

PROPOSED CHANGES IN THE REGULATIONS

CALIFORNIA CODE OF REGULATIONS  
TITLE 3. FOOD AND AGRICULTURE  
DIVISION 4. PLANT INDUSTRY  
CHAPTER 1. CHEMISTRY  
SUBCHAPTER 1. FERTILIZING MATERIALS  
ARTICLE 1. STANDARDS AND LABELING  
ARTICLE 2. SAMPLES  
ARTICLE 4. REGISTRATION  
ARTICLE 6. ADMINISTRATIVE PENALTIES

**ADDENDUM TO INITIAL STATEMENT OF REASONS**

Incorporates by reference the original OAL File Number 2025-0527-01S

**SPECIFIC PURPOSE AND NECESSITY OF EACH SECTION, PER GOVERNMENT  
CODE SECTION 11346.2(b)(1):**

The following paragraphs provide the specific purpose, rationale, and summaries of these proposed changes to the CCR related to fertilizing materials.

**ARTICLE 1. STANDARDS AND LABELING**

**Section 2303. Labeling Requirements.**

**Existing Sections 2303(x) [re-lettered as (w)]; 2303(y) [re-lettered as (x)]** are being re-lettered due to the repeal of section 2303(g). This is necessary for clarity, will maintain proper formatting and organization of the regulations, and allow for ease of reading for the public.

**Section 2320.1. Fertilizing Material Product Labels Submitted for Registration.**

**Existing Section 2320.1** is amended because SB 1522 modified the fertilizing materials product label registration cycle from two years (prior FAC Section 14601(a)) to “up to four years” (current FAC Section 14601(a)). SB 1522 correspondingly modified the registration fee authority from “shall not exceed” \$200 for conventional fertilizing materials (prior FAC Section 14601(a) for specialty fertilizers, packaged agricultural minerals, auxiliary soil and plant substances, and packaged soil amendments) and “shall not exceed” \$500 for organic input materials (prior FAC Section 14601(b)) to “shall not exceed” \$400 for conventional fertilizing materials (current FAC Section 14601(a) for specialty fertilizers, packaged agricultural minerals, and beneficial substances) and “shall not exceed” \$1,000 for organic input materials (current FAC Section 14601(c)). Rulemaking is required to interpret and implement these changes.

## Addendum to the Initial Statement of Reasons

### Fertilizing Materials – CCR 2303 – 2322.4

FAC Section 14601(a)'s product registration cycle text of "up to four years" is interpreted by accounting for product registration applications received *during* a four-year cycle that will be less than a full four years. The statute is interpreted as a general registration term at four years, but if an application is received and registered mid-cycle, the registration term would be less than four years, hence "up to four years" per registration cycle. Product registration renewals with no label or application changes would likely be a full four years.

The change from two years to four years is necessary to implement the amended statutes from SB 1522 and because they are beneficial to the fertilizer industry by reducing the frequency that registrants must engage in the registration process and will assist in ensuring that the full spectrum of approved fertilizing products remain in the California channels of trade.

This rulemaking would change the registration cost to \$200 per product for conventional registration (specialty fertilizer, packaged agricultural mineral, and beneficial substance) and \$1,000 per product for organic input material registration for a four year cycle. Because the registration cycle will go from two years to four years, the cost is adjusted to reflect the additional two years. Therefore, the cost per year will remain the same.

To further illustrate necessity, the Department engaged in cost analysis to determine the actual cost ranges of product registration review for both conventional products and organic input materials. The Department evaluated all product registration applications over a recent four-month period, March through June 2025. Total conventional applications (specialty fertilizer, packaged agricultural mineral, and beneficial substance) under review over this period equaled 3,613 applications. Total organic input material applications under review over this period equaled 3,534 applications. Organic input material applications are notably more time intensive due to significant and detailed additional documentation which is reviewed to ensure compliance with the United States Department of Agriculture's National Organic Program standards for organic food and crop production.

For conventional product registrations, the **average total cost to the Department is \$282.90** per product registration review. This cost factored in an average total review time over the evaluated four-month period of 3.44 hours per conventional product application multiplied by an average conventional registration staff hourly rate of \$82.24. The average hourly rate was determined by including staff salaries and benefits. The conventional registration staff is primarily comprised of Environmental Scientists, with one Research Data Specialist.

For conventional product registrations, the *lowest* average cost to the Department is \$208.89 per product registration review. This factored in the lowest monthly average review time of 2.54 hours multiplied by the average staff hourly rate of \$82.24.

Addendum to the Initial Statement of Reasons  
Fertilizing Materials – CCR 2303 – 2322.4

For conventional product registrations, the *highest* average cost to the Department is \$382.42 per product registration review. This factored in the highest monthly average review time of 4.65 hours multiplied by the average staff hourly rate of \$82.24.

For organic input material registrations, the **average total cost to the Department is \$1,323.52** per product registration review. This factored in an average total review time over a evaluated four-month period of 11.90 hours per organic input material application multiplied by an average organic input material registration staff hourly rate of \$111.22. The average hourly rate was determined by including staff salaries and benefits. The organic input material registration staff is comprised of Senior Environmental Scientist (Specialists).

For organic input material registrations, the *lowest* average cost to the Department is \$1,103.30 per product registration review. This factored in the lowest monthly average review time of 9.92 hours multiplied by the average staff hourly rate of \$111.22.

For organic input material registrations, the *highest* average cost to the Department is \$2,123.19 per product registration review. This factored in the highest monthly average review time of 19.09 hours multiplied by the average staff hourly rate of \$111.22.

These costs are only specifically representative of registration staff review and do not take into account other ancillary costs of the Department, such as administration and support staff costs or product sample analysis for required organic input material products during inspections. Lab costs represent an additional average of \$1,364.60 per sample, which represents costs from the Center for Analytical Chemistry which includes the laboratory's personnel costs, operating costs, supplies and consumables, and distributed costs.

Regarding the rulemaking text regarding prorated fees ("During the registration renewal cycle transition, firm's registration fees ~~shall~~may be prorated"), all firms from the current and previous cycles are paid and up-to-date prior to January 1, 2026 – both for full and prorated cycles. There is no added or increased cost to any firm. Prorated amounts are based on the same annual rate established prior to this rulemaking.

**Section 2322.4. Written Appeals Process for Refusal to Issue a License or Registration Due to Unpaid Fines, Fees, Assessments, or Penalties.**

**New Section 2322.4** is being created to interpret and implement the written appeals process mandated within the new statute (FAC Section 14651.7(c)) when the Department refuses to issue a license, product registration, or both, due to a person's unpaid fines or administrative penalties. This is necessary to provide clear guidance to a person who wishes to contest the department's refusal to issue a license or registration, or both, and

## Addendum to the Initial Statement of Reasons

### Fertilizing Materials – CCR 2303 – 2322.4

clearly communicate the requirements of the written appeals process and provide appropriate due process.

While sections of statute have been duplicated within this regulation, it is necessary to include all pertinent rules and qualifications from statute in one location of the regulations to cohesively provide clarity to the regulated public. Making this regulation “whole” and cohesive, fulfills the parameters set forth in Government Code Section 11349.1 and meets the conditions for nonduplication in Title 1, CCR Section 12.

The title of the section is expanded to include “...Due to Unpaid Fines, Fees, Assessments, or Penalties” to clearly illustrate the scope of this appeal process. This is necessary because FAC Section 14651.7(c) specifically identifies the scope for this license and regulation refusal appeal process: “The department shall adopt regulations that establish procedures for a written appeals process for a person who wishes to contest the department’s refusal to issue a license or registration, or both, pursuant to subdivision (a). The appeal shall be limited to the issue of whether the person has unpaid fines, fees, assessments, or penalties as described in subdivision (a).”

Although the text in **new Section 2322.4(a)** mirrors the language provided in FAC Section 14651.7(a), it is necessary to repeat within this proposed regulation with the purpose to provide the regulated public with a clear and complete picture of the procedures for a written appeal. This allows for all of the information to be provided as a whole and in one cohesive location. The Department’s authority for timeframe (“...remains unpaid after 30 days of issuance of a hearing officer’s decision...”) is identified within FAC Section 14651.7(a) which provides 30 days.

**New Section 2322.4(b)** is being established because FAC Section 14651.7 does not specify how long a person has to appeal the decision of the Department to refuse to issue a license, registration, or both. This language is necessary to inform the regulated public how long a person has to appeal the decision of the Department to refuse to issue a license, registration, or both, pursuant to FAC Section 14651.7.

The Department believes that providing 30 days is a reasonable timeframe for a person to prepare and submit their request for appeal to the Department. The Department also believes this is a reasonable timeframe because it is the amount of time provided in FAC Section 14651.5(c) for a person to appeal administrative penalties levied pursuant to FAC Section 14651.5.

**New Section 2322.4(c)** is being created to better establish clear parameters for appeal. This language is necessary to inform the regulated public how to file an appeal with the Department pursuant to FAC Section 14651.7.

The Department believes it is reasonable and necessary to require a person to submit their appeal request in writing and signed by the appellant (or his or her authorized agent),

## Addendum to the Initial Statement of Reasons

### Fertilizing Materials – CCR 2303 – 2322.4

so the Department has record of when the appeal was filed and by whom it was filed, to ensure that the request is timely and that the signatory is a responsible party to the appeal.

Pursuant to FAC Section 14651.7(c), the appeal is limited in scope to the issue of whether the person has unpaid fines, fees, assessments, or penalties as described in FAC Section 14651.7(a). The Department believes it is reasonable and necessary to require that the appellant state the grounds for the appeal so the Department can ensure it falls within the scope of appeal as provided in FAC Section 14561.7(c).

**New Section 2322.4(d)** mirrors the language provided in FAC Section 14651.7(c) which specifically identifies the scope of license and regulation refusal appeals for these established criteria. It is necessary to repeat the text in this proposed regulation with the purpose to provide all of the information as a whole and in one location. This will provide the regulated public with a clear and complete picture of the procedures for a written appeal in one location.

**New Section 2322.4(e)** is being created with the purpose to clearly provide parameters for the submission of written evidence and a written argument as it pertains to the implementation of FAC Section 14561.7(c).

Providing an appellant 10 calendar days to submit written evidence and a written argument to the Department a reasonable and necessary time frame to ensure due process. Pursuant to FAC Section 14651.7(c), the appeal is limited in scope to the issue of whether the person has unpaid fines, fees, assessments, or penalties as described in FAC section 14651.7(a), so written evidence and a written argument would be limited in scope. Providing 10 calendar days would still allow a hearing officer 35 days to review and render a written decision within 45 calendar days of the date the appeal was received by CDFA's Legal Office of Hearings and Appeals as required by proposed regulation text section 2322.4(g).

**New Section 2322.4(f)** is being established with the intent to clearly provide parameters regarding written arguments and evidence. This section is necessary to inform the regulated public how an appeal will be decided; the appeal will be decided on any written arguments and evidence that the Department receives regarding the issue of whether the appellant has unpaid fines, fees, assessments, or penalties as described in FAC Section 14651.7(a).

**New Section 2322.4(g)** is being created with the purpose of clearly communicate the decision of the appeal outcome. The specific language is necessary to inform the regulated public of the timeline regarding the decision of the appeal.

Addendum to the Initial Statement of Reasons

Fertilizing Materials – CCR 2303 – 2322.4

The Department believes requiring a written decision to be rendered within 45 calendar days of the date the appeal is received by the CDFA's Legal Office of Hearings and Appeals is reasonable because proposed regulation text Section 2322.4(e) provides the parties 10 calendar days to submit written evidence and a written argument to the Department which leaves 35 days for a hearing officer to review and render a written decision within 45 calendar days of the date the appeal was received as required by this section. This would result in timely due process of the appeal.

This language is also necessary to inform the regulated public of the method of delivery of the Department's decision. The Department believes regular mail and/or electronic mail are convenient and reasonable methods for delivery of a decision for both the Department and an appellant.

**New Section 2322.4(h)** is being created to inform the appellant of their ability to seek review of the decision of the secretary pursuant to Section 1094.5 of the Code of Civil Procedure.

This language is also provided in FAC Section 14651.5(d) to aware the appellant of their ability to seek review of the decision of the secretary (pursuant to Section 1094.5 of the Code of Civil Procedure) from an appeal regarding administrative penalties levied pursuant to FAC Section 14651.5. It is necessary to make the appellant aware of an available option after a decision has been rendered.

### **EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS**

**Existing Sections 2303(x) [re-lettered as (w)]; 2303(y) [re-lettered as (x)]** – There is no economic impact as these sections are merely re-lettered to maintain proper formatting and organization of the regulations.

**Section 2320.1** – There is no adverse economic impact as the change from a two-year product registration cycle to a four-year product registration cycle is revenue neutral. The per-year product registration cost remains the same.

The chaptered SB 1522 granted authority to move from a two-year conventional registration cost is not to exceed \$200 per product label and the two-year OIM registration cost is not to exceed \$500 to a four-year conventional registration cost up to \$400 and a four-year OIM registration cost up to \$1,000.

Each product registration application cost is less than the Department's actual cost to review, approve, and register these fertilizing material products.

**The average total cost to the Department is \$282.90 per product registration review**

Addendum to the Initial Statement of Reasons

Fertilizing Materials – CCR 2303 – 2322.4

**for conventional product registrations** (specialty fertilizers, packaged agricultural minerals, and beneficial substances). **The average total cost to the Department is \$1,323.52 per product registration review for organic input material registrations.**

For conventional product registration review, the cost represents an average of 3.44 hours of Department labor multiplied by an average conventional registration staff hourly rate of \$82.24 (includes salary and benefits). For organic input material registration review, the cost represents an average of 11.90 hours of labor multiplied by an average organic input material registration staff hourly rate of \$111.22 (includes salary and benefits).

For conventional product registrations, the lowest average cost to the Department is \$208.89 per product registration review. The cost represents the Department's lowest monthly average labor time of 2.54 hours multiplied by the average staff hourly rate of \$82.24. For organic input material registrations, the lowest average cost to the Department is \$1,103.30 per product registration review. This factored in the lowest monthly average labor time of 9.92 hours multiplied by the average staff hourly rate of \$111.22.

For conventional product registrations, the highest average cost to the Department is \$382.42 per product registration review. The cost represents the Department's highest monthly average labor time of 4.65 hours multiplied by the average staff hourly rate of \$82.24. For organic input material registrations, the highest average cost to the Department is \$2,123.19 per product registration review. This factored in the highest monthly average labor time of 19.09 hours multiplied by the average staff hourly rate of \$111.22.

Since the registration cycle will go from two years to four years, the proposed application cost was adjusted to reflect the additional two years. Therefore, the relative year-by-year cost will remain unchanged. Despite going from two years to four years, the annual amount would remain \$50 per year for conventional registration and \$250 per year for organic input materials.

The amendments to the product registration cycle may also have a positive economic impact on the fertilizer industry, as the lengthy registration product review process will only be required every four years, versus every two years. The industry could conceivably expect lower labor costs due to considerable saved time of the cumulative product registration process.

**Section 2322.4** – There is no economic impact as indicated in the Initial Statement of Reasons.

Addendum to the Initial Statement of Reasons

Fertilizing Materials – CCR 2303 – 2322.4

**REASONABLE ALTERNATIVES TO THE REGULATIONS AND THE DEPARTMENT'S  
REASONS FOR REJECTING THOSE ALTERNATIVES**

**Existing Sections 2303(x) [re-lettered as (w)]; 2303(y) [re-lettered as (x)]** – No alternatives were considered as these sections are merely re-lettered to maintain proper formatting and organization of the regulations.

**Section 2320.1** – The are no additional alternatives to what was previously communicated within the Initial Statement of Reasons.

**Section 2322.4** – The are no additional alternatives to what was previously communicated within the Initial Statement of Reasons.