



Michigan Commission of Agriculture and Rural Development
November 8, 2017
Request for Approval to Increase Nursery and Related Inspection Fees

Purpose

The Pesticide and Plant Pest Management Division (PPPMD) requests the Commission of Agriculture and Rural Development to approve proposed increases in its nursery and related inspection fees.

Authority

The Insect Pest and Plant Disease Act, P.A. 189 of 1931, authorizes PPPMD to:

- Charge an inspection fee based on the cost of doing an inspection
- Annual adjust inspection fees based on the percentage change in the Detroit-Ann Arbor-Flint Consumer Price Index (CPI) (determined by the State Treasurer)
 - Adjustment not to exceed 5% in a one-year period
 - Commission must approve adjustment

Fiscal Year Review of the Cost of an Inspection

PPPMD evaluates the cost of conducting plant and plant product inspections at the end of each fiscal year. For the 2017 fiscal year, this evaluation found that:

- Inspection and license fees (\$617,000 and \$539,000, respectively) did not cover the approximately \$3.7 million cost of these programs
- General funding was required to support these programs

Consumer Price Index (CPI)

The State Treasurer notified MDARD on September 21, 2017 that the Detroit-Ann Arbor-Flint CPI rose 2.0% in FY 2017.

Inspection Fee Schedules

<u>Current:</u>	\$59/hour	<u>Proposed:</u>	\$60/hour [\$1/hour increase]
	\$53/acre (first acre)		\$54/acre [\$1/acre increase]
	\$32/acre (subsequent acres)		\$33/acre [\$1/acre increase]

Revenue increase: estimated at \$8,425

Persons Affected by Inspection Fee Increases

- Nursery stock growers and dealers
- Exporters of plants and plant products
- Christmas tree growers shipping cut trees out of state
- Importers of foreign-source nursery stock
- Persons requesting inspections under special circumstances

Effective Period

January 1, 2018 – December 31, 2018

Notification of Proposed Inspection Fee Increases and Effective Period

In October, PPPMD notified, in writing, the proposed changes in fees to the following organizations:

- Michigan Nursery and Landscape Association
- Michigan Green Industry Association
- Michigan Christmas Tree Association
- Michigan Floriculture Growers Council
- Michigan Agribusiness Association

This information has also been posted at www.michigan.gov/mdardnursery.