
- 30 (b) The department shall require the applicant to furnish replicated data, performed by a reputable

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1	investigator whose work is recognized as acceptable by the director of the agricultural experiment station or the
2	director's designee, verifying any claims for effectiveness or agricultural value of any fertilizer or soil amendment
3	product that is not generally recognized as having the values claimed at the use rates recommended.
4	(3) A distributor or licensee is not required to register any brand and grade of commercial fertilizer that
5	is already registered under this section by another person.
6	(4) Registration is not required for custom blends resulting from blending of registered products.
7	(5) A manufacturer or supplier may not register a product until full payment of the assessment fees
8	provided for in 80-10-103 and 80-10-207 has been received by the department for each product."
9	
10	Section 7. Section 80-10-202, MCA, is amended to read:
11	"80-10-202. License required. A person may not distribute in this state any type of fertilizer or soil
12	amendment, except unmanipulated animal or vegetable manures or specialty fertilizer, until a license to distribute
13	has been obtained from the department for each facility distributing into this state and for each handling facility
14	in this state. All new applicants or those failing to renew their licenses by January 1 of each year shall pay a
15	nonrefundable \$75 fee for each license. All licenses expire on December 31 of each year and are subject to the
16	following:
17	(1) The application for license must be on forms approved by the department.
18	(2) License renewals received by the department prior to January 1 of each year must be accompanied
19	by a fee of \$50 for each license.
20	(3) The department may collect a \$25 late penalty for a license renewal received after December 31.
21	(3)(4) Before distributing any commercial fertilizer or soil amendment into the state, a person must be
22	licensed as a supplier."
23	
24	Section 8. Section 80-10-203, MCA, is amended to read:
25	"80-10-203. Fertilizer to be uniform. (1) The plant nutrient content of every brand and grade of
26	commercial fertilizer shall remain uniform for the period of registration.
27	(2) The manufacturer or distributor licensee shall at all times deliver a uniform grade of fertilizer or soil
28	amendment. When two or more fertilizers are delivered in the same load, they shall be thoroughly and uniformly
29	mixed unless they are in separate compartments."
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30	Name of ingredient (identify and list all) %
29	(v) soil amending ingredients listed in the following form:
28	(iv) guaranteed analysis;
27	(iii) brand and product name;
26	(ii) name and address of the registrant or guarantor;
25	(i) net weight;
24	forth in clearly legible and conspicuous form the following information:
23	(4) (a) When distributed in containers, soil amendments must have a label affixed to the container setting
22	(d) other requirements as established by rule.
21	ingredient added; and
20	(c) guaranteed analysis or, on custom-blended fertilizer, the net weight and guaranteed analysis of each
19	(b) name and address of the distributor licensee, registrant, or guarantor;
18	(a) net weight;
17	of delivery. The document must show:
16	grade, must be accompanied by a clearly legible document that must be supplied to the purchaser at the time
15	(3) All commercial fertilizer delivered in this state in bulk, whether a manufactured grade or blended
14	(b) other requirements established by rule.
13	(a) the guaranteed analysis of the product in the bin; and
12	printed on it a label setting forth in clearly legible and conspicuous form:
11	(2) Any bin in the state in which commercial fertilizer is stored for distribution must have affixed to or
10	(g) other requirements as established by rule.
9	(f) directions for use of the fertilizer by the end user; and
8	(e) guaranteed analysis;
7	(d) grade, except if no primary nutrients are claimed;
6	(c) brand;
5	(b) name and address of the registrant or guarantor;
4	(a) net weight;
3	to the container a label setting forth in clearly legible and conspicuous form the following information:
2	"80-10-204. Labeling. (1) All commercial fertilizer distributed in this state in containers must have affixed
1	Section 9. Section 80-10-204, MCA, is amended to read:



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1 Total other ingredients% 2 (vi) purpose of the product; and 3 (vii) other requirements, such as particle size, as established by rule. 4 (b) In the case of bulk shipments of soil amendments, the information required in subsection (4)(a) must 5 be in clearly legible written or printed form, must accompany delivery, and must be supplied to the purchaser at 6 the time of delivery." 7 8 Section 10. Section 80-10-207, MCA, is amended to read: 9 "80-10-207. Fees. (1) (a) Each in-state manufacturer or out-of-state supplier shall pay to the department 10 fees on all commercial fertilizer distributed in this state, except specialty fertilizers and unmanipulated animal or 11 vegetable manures. Sales to manufacturers, SALES BY DISTRIBUTORS FOR FINAL SALE OUT OF STATE, or exchanges 12 between manufacturers are exempt. The fees are as follows: 13 (i) The department may by rule adjust the inspection fee to maintain adequate funding for the 14 administration of this part. The fee may not be less than 20 cents per ton or more than 25 cents per ton. A change 15 in fee becomes effective on the first day of a reporting period. All in-state manufacturers and out-of-state suppliers 16 of nonexempt products must be given notice of a change in fees before the effective date. 17 (ii) The department may by rule adjust the anhydrous ammonia inspection fee to maintain adequate 18 funding for the administration and enforcement of part 5 of this chapter. The fee may not be less than 65 cents 19 per ton or more than \$1.30 per ton. A change in fee becomes effective on the first day of a reporting period. All 20 in-state manufacturers and out-of-state suppliers of anhydrous ammonia must be given notice of a change in fees 21 before the effective date of the fee adjustment. 22 (iii) The assessment fee prescribed in 80-10-103 must be used to fund educational and experimental 23 programs as provided in 80-10-103 through 80-10-106. 24 (b) If fertilizer material or soil amendment is added to fertilizer for which a fee has been paid under 25 subsection (1)(a), a fee is due only on the fertilizer material or soil amendment for which a fee has not been paid. 26 (c) Fees must be paid only if they total more than \$5 in a reporting period. 27 (2) There must be paid to the department on all soil amendments distributed in this state an inspection 28 fee of 10 cents per ton subject to the following provisions: 29 (a) sales to manufacturers, SALES BY DISTRIBUTORS FOR FINAL SALE OUT OF STATE, or exchanges between 30 them MANUFACTURERS are exempt; and Legislative -9-Authorized Print Version - HB 131 'ervices Division

(b) when less than 50 tons of a registered soil amendment is sold in a quarterly reporting period, no
 payment is due.

3 (3) (a) (i) Each licensee who distributes a soil amendment or commercial fertilizer, except specialty 4 fertilizer and unmanipulated animal or vegetable manures, to an unlicensed person in this state shall file with the 5 department on forms approved by the department a semiannual tonnage statement for the reporting periods 6 ending June 30 and December 31. setting forth This tonnage statement must indicate the number of net tons of 7 each commercial fertilizer and soil amendment distributed in this state during the 6-month period. The report 8 tonnage statement is due on or before the 30th day of the month following the close of each period 30 days after 9 the last day of the reporting period. There are no fees associated with the semiannual report tonnage statement. 10 (ii) Each in-state manufacturer and out-of-state supplier who distributes a soil amendment or commercial 11 fertilizer in this state to a person regardless of license status, except specialty fertilizer and unmanipulated animal 12 or vegetable manures, shall file with the department on forms approved by the department a quarterly an 13 inspection fee statement for each of the reporting periods ending June 30 and December 31, setting forth The 14 inspection fee statement must indicate the number of net tons of each commercial fertilizer and soil amendment 15 distributed in this state during the quarter reporting period and to whom it was distributed. The report is due on 16 or before 30 days after the end of the quarterly last day of the reporting period. The in-state manufacturer or 17 out-of-state supplier shall pay the fees set forth in subsection (1) at that time.

(b) If the tonnage report inspection fee statement required by subsection (3)(a)(ii) (3)(A) is not filed and
the payment of fees is not made within 30 days after the end of the quarterly reporting period, a collection fee of
15% annual percentage rate late fee of 10% on the amount due but not less than \$10 \$25 must be assessed
against the in-state manufacturer or out-of-state supplier, and the. The amount of fees due constitutes a debt and
becomes the basis of a judgment against the in-state manufacturer or out-of-state supplier.

(4) Except as provided in subsection (5), all fees collected for licenses, registration, and inspection and
money collected as penalties must be deposited in the state treasury to the credit of the state special revenue
fund for the purpose of administering this chapter, including the cost of equipment and facilities and the cost of
inspecting, analyzing, and examining commercial fertilizer and soil amendments manufactured or distributed in
this state. Reserve funds may be invested by the department with interest credited to the state special revenue
fund.

(5) All fees collected under subsection (1)(a)(ii) must be deposited in the state treasury to the credit of
 the state special revenue fund, anhydrous ammonia account, for the administration and enforcement of part 5

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of this chapter and the rules adopted under part 5. The department may direct the board of investments to invest
the funds collected under subsection (1)(a)(ii) pursuant to the provisions of 17-6-201. The income from the
investment must be deposited in the anhydrous ammonia account in the state special revenue fund."

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Section 11. Section 80-10-303, MCA, is amended to read:

80-10-303. Violations -- enforcement proceedings -- judicial review. (1) If it appears from the examination of commercial fertilizer or from the inspection of an anhydrous ammonia facility that this chapter or the rules adopted under this chapter have been violated, the department shall give notice of the violations to the registrant, licensee, distributor, or possessor from whom the sample was taken. A person notified must be given an opportunity to be heard under rules of the department. If it appears after a hearing, either in the presence or absence of the person notified, that this chapter or rules issued under this chapter have been violated, the department may certify the facts to the proper prosecuting attorney.

(2) A person who violates this chapter or the rules adopted under this chapter or who obstructs, prevents,
or attempts to prevent the department from performing its duty may be fined not less than \$300 or more than \$500
for the first violation and not less than \$300 or more than \$1,000 for a subsequent violation. In all actions under
this chapter involving the composition of a lot of commercial fertilizer, a certified copy of the official analysis of
the department is prima facie evidence of the composition.

(3) This chapter does not require the department to report for prosecution or for the beginning of seizure
 proceedings minor violations of this chapter when it believes that the public interest will be best served by a
 suitable notice of warning in writing.

(4) A prosecuting attorney to whom a violation is reported shall prosecute the violator in a court ofcompetent jurisdiction without delay.

(5) The department may apply for and the court may grant a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of this chapter or any rule adopted under the chapter notwithstanding the existence of other remedies at law. The injunction must be issued without bond.

(6) If an in-state manufacturer or supplier fails to pay a fee required under 80-10-207, the manufacturer
or supplier may be fined an amount up to \$1,000 or twice the fee that should have been paid, whichever is higher.
If a supplier fails to obtain a license as required in 80-10-202(3) <u>80-10-202</u>, the supplier may be assessed a civil
penalty of \$500 for each quarter <u>reporting period</u> that the supplier fails to be licensed, in addition to any other

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1	amounts owed to the state.
2	(7) If a person adversely affected by an act, order, or ruling made by the department under this chapter
3	is not entitled to a hearing before the department to determine the person's rights, the person may within 45 days
4	sue in the district court of any county where the alleged violation giving rise to the department's act, order, or
5	ruling occurred for a new trial of the issues bearing upon the act, order, or ruling. After the trial the court may
6	issue and enforce those orders, judgments, or decrees that it considers proper, just, and equitable."
7	
8	NEW SECTION. Section 12. Saving clause. [This act] does not affect rights and duties that matured,
9	penalties that were incurred, or proceedings that were begun before [the effective date of this act].
10	
11	NEW SECTION. Section 13. Severability. If a part of [this act] is invalid, all valid parts that are
12	severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
13	the part remains in effect in all valid applications that are severable from the invalid applications.
14	
15	NEW SECTION. Section 14. Effective date. [This act] is effective on passage and approval.
16	- END -

