**PREPROPOSAL STATEMENT OF INQUIRY**

**CR-101 (October 2017)**

*(Implements RCW 34.05.310)*

Do NOT use for expedited rule making

<table>
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<th>Agency: Dept. of Agriculture</th>
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<th><strong>Subject of possible rule making:</strong> Chapter 16-401 WAC, Nursery Inspection Fees and 16-470 WAC, Quarantine – Agricultural Pests. The department is considering restructuring, increasing, and consolidating fees for inspections requested by stakeholders, nursery license fees, nematode laboratory fees, and plant pathology laboratory fees. The department is also considering revising language to increase clarity and readability and to conform with current industry practices.</th>
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<th><strong>Statutes authorizing the agency to adopt rules on this subject:</strong> RCW 15.13.260, 15.13.280, 15.14.015, and 17.24.131</th>
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| **Reasons why rules on this subject may be needed and what they might accomplish:** The department’s Plant Services Program provides inspection and certification services to businesses across Washington state. Some of these services include the inspection, sampling and testing of a wide variety of agricultural commodities for export and issuing export certificates that allow the commodity to enter another state or country. Program inspectors also provide regulatory inspection of licensed nurseries, conducting hundreds of physical and virtual inspections annually to ensure plants for sale meet Washington’s quarantine requirements, and are free of pests and diseases. Over 5,000 nurseries pay an annual licensing fee based on plant sales. These fees are the primary funds supporting the Nursery Inspection Program. The Plant Services Program also maintains an official nematode laboratory in Prosser, that tests a number of exported agricultural commodities for quarantine species of nematodes and serves the agency’s seed certification program as well. The department’s Plant Pathology and Molecular Diagnostics Lab (PPMDL) provides testing for phytosanitary certification necessary for both domestic and international export of many plants. Diagnostic services are also available, primarily on agricultural crops, but also nursery stock and some other hosts. The laboratory also participates in plant disease surveys in cooperation with the United States Department of Agriculture and other agencies. These activities directly support the agricultural industry by keeping unwanted pests out of Washington, protecting growers and the natural environment, and facilitating the movement of agricultural products. Fees for these programs were last increased in 2015, however, cost projections indicate that at the current rates, the programs will not have enough revenue to meet operating expenses within the next year. There has been an 11% increase in employee salaries and benefits since 2015. Expenses for vehicles and other costs of maintaining staff have increased as well. An additional inspector was added to the Plant Services Program in 2021, utilizing 60% grant funding, to enable online enforcement of plant quarantines, something the industry has greatly encouraged the agency to undertake. Current fees are well below competitive rates and do not allow for additional staff to be hired to meet demand. Additionally, some of the current fees charged for services provided by inspectors are not adequate to compensate the program for the costs of providing such services. The department is considering an increase in fees so that the fees cover the costs of services rendered. |

Increasing fees is necessary to maintain the financial stability of the programs, so that they may continue to meet current demand and provide valuable services to businesses across the state. |

| **Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** None. |
Process for developing new rule (check all that apply):
☐ Negotiated rule making
☐ Pilot rule making
☐ Agency study
☒ Other (describe) Department staff will discuss any proposed amendments with affected stakeholder groups. Affected stakeholders will also have an opportunity to submit written comments on the proposed rules during the public comment period and will be able to present oral testimony at the public hearings.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

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Name: Brad White
Title: Assistant Director

Signature: