



NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 603
DEPARTMENT OF AGRICULTURE

FILED

03/11/2026 4:11 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Increases to Nursery Program Fees

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 04/24/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
Sunny Summers
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 04/23/2026

TIME: 9:00 AM - 10:00 AM

OFFICER: Sunny Summers

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 26427495828955

SPECIAL INSTRUCTIONS:

Meeting ID: 264 274 958 289 55

Passcode: Fe9qs6oF

Dial in by phone

+1 503-446-4951,,330549907#

NEED FOR THE RULE(S)

There is a need to increase Nursery license fees to support program services required to ensure Oregon nursery stock meet Japanese beetle (JB) phytosanitary standards and to allow ODA to respond to surges in pest detection within the nursery crop system. ODA proposes an 18.7% increase, effective across all three nursery license types. Increased fees would go into effect for licensees issued for the new license year starting July 2026.

The ODA Nursery Program continues to focus on crop protection and market access for Oregon's #1 agricultural commodity. The industry is susceptible to the introduction and establishment of significant quarantine pests. When detections occur, additional capacity is needed to deploy staff to provide on-the-ground and technical assistance while maintaining inspection and certification services.

HB 5204, passed during the 2026 short legislative session, provides General Fund support for the ODA JB program for the 2026–2027 crop years to support JB monitoring and treatments. Even with an Oregon JB Program in place, the nursery industry will continue to require services to ensure both inter- and intra-state shipments from JB-infested areas meet rigid quarantine requirements. Some export markets are expected to continue requiring a Japanese beetle compliance program administered through the ODA Nursey Program.

The proposed fee increase will support the staffing and operational capacity needed to provide these ongoing regulatory and compliance services. To ensure agency customer service can support this evolving regulatory environment, ODA will establish two positions within the Nursery Program (1.26 FTE).

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS 571 – OR Legislature Website

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The proposed increase in nursery license fees is intended to support a restructured Japanese beetle program focused on maintaining market access for Oregon nursery products. Nursery businesses owned or operated by individuals from historically underserved or marginalized communities may be more likely to be small or emerging operations and therefore could experience a greater impact from increased licensing costs. However, the absence of a Japanese beetle program would create risks to market access and regulatory compliance for Oregon nursery products, which could have broader economic impacts across the nursery industry, including smaller operators. The proposed rule supports continued participation in domestic and export markets by maintaining the program. ODA will continue to provide outreach, technical assistance, and compliance support to licensed nurseries to help reduce potential barriers and support equitable access to regulatory information and services.

FISCAL AND ECONOMIC IMPACT:

The proposed rule increases nursery license fees to sustain ongoing program services for the Japanese beetle (JB) program, including two new positions within the ODA Nursery Program (1.26 FTE). One-time legislative funding provided through HB 5204 will support JB program operations for the 2026–2027 crop years; however, the fee increase is needed to maintain long-term program capacity beyond this temporary funding.

The fee increase will result in additional licensing costs for nursery operators, but costs are expected to remain proportional to existing licensing structures and applied across all license types. Maintaining program capacity is expected to reduce the risk of trade restrictions, quarantine non-compliance, and enforcement actions that could otherwise result in higher economic losses to the nursery industry.

The proposed rule also supports continued outreach, technical assistance, and compliance services to help nursery operators, including smaller and emerging businesses, maintain access to domestic and export markets.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s):

The proposed rule is expected to economically affect nursery license holders regulated by ODA under ORS 571 through

increased licensing fees and associated compliance activities related to the restructured Japanese beetle program. No other state agencies are expected to be economically affected by the proposed rule. Units of local government are not required to take action under the rule and are not expected to incur compliance costs. Members of the public are not directly affected, except to the extent they operate licensed nursery businesses.

(2) Effect on small businesses: (a) estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(a) Small businesses subject to the rule

There are approximately 2800 licensed nursery operations in Oregon. Most qualify as small businesses, including sole proprietorships, family-owned nurseries, and small commercial operations. These businesses will be subject to the proposed license fee increase and related compliance activities.

(b) Reporting, recordkeeping, and administrative requirements

The proposed rule does not create new reporting or recordkeeping requirements beyond existing nursery licensing obligations. Licensees will continue to comply with current licensing, inspection, and regulatory requirements. Some businesses may experience increased administrative effort related to compliance with pest management expectations necessary to maintain market access.

(c) Costs of compliance

In addition to increased nursery license fees, some nursery operators may incur additional costs associated with labor, pest monitoring, and pest control activities to meet market access and phytosanitary requirements in the absence of a full eradication program. These costs may include staff time, treatment materials, and operational adjustments. The magnitude of these costs will vary based on business size, location, and existing pest management practices. The rule does not require the purchase of specific equipment or the use of professional services beyond those already used by regulated entities, but compliance may result in increased operational effort for some licensees.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

ODA held a rules advisory committee (RAC) meeting on February 5, 2026 and the attendees were small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

RULES PROPOSED:

603-054-0016, 603-054-0017, 603-054-0018

AMEND: 603-054-0016

RULE SUMMARY: Increases license fees for growers and collectors

CHANGES TO RULE:

603-054-0016

License Fees: Growers and Collectors ¶

(1) The license fee for nursery growers, other than greenhouse growers of herbaceous plants, and for collectors of native plants shall be as follows: If Annual Sales are - The license fee is:¶

(a) Up to \$20,000 = \$14876;¶

(b) \$20,001-\$100,000 = \$14876 plus.00472560 over \$20,000;¶

(c) \$100,001-\$200,000 = \$526624 plus.00437519 over \$100,000;¶

(d) \$200,001-\$500,000 = \$961,143 plus.00354420 over \$200,000;¶

(e) \$500,001-\$2,000,000 = \$2,025403 plus.002512 over \$500,000;¶

(f) \$2,000,001 & above = ~~\$5,2056,168~~ plus ~~.0006472~~ over \$2,000,000;¶

(g) Maximum Fee = ~~\$25,0009,675.¶~~

(2) In addition to the annual license fee above, there will be a research assessment equal to 0.0002 of annual sales. The minimum research assessment is \$10.¶

(3) In addition to the annual license fee (1) and research assessment fee (2) above, there will be an assessment for the Plant Pest and Disease Emergency Response Fund. The assessment will be adjusted annually to maintain a fund balance of \$250,000 and will be prorated among all licensees based on annual sales or purchases from the previous year.¶

(4) An applicant for an original license or for a renewal license, without a full calendar year of prior nursery stock sales or purchase experience upon which to base the fees, must follow the licensing process found in ORS 571.057(2).

Statutory/Other Authority: ORS 561, 571

Statutes/Other Implemented: ORS 571.057

AMEND: 603-054-0017

RULE SUMMARY: Increases license fees for greenhouse growers of herbaceous plants

CHANGES TO RULE:

603-054-0017

License Fees: Greenhouse Growers of Herbaceous Plants ¶

(1) The license fee for greenhouse growers of herbaceous plants shall be as follows: If Annual Sales are - The license fee is:¶

(a) Up to \$20,000 = \$14876;¶

(b) \$20,001-\$100,000 = \$14876 plus .00173205 over \$20,000;¶

(c) 100,001-\$200,000 = \$286340 plus .0014066 over \$100,000;¶

(d) \$200,001-\$500,000 = \$42506 plus .0006982 over \$200,000;¶

(e) \$500,001-\$2,000,000 = \$633752 plus .0006274 over \$500,000;¶

(f) \$2,000,001 & above = \$1,563862 plus .000566 over \$2,000,000;¶

(g) Maximum Fee = \$25,0009,675.¶

(2) In addition to the annual license fee above, there will be a research assessment equal to 0.0002 of annual sales. The minimum research assessment is \$10.¶

(3) In addition to the annual license fee (1) and research assessment fee (2) above, there will be an assessment for the Plant Pest and Disease Emergency Response Fund. The assessment will be adjusted annually to maintain a fund balance of \$250,000 and will be prorated among all licensees based on annual sales or purchases from the previous year.¶

(4) An applicant for an original license or for a renewal license, without a full calendar year of prior nursery stock sales or purchase experience upon which to base the fees, must follow the licensing process found in ORS 571.057(2).

Statutory/Other Authority: ORS 561, 571

Statutes/Other Implemented: ORS 571.057

AMEND: 603-054-0018

RULE SUMMARY: Increases license fees for dealers, florists, and landscape contractors

CHANGES TO RULE:

603-054-0018

License Fees: Dealers, Florist and Landscape Contractors ¶

(1) The license fee for dealers, florist, and landscape contractors shall be as follows: If annual purchases (live plant material only, cut flowers are exempt) are The license fee is:¶

(a) Up to \$20,000 = \$14876;¶

(b) \$20,001-\$100,000 = \$14876 plus.00173205 over \$20,000;¶

(c) 100,001-\$200,000 = \$286340 plus.0014066 over \$100,000;¶

(d) \$200,001-\$500,000 = \$42506 plus.0006982 over \$200,000;¶

(e) \$500,001-\$2,000,000 = \$633752 plus.0006274 over \$500,000;¶

(f) \$2,000,001 & above = \$1,563862 plus.000566 over \$2,000,000;¶

(g) Maximum Fee = \$25,000675.¶

(2) In addition to the annual license fee above, there will be a research assessment equal to 0.0002 of annual sales. The minimum research assessment is \$10.¶

(3) In addition to the annual license fee (1) and research assessment fee (2) above, there will be an assessment for the Plant Pest and Disease Emergency Response Fund. The assessment will be adjusted annually to maintain a fund balance of \$250,000 and will be prorated among all licensees based on annual sales or purchases from the previous year.¶

(4) An applicant for an original license or for a renewal license, without a full calendar year of prior nursery stock sales or purchase experience upon which to base the fees, must follow the licensing process found in ORS 571.057(2).

Statutory/Other Authority: ORS 561, 571

Statutes/Other Implemented: ORS 571.057