

Nursery Licensing Fees Discussion

Food and Agricultural Code 6723

- (a) The secretary shall establish the minimum license fee at an amount not to exceed one hundred eighty dollars (\$180).
- (b) The secretary may fix the minimum license fee at an amount that is less than one hundred eighty dollars (\$180) and may adjust the license fee if, after investigation and due notice, the secretary finds that the cost of administering this division and Chapter 5 (commencing with Section 53301) of Division 18, which relate to nursery stock, can be defrayed from revenues derived from the license fee in combination with those sums as provided by Sections 435 and 5822.
- (c) Both of the following amounts shall be added as an additional license fee to the license fee established pursuant to subdivisions (a) and (b):
- (1) An equal sum for each branch salesyard, store, or sales location that is owned and operated by the applicant in the state.
 - (2) (A) An acreage fee in an amount to be established by the secretary for land used in the production, storage, or sale of all nursery stock, except as provided in subparagraph (B), in excess of one acre, which the secretary determines is necessary to carry out this part and any portion of this code that relates to nursery stock. The total acreage fee shall not be less than twenty-five dollars (\$25) nor more than nine hundred dollars (\$900) for each licensee. The acreage fee shall be calculated using as a basis the total of the acreage at all locations where nursery stock is produced, stored, or sold.

(Amended (as amended by Stats. 1999, Ch. 450, Sec. 1) by Stats. 2004, Ch. 170, Sec. 1. Effective January 1, 2005.)

Number of nurseries by current acreage fee scale and each billing type

Acreage	BillingType	#Nurseries
0.00-1.00	1 (production)	1534
	2 (cut flowers <75%)	93
	3 (retailer)	1408
	4 (cut flower producer >75%)	62
1.01-5.00	1 (production)	632
	2 (cut flowers <75%)	8
	3 (retailer)	76
	4 (cut flower producer >75%)	71
5.01-20.00	1 (production)	310
	2 (cut flowers <75%)	5
	3 (retailer)	17
	4 (cut flower producer >75%)	64
20.01-50.00	1 (production)	90
	2 (cut flowers <75%)	0
	3 (retailer)	4
	4 (cut flower producer >75%)	23
50.01-200.00	1 (production)	84
	2 (cut flowers <75%)	0
	3 (retailer)	0
	4 (cut flower producer >75%)	14
200.01-500.00	1 (production)	20
	2 (cut flowers <75%)	0
	3 (retailer)	0
	4 (cut flower producer >75%)	5
500.01+	1 (production)	27
	2 (cut flowers <75%)	1
	3 (retailer)	0
	4 (cut flower producer >75%)	2
	TOTAL	4550
	Estimated Acreage Revenue	\$ 330,300.00

Number of nurseries with multiple sales locations

#ofSalesLocationsPerNursery	#ofNurseries
1	4254
2	150
3-5	66
6-10	21
11-20	16
21+	43
TOTAL	4550

Current Acreage Fees	
Acreage	Fee
0.00-1.00	\$ -
1.01-5.00	\$ 100.00
5.01-20.00	\$ 250.00
20.01-50.00	\$ 400.00
50.01-200.00	\$ 600.00
200.01-500.00	\$ 800.00
500.01+	\$ 900.00

Projected Revenue Increases

		Current Revenue	FAC 6723 starting Jan. 1, 2026	Proposed Revenue \$179 (Reg Change)
Licensed Nurseries	4550	\$ -	\$ 682,500	\$ 814,450
Licensed Sales Locations	11920	\$ 1,788,000	\$ 1,788,000	\$ 2,133,680
Revenue		\$ 1,788,000	\$ 2,470,500	\$ 2,948,130
		Projected Deficit (FY24/25)	\$ (462,304)	
		Projected Ending Reserve (FY24/25)	\$ 275,771	
		Recommended Reserve	\$ 1,750,000	

Fund Condition

	PPY 2022/23 Not Closed	PY 2023/24 Not Closed	CFY 2024/25 No UGT	FY 2025/26	FY 2026-27 Projected	FY 2027-28 Projected
BEGINNING CASH RESERVE BALANCE*	809,414	708,985	738,075	275,771	160,250	405,235
REVENUE CATEGORIES						
Nursery License Fee	1,807,139	1,849,480	1,800,000	1,800,000	1,800,000	1,800,000
Minimum Nursery License	0	0	0	341,250	682,500	682,500
Acreage Fee	299,600	287,250	285,000	270,000	255,000	255,000
Delinquent (Penalty) Fee	71,775	70,975	45,000	0	0	0
Avocado Reg	0	0	0	0	0	0
Avocado Cert	0	0	0	0	0	0
Seed Garlic	0	1,620	1,000	2,050	2,050	2,050
Nematode Certification	12,311	14,900	80,000	50,000	50,000	50,000
Nursery Revenue Subtotal	2,190,825	2,224,225	2,211,000	2,463,300	2,789,550	2,789,550
R&C - Strawberry	775,014	885,614	720,000	800,000	800,000	800,000
R&C - Grapevine	187,070	192,190	150,000	150,000	150,000	150,000
R&C - Fruit , Nut and Pome	0	0	0	0	0	0
R&C Revenue Subtotal	962,084	1,077,803	870,000	950,000	950,000	950,000
Misc Revenue, Interest & Miscellaneous Income	56,089	139,242	0	0	0	0
TOTAL REVENUE	3,208,998	3,441,271	3,081,000	3,413,300	3,739,550	3,739,550
EXPENDITURES						
Personnel Services	2,124,052	2,021,090	2,224,611	2,191,477	2,257,221	2,324,938
Operating Exp & Equipment	925,007	936,625	1,042,387	916,855	916,855	916,855
County Contracts	688,515	680,000	686,000	686,000	686,000	686,000
Enhanced County contract	450,000	456,000	100,000	100,000	-	-
Lab Services	78,033	84,036	-	-	-	-
PROGRAMS COST RECOVERIES						
Recovery from other programs	-429,100	-228,641	-459,100	-330,000	-330,000	-330,000
Reimbursement 224c - Admin	-77,080	-80,930	-50,594	-35,511	-35,511	-35,511
Reimbursement UGT FY20/21 - FY24/25	-450,000	-456,000	0	0	0	0
TOTAL EXPENDITURES	3,309,427	3,412,180	3,543,304	3,528,821	3,494,565	3,562,282
Required cash reserve (*50% of total expenditures)	1,654,714	1,706,090	1,771,652	1,764,410	1,747,283	1,781,141
FY CASH RESERVE BALANCE	708,985	738,075	275,771	160,250	405,235	582,503
Difference to cash reserve goal of 50%	-945,729	-968,015	-1,495,881	-1,604,160	-1,342,048	-1,198,638

Current Acreage Cost Per Acre

AcresLow	AcresHigh	SumOfNumberseries	Current Fee	CurrentEstimateRevenue	Cost/Acre (HighEnd)	Cost/Acre (LowEnd)
0	1	3097	\$ -	\$ -	\$ -	\$ -
1.01	5	787	\$ 100	\$ 78,700	\$ 99.01	\$ 20.00
5.01	10	211	\$ 250	\$ 52,750	\$ 49.90	\$ 25.00
10.01	15	94	\$ 250	\$ 23,500	\$ 24.98	\$ 16.67
15.01	20	91	\$ 250	\$ 22,750	\$ 16.66	\$ 12.50
20.01	25	29	\$ 400	\$ 11,600	\$ 19.99	\$ 16.00
25.01	30	20	\$ 400	\$ 8,000	\$ 15.99	\$ 13.33
30.01	35	20	\$ 400	\$ 8,000	\$ 13.33	\$ 11.43
35.01	40	24	\$ 400	\$ 9,600	\$ 11.43	\$ 10.00
40.01	45	10	\$ 400	\$ 4,000	\$ 10.00	\$ 8.89
45.01	50	14	\$ 400	\$ 5,600	\$ 8.89	\$ 8.00
50.01	55	12	\$ 600	\$ 7,200	\$ 12.00	\$ 10.91
55.01	60	11	\$ 600	\$ 6,600	\$ 10.91	\$ 10.00
60.01	65	5	\$ 600	\$ 3,000	\$ 10.00	\$ 9.23
65.01	70	7	\$ 600	\$ 4,200	\$ 9.23	\$ 8.57
70.01	75	7	\$ 600	\$ 4,200	\$ 8.57	\$ 8.00
75.01	80	5	\$ 600	\$ 3,000	\$ 8.00	\$ 7.50
80.01	85	4	\$ 600	\$ 2,400	\$ 7.50	\$ 7.06
85.01	90	3	\$ 600	\$ 1,800	\$ 7.06	\$ 6.67
90.01	95	4	\$ 600	\$ 2,400	\$ 6.67	\$ 6.32
95.01	100	7	\$ 600	\$ 4,200	\$ 6.32	\$ 6.00
100.01	150	19	\$ 600	\$ 11,400	\$ 6.00	\$ 4.00
150.01	200	14	\$ 600	\$ 8,400	\$ 4.00	\$ 3.00
200.01	250	5	\$ 800	\$ 4,000	\$ 4.00	\$ 3.20
250.01	300	9	\$ 800	\$ 7,200	\$ 3.20	\$ 2.67
300.01	400	7	\$ 800	\$ 5,600	\$ 2.67	\$ 2.00
400.01	500	4	\$ 800	\$ 3,200	\$ 2.00	\$ 1.60
500.01	600	7	\$ 900	\$ 6,300	\$ 1.80	\$ 1.50
600.01	700	2	\$ 900	\$ 1,800	\$ 1.50	\$ 1.29
700.01	800	2	\$ 900	\$ 1,800	\$ 1.29	\$ 1.13
800.01	900	4	\$ 900	\$ 3,600	\$ 1.12	\$ 1.00
900.01	1000	3	\$ 900	\$ 2,700	\$ 1.00	\$ 0.90
1000.01	1500	5	\$ 900	\$ 4,500	\$ 0.90	\$ 0.60
1500.01	2000	5	\$ 900	\$ 4,500	\$ 0.60	\$ 0.45
2000.01		2	\$ 900	\$ 1,800	\$ 0.45	
		4550		\$ 330,300.00		