61-021a50

SENATE HEARING SLIP
(Please Print Plainly)
DATE: 8/2/01
BILL NO. Clearinghinse Rule
SUBJECT The Chem Cleanup
- Fund.
- Kent Syth
(NAME) 290Lynne Tr/
(Street Address or Route Number)
Oregon, WI5357
(City and Zip Code)
(Representing)
Speaking in Favor:
Speaking Against:
Registering in Favor:
but <u>not</u> speaking:
Registering Against:
but not speaking: Decanse of retroactivity
Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882

(Please Print Plainly)

$date = \frac{8/2/6/}{}$
BILL NO.
SUBJECT Agrichen Fund
Mark Gjæfeldt
(NAME) 101 S. Webster Street (Street Address or Route Number)
(Street Address or Route Number)
Madison, W1 53707 (City and Zip Code)
Wis Dept of Natural Personal (Representing)
Speaking in Favor:
Speaking Against:
Registering in Favor: but not speaking:
Registering Against:
but <u>not</u> speaking:
Speaking for information only; Neither for nor against:
Please return this slip to a messenger PROMPTIA

Senate Sergeant-At-Arms State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882

DATE: aug 2, 2001
BILL NO.
or SUBJECT CR-01-021
ag Clement Clear Up Program
Paul Jennerman (NAME)
(Street Address or Route Number)
그는 이 내용이 되었다면 맛있다고 있어 가장하다. 그는 그리고 없었다고 그리고 말로 뭐 그렇다
Madum WI 53705
(City and Zip Code)
Witcomin Farm Burau
(Representing)
Speaking in Favor:
Speaking Against:
Registering in Favor:
but <u>not</u> speaking:
Registering Against:
but <u>not</u> speaking:
Speaking for information only; Neither for nor against:
Please return this slip to a messenger PROMPTLY. Senate Sergeant-At-Arms State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882

(Please Print Plainly)

DATE: 8/2 01
BILL NO.—————or
SUBJECT
Clearinghouse rule 01-021
pe Jeff Johnson
(NAME)
W180 NG275 Marcy Rood
(Street Address or Route Number)
Menomonee Falls WI 5305
(City and Zip Code) Creating Johnson's hursery (Representing) 60 employees
(Representing) 60 employees
Speaking in Favor:
Speaking Against:
Registering in Favor:
but <u>not</u> speaking:
Registering Against:
but <u>not</u> speaking:
Speaking for information only; Neither for nor against:
DI (1.1. alta ta a magganger PROMPT

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms

State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882

(Please Print Plainly)

DATE: 8-2-01
BILL NO.
or .
SUBJECT Clearing House
Rule 1
Randy Vollrath
(NAME) /
(Street Address or Route Number)
Wentomo, W: 5/982 (City and Zip Code)
(City and Zip Code)
(Representing) Manage - agranamy Sale
(Representing) Monage - agronory July
Speaking in Favor:
Speaking Against:
Registering in Favor:
but <u>not</u> speaking:
Registering Against:
but <u>not</u> speaking:
Speaking for information
only; Neither for nor against:
Please return this slip to a messenger PROMPTLY.
Senate Sergeant–At–Arms State Capitol – B35 South
P.O.Box 7882

6

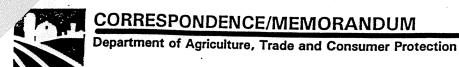
SENATE HEARING SLIP

DATE: 2-2-01
BILL NO. C& 01-021
or subject Pesticide license
Surcharge fees
Amy Winters
(NAME)
(Street Address or Route Number)
(City and Zip Code)
LA Agribusiness Council
(Representing) Area Crop Protection Asserting in Favor: Asserting Asserting in Favor:
Speaking Against:
Registering in Favor: but <u>not</u> speaking:
Registering Against:
but <u>not</u> speaking:
Speaking for information only; Neither for nor against:
Please return this slip to a messenger PROMPTLY. Senate Sergeant-At-Arms State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882

DATE: 8/2/0 /
BILL NO. or SUBJECT CHR - 01-02/
Betsy Ahner (NAME) 2317 International Ln # 115 (Street Address or Route Number) Madison WI 53704 (City and Zip Code) (UT Fertilizer 4 Chemical Assn. (Representing)
Speaking in Favor:
Speaking Against:
Registering in Favor: but <u>not</u> speaking:
Registering Against: but not speaking:
Speaking for information only; Neither for nor against:
Please return this slip to a messenger PROMPTLY. Senate Sergeant-At-Arms State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882

SENATE HEARING SLIP
SENATE HEARING SLIP
(Please Print Plainly)
DATE: 8-2-01
BILL NO. CR 01-021
SUBJECT
John Manske
(NAME) 13/ W. Wilson St.
(Street Address or Route Number)
(City and Zip Code)
(City and Zip Code)
WI Fed of Coops
(Representing)
Speaking in Favor:
Speaking Against:
Registering in Favor:
but <u>not</u> speaking:
Registering Against:
but <u>not</u> speaking:
Speaking for information only; Neither for nor against:
Please return this slip to a messenger PROMPTLY. Senate Sergeant-At-Arms State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882

BILL NO. Or SUBJECT Charinghouse Rule # 0/ - 02/ NICHOLAS NEHER (NAME) Div. Admin (Street Address or Route Number) (City and Zip Code) DEPT OF AG, TRADE & CONSUMER PROTECTION	
SUBJECT Charinghouse Rule # 0/ - 02/ NICHOLAS NEHER (NAME) Div. Admin (Street Address or Route Number)	
NICHOLAS NEHER (NAME) Div. Admin. (Street Address or Route Number)	
NCHOLAS NEHER (NAME) Div. Admin (Street Address or Route Number)	
(Street Address or Route Number)	
(Street Address or Route Number)	
(City and Zip Code) DEPT OF AG, TRADE & CONSUME, PRINTED IN	
DEPT OF AG, TRADE & CONSUME!	
	P
(Representing)	V
Speaking in Favor:	
Speaking Against:	
Registering in Favor:	
but <u>not</u> speaking:	
Registering Against:	
but <u>not</u> speaking:	
Speaking for information only; Neither for nor against:	
Please return this slip to a messenger PROMPTLY. Senate Sergeant-At-Arms State Capitol - B35 South P.O.Box 7882 Madison, WI 53707-7882	Ŀ



STATE OF WISCONSIN

Bureau of Agrichemical Management Groundwater & Regulatory Section

DATE:

May 4, 1999

TO:

Nick

FROM:

Paul

SUBJECT:

LFB's ACCP Paper and Impacts of Option 4

After having a chance for a more complete review of LFB's ACCP paper, I have found numerous additional errors, which may have lead to an uninformed decision by JFC.

A primary and serious flaw with this paper is a disregard for the Department's estimated program costs. The paper uses annual spending authorities to estimate program costs, rather than the department's estimated program costs or consideration of the SEG's continuing appropriation. For example, Table 1 shows cleanup expenditures from the ACCP Fund in 1999-00 and 2000-01 of \$2,238,600. This figure is the annual amount of our existing (continuing) appropriation. Only under the text of paragraph 11 on the next page does the paper mention that our anticipated needs exceed the annual amounts of this continuing appropriation. In this text, our estimates are discounted and dismissed to the section 13.10 process should additional funds be needed. Our estimates are never referenced or used elsewhere in the paper.

For the current fiscal year, the paper uses an estimate of \$2.55 million in total reimbursements. This may have been erroneously calculated based on our March 30, 1999, expenditures and then pending claims. When we provided this information we explained that claims could still be submitted for this fiscal year through April and that we expected to be near our original estimate of \$3.2 million that we have been using since last autumn. Based on nearly a million dollars in claims sent in during April, we expect to spend \$3.1 million by June of this year, very close to our \$3.2 million estimate and \$550,000 above that used in the LFB paper.

Both Table 1 and Table 2 use the \$2.55 million for FY 98/99 and treat the SEG appropriations and governor's GPR allocation as annual program costs. Our estimated total costs for the current year and the next biennium are:

FY 1998/99

\$3,100,000 (based on claims now under review)

FY 1999/00

\$4,200,000

FY 2000/01

\$3,200,000

These estimates total \$1.3 million above those used in the paper.

Based on the LFB's inappropriate use of appropriation amounts for estimating program costs, JFC was lead to believe through paragraph 16 and option 4, that dropping GPR from the program and transferring \$1 million of SEG to GPR will leave the ACCP Fund with a balance of \$3.2 million, even with the two year fee holiday extension rule. It will not. In addition to the \$1.3 million above, removal of GPR will significantly and rapidly decrease the ACCP fund balance, which will also decreases interest revenue. Based on the attached B-3, we estimate an ACCP balance of \$1.43 million at the end of FY 2000/01. Furthermore, the fund will be facing a long-term draw of \$3.2 million per year.

In order to maintain a balance of at least \$2 million, as required by statute, we would need to withdraw the proposed fee holiday extension rule that was given final approval by the Board in March. Instead we would commence collection of the maximum surcharge allowed by statute. Doing so will mean announcing the fee changes in July, such that industry can start collecting increased fees immediately for payment in August 2000 (fertilizer) and December 2000 (pesticide).

The second second second second

िक्स है। इसके हिन्दू के दुईदर्ग के**न्द्र** के क्र



State of Wisconsin Tommy G. Thompson, Governor

Department of Agriculture, Trade and Consumer Protection Ben Brancel, Secretary

December 7, 2000

Dear Pesticide Manufacturers Licensed in Wisconsin:

As you may have already heard, we are beginning the process that would resume Agricultural Chemical Cleanup Program (ACCP) surcharge fee collection. Based on the current fund balance in the ACCP program, reimbursement claims already filed and additional claims anticipated, we believe we must resume fee collection for the 2002 pesticide registrations that will be paid in December, 2001. These registration fees will be based on product sales from October, 2000 through September 2001.

The first step in the process is presentation of a "scoping statement" to the Legislature and DATCP Board. The legislative notice was published on December 1st and the Board will be notified at their December 12 meeting. We are planning on convening an advisory committee in January to discuss the level at which the fees increase should be established. Following this meeting, we would continue on with the process and conduct public hearings during the first half of next year.

The fee amounts that may come out of the rulemaking process cannot be predicted at this time. Factors to consider include ongoing claim volumes and any legislative approval of GPR funding through the biennial budget process that can be expected to conclude next August or September. If claims continue as expected and if no GPR is provided, the maximum surcharge rate of 1.3%, may be needed to sustain the fund.

As far as what the industry should do, our advice must be limited. Since the surcharge is due from the manufacturer, each manufacturer should decide how to price their non-household pesticides, recognizing that we cannot authorize you to identify as an add-on any surcharge amount that exceeds what the current rules provide. Likewise, in discussing this issue with your dealer customers, you should not advise a dealer to charge an add-on surcharge that exceeds what is provided under the current rule.

While we recognize that both you and your dealers wish to indicate to their customers that a portion of the product price is being paid to the ACCP, neither you nor they can claim a higher percentage is paid to the state than actually occurs. We believe the best response is for each

Pesticide Manufacturers December 7, 2000 Page 2

manufacturer to price their products in recognition that the fees they will pay next year may be increased. In turn, dealers should price their products based on the price you provide them. If either you or your dealers wish to show a Wisconsin surcharge as a separate add-on, it must be limited to 0.2% for this year. The surcharge may be increased next year, based on the outcome of the rulemaking.

Finally, we continue to hear that some dealers may be adding this surcharge to overall sales, rather than just the pesticide products, or more specifically to non-household pesticide products. We request that any advice you provide to dealers clarify this point as well.

If you have any questions, you may contact me at 608/224-4567.

Sincerely,

Nicholas J. Neher, Administrator

Agricultural Resource Management Division

c: Pesticide Dealers



State of Wisconsin Scott McCallum, Governor

Department of Agriculture, Trade and Consumer Protection James E. Harsdorf, Secretary

DATE:

June 8, 2001

TO:

The Honorable Fred Risser

President, Wisconsin State Senate

Room 220 S, State Capitol

Madison, WI 53702

The Honorable Scott R. Jensen

Speaker, Wisconsin State Assembly

Room 211 W, State Capitol

Madison, WI 53702

FROM:

James E. Harsdorf, Secretary

Department of Agriculture, Trade and Consumer Protection

SUBJECT:

Pesticide License Fee Surcharges; Final Draft Rules

(Clearinghouse Rule # 01-021)

The Department of Agriculture, Trade and Consumer Protection is transmitting this rule for legislative committee review, as provided in s. 227.19(2) and (3), Stats. The department will publish a notice of this referral in the Wisconsin Administrative Register, as provided in s. 227.19(2), Stats.

Background

The department administers an agricultural chemical cleanup program under s. 94.73, Stats. This program is designed to clean up environmental contamination caused by spills of fertilizers and nonhousehold pesticides. Under the cleanup program, the department may reimburse a portion of the eligible cleanup costs. Over 360 contaminated sites are being cleaned up under this program.

The department pays reimbursement out of the agricultural chemical cleanup fund. The fund is supported by license fee surcharges related to pesticides and fertilizers. For several years, there was a surplus in the agricultural chemical cleanup fund. But several factors have combined to eliminate the surplus:

- When the cleanup program was first established, it was funded by a combination of general tax dollars (GPR) and agricultural chemical license fee surcharges. The Legislature subsequently withdrew the GPR funding. The program is now funded entirely by license fee surcharges.
- The department reduced license fee surcharges by rule, creating a 4-year "fee holiday" beginning in 1999 and ending after 2002.

- In the last two biennial budgets, the Legislature transferred \$2,980,000 in *license fee surcharge funds* from the cleanup program to the state general fund. These industry funds were lost from the program.
- A rapid increase in cleanup reimbursement claims has depleted the fund balance.

Under s. 94.73(15), Stats., the department must adjust license fee surcharges by rule, as necessary, to maintain a cleanup fund balance of not less than \$2 million. But the department may not exceed the maximum surcharge amounts specified by statute.

Under *current* rules, pesticide license fee surcharges are scheduled to resume for the 2003 license year (at the end of the 4-year "fee holiday" that began in 1999). Beginning with license year 2003, the surcharges will return to the maximum levels allowed by statute. But that increase will come too late to maintain a positive balance in the cleanup fund, much less the \$2 million minimum balance required by statute.

Without additional revenues, the fund balance will likely fall below the required \$2 million minimum this year, and to zero by the end of the 2001-2003 biennium. In order to stabilize the rapidly declining fund balance, this rule partially reinstates pesticide license fee surcharges for the 2002 license year (thus eliminating the fourth year of the 4-year "fee holiday").

This change will prevent the fund balance from falling to zero in the short run, but will not necessarily maintain the required minimum balance of \$2 million. The department estimates that reimbursement claims will exceed new surcharge revenues by approximately \$400,000 to \$700,000 per year. The fund balance will therefore continue to decline in the long run.

Rule Contents

Pesticide Manufacturers and Labelers

This rule reinstates license fee surcharges for pesticide manufacturers and labelers, beginning with license year 2002 (rather than 2003 as in current rules). Pesticide manufacturers and labelers must pay license fee surcharges based on their annual gross sales of pesticide products in Wisconsin. This rule establishes the following surcharges for license year 2002:

- \$5 for each product with annual gross sales less than \$25,000. Under *current* rules (and this rule), the same surcharge will apply in subsequent license years. The surcharge is added to the current basic license fee of \$270 per product.
- \$170 for each product with annual gross sales between \$25,000 and \$75,000. Under *current* rules (and this rule), the same surcharge will apply in subsequent license years. The surcharge is added to the current basic license fee of \$790.

• 0.75% of gross sales for each product with annual gross sales greater than \$75,000. Under *current* rules (and this rule), the surcharge for subsequent license years will be 1.1% of gross sales (the maximum allowed by statute). The surcharge is added to the current basic license fee of \$2760 plus 0.2% of gross sales.

A manufacturer or labeler must pay the required surcharge for each license year when applying for that year's license (normally in December of the preceding year). The surcharge is based on the applicant's pesticide sales during the 12 months ending September 30 of the preceding license year. To obtain a license for the year 2002, for example, a license applicant must pay surcharges in December, 2001, based on sales for the 12 months ending September 30, 2001.

Dealers and Distributors of Restricted-Use Pesticides; License Fee Surcharges

This rule reinstates license fee surcharges for dealers and distributors of restricted-use pesticides, beginning with license year 2002 (rather than 2003 as in current rules). A surcharge of \$40 per business location is added to the current annual license fee of \$60 per business location. Under *current* rules (and this rule), the same surcharge will apply in subsequent license years.

A dealer or distributor must pay the surcharge for each license year when applying for that year's license (normally in December of the preceding year). To obtain a license for the year 2002, for example, a dealer or distributor must pay a surcharge in December, 2001.

Pesticide Application Businesses

This rule reinstates license fee surcharges for pesticide commercial application businesses, beginning with the license year 2002 (rather than 2003 as in current rules). A surcharge of \$55 per business location is added to the current annual license fee of \$70 per business location. Under *current* rules (and this rule), the same surcharge will apply in subsequent license years.

A pesticide application business must pay the surcharge for each license year when applying for that year's license (normally in December of the preceding year). To obtain a license for the year 2002, for example, a commercial application business must pay a surcharge in December, 2001.

Individual Commercial Applicators

This rule reinstates license fee surcharges for individual commercial applicators of pesticides, beginning with the license year 2002 (rather than 2003 as in current rules). A surcharge of \$20 is added to the current annual license fee of \$30. Under *current* rules (and this rule), the same surcharge will apply in subsequent license years.

An individual commercial applicator must pay the surcharge for each license year when applying for that year's license (normally in December of the preceding year). To obtain a license for the year 2002, for example, an individual commercial applicator must pay a surcharge in December, 2001.

Rule Modifications after Public Hearing

The department held one public hearing on this rule. The department held the hearing in Madison on March 28, 2001. Four people attended and testified. One other person filed written comments for the hearing record. Hearing comments may be summarized as follows:

- Two persons supported the hearing draft.
- Two persons supported a surcharge increase, but urged the department to postpone the increase for a year. This would give pesticide manufacturers more time to build the anticipated fee increase into their pesticide prices.
- One person opposed a surcharge increase.

The Legislative Council Rules Clearinghouse, in its review of the hearing draft rule, noted that the law requires the department to maintain a minimum fund balance of at least \$2 million at the end of each fiscal year. The Clearinghouse asked whether the rule would comply with this requirement and, if not, why not.

The department modified the final draft rule so that it will come *closer* to maintaining the minimum \$2 million fund balance required by statute. Under *current* rules, pesticide manufacturers selling more than \$75,000 of pesticide product per year are scheduled to pay a surcharge, beginning in license year 2003, equal to 1.1% of gross sales. The *hearing draft* rule would have imposed a new surcharge for 2002 (0.75% of gross sales), but would have *reduced* the scheduled surcharge in subsequent years (from 1.1% to 0.75% of gross sales). This *final draft* rule imposes a 0.75% surcharge in 2002, but *leaves intact* the currently scheduled surcharge of 1.1% in subsequent years.

The 1.1% surcharge, beginning in license year 2003, is the maximum allowed by statute. The department proposes a smaller surcharge for license year 2002 (0.75%), so that it will be easier for the pesticide industry to absorb the new charge. This final draft proposal will generate more revenue than the hearing draft proposal, beginning with license year 2003. But the final draft rule will *not* be adequate to maintain the required minimum fund balance of \$2 million.

The department projects that, even with these surcharge adjustments, annual reimbursement claims will exceed new surcharge revenues by approximately \$400,000 to \$700,000 per year. The fund balance will continue to decline, and the department will eventually have to consider other funding options.

Response to Rules Clearinghouse

The Rules Clearinghouse had no editorial comments, and only one question about this rule. The Department modified the fiscal draft rule in response to the Rules Clearinghouse question (see above).

Fiscal Estimate

This rule will generate approximately \$1.56 million in additional revenues during FY 2001-02, provided that the department adopts and publishes the rule prior to December 1, 2001. If the department publishes the rule after December 1, 2001, this rule will generate no additional revenues in FY 2001-02 (because all affected licenses are issued in December). This rule will not alter the surcharges collected in subsequent years. Current rules will remain in effect in those years, and will generate approximately \$2.65 million per year. A copy of the fiscal estimate is attached.

The department projects a cleanup fund balance of approximately \$2.7 million at the end of FY 2000-2001. The department also projects that cleanup reimbursement claims will continue at the rate of \$3.1 million to \$3.4 million per year. Even with the new surcharge revenues provided by this rule, the department projects that annual reimbursement claims will exceed new surcharge revenues by approximately \$400,000 to \$700,000 per year. The fund balance will therefore continue to decline over the long term.

Small Business Analysis

The department assumes that pesticide manufacturers will pass surcharge costs on to pesticide purchasers. If that assumption is accurate, this rule will increase total farm costs by an estimated \$1.56 million during FY 2001-2002. Based on 30,000 farms, the department anticipates average per-farm cost of about \$52. A small business analysis ("final regulatory flexibility analysis") is attached.

These cleanup surcharges are added to the basic pesticide license fees that support the department's pesticide regulatory program. Under *current* pesticide rules, basic pesticide license fees are scheduled to increase in FY 2002-2003. The basic license fee increases will raise per-farm costs by an estimated \$71 per year, assuming that the pesticide industry passes on its license costs to farmers. The combination of surcharges and basic license fee increases will raise per farm costs by an estimated \$123 per year (\$52 plus \$71), beginning in FY 2002-2003.

Environmental Assessment

This rule will benefit the environment by making more money available for environmental cleanups related to pesticide spills. But this rule does not (and cannot) cure the long-term projected shortfall in cleanup funding. Other funding sources will eventually be needed in order for cleanups to continue at their current rate. Failure to provide additional funding in future years will have an adverse effect on the environment by delaying cleanups of agricultural chemicals.

AGRICULTURAL CHEMICAL CLEANUP FUND PROPOSED ORDER OF THE STATE OF WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION AMENDING RULES

- 1 The state of Wisconsin department of agriculture, trade and consumer protection proposes
- 2 the following order to amend ATCP 29.11(3)(intro.) and (c), 29.15(4)(b), 29.20(6)(b) and
- 3 29.25(5)(a)2., relating to pesticide license fee surcharges.

Analysis Prepared by the Department of Agriculture, Trade and Consumer Protection

Statutory authority:

ss. 93.07(1) and 94.73(15), Stats.

Statutes interpreted:

ss. 94.681(3), 94.685(3)(a)2., 94.703(3)(a)2. and

94.704(3)(a)2., Stats.

This rule increases pesticide license fee surcharges in order to continue funding for the agricultural chemical cleanup program under s. 94.73, Stats. This rule does not affect fertilizer license fees.

Background

The department of agriculture, trade and consumer protection (DATCP) administers an agricultural chemical cleanup program under s. 94.73, Stats. This program is designed to clean up environmental contamination caused by spills of fertilizers and nonhousehold pesticides. Under the cleanup program, DATCP may reimburse a portion of the eligible cleanup costs. Over 360 contaminated sites are being cleaned up under this program.

The department pays reimbursement out of the agricultural chemical cleanup fund. The fund is supported by pesticide and fertilizer license fee surcharges. For several years, there was a surplus in the fund. But several factors have combined to eliminate the surplus:

 When the cleanup program was first established, it was funded by a combination of general tax dollars (GPR) and agricultural chemical license fee surcharges. The Legislature subsequently withdrew the GPR funding. The program is now funded entirely by license fee surcharges.

- The department reduced license fee surcharges by rule, creating a 4-year "fee holiday" beginning in 1999 and ending after 2002.
- In the last two biennial budgets, the Legislature transferred \$2,980,000 in *license fee surcharge funds* (including interest) from the cleanup program to the state general fund. These industry funds were lost from the program.
- A rapid increase in cleanup reimbursement claims has depleted the fund balance.

Under s. 94.73(15), Stats., the department must adjust license fee surcharges by rule, as necessary, to maintain a cleanup fund balance of not less than \$2 million. But the department may not exceed the maximum surcharge amounts specified by statute.

Under *current* rules, pesticide license fee surcharges are scheduled to resume for the 2003 license year (at the end of the 4-year "fee holiday" that began in 1999). Beginning license year 2003, the surcharges will return to the maximum levels allowed by statute. But that increase will come too late to maintain a positive balance in the cleanup fund, much less the \$2 million minimum balance required by statute.

In order to stabilize the rapidly declining fund balance, this rule partially reinstates license fee surcharges for the 2002 license year (thus eliminating the fourth year of the 4-year "fee holiday"). This rule change will prevent the fund balance from falling to zero in the short run, but will not necessarily maintain the required minimum balance of \$2 million. The fund balance will continue to decline in the long run.

Pesticide Manufacturers and Labelers; License Fee Surcharges

Under this rule, pesticide manufacturers and labelers must pay license fee surcharges based on their annual gross sales of pesticide products in Wisconsin:

- For each product with annual gross sales less than \$25,000, the surcharge is \$5. This surcharge is added to the current basic license fee of \$275 per product.
- For each product with annual gross sales between \$25,000 and \$75,000, the surcharge is \$100. This surcharge is added to the current basic license fee of \$790.
- For each product with annual gross sales greater than \$75,000, the surcharge is 0.75% of gross sales for the 2002 calendar year license and 1.1% of gross sales for each subsequent year. This surcharge is added to the current basic license fee of \$2760 plus 0.2% of gross sales.

A manufacturer or labeler must pay the required surcharge for each license year, based on sales for the 12 months ending September 30 of the preceding license year. This rule first applies to license applications for the year 2002. To obtain a license for the year 2002, an applicant must pay surcharges based on sales for the 12 months ending September 30, 2001.

Dealers and Distributors of Restricted-Use Pesticides; License Fee Surcharges

Under this rule, a dealer or distributor of restricted-use pesticides must pay an annual license fee surcharge for each business location. This surcharge adds \$40 to the current annual license fee of \$60 per business location. A dealer or distributor must pay the surcharge to obtain a license for each license year, beginning with the 2002 license year.

Pesticide Application Businesses

Under this rule, a pesticide commercial application business must pay an annual license fee surcharge for each business location. The surcharge adds \$55 to a current annual license fee of \$70 per business location. A pesticide application business must pay the surcharge in order to obtain a license for each license year, beginning with the 2002 license year.

Individual Commercial Applicators

Under this rule, an individual commercial applicator of pesticides must pay an annual license fee surcharge of \$20, which is added to the current annual license fee of \$30. An individual commercial applicator must pay the surcharge in order to obtain a license for each license year, beginning with the 2002 license year.

1 2 SECTION 1. ATCP 29.11(3) (intro.) is amended to read: 3 ATCP 29.11(3) NONHOUSEHOLD PESTICIDES; CLEANUP SURCHARGE. Beginning 4 with the license year that begins on January 1, 2003 2002, an applicant for a license under 5 s. ATCP 29.10 shall pay an agricultural chemical cleanup surcharge for each 6 nonhousehold pesticide product that the applicant sells or distributes. Except as provided 7 under sub. (6) or (7), the amount of the surcharge is as follows: 8 **SECTION 2.** ATCP 29.11(3)(c) is amended to read: 9 ATCP 29.11(3)(c) If the applicant sold at least \$75,000 of the product during the

1	preceding year for use in this state, an amount equal to 1.1% of the gross revenues from
2	product sales during the preceding year for use in this state, except that for the license
3	year beginning January 1, 2002, the surcharge amount is 0.75% of the gross revenues
4	from product sales during the preceding year.
5	SECTION 3. ATCP 29.15(4)(b) is amended to read:
6	ATCP 29.15(4)(b) Beginning with the license year that begins on January 1, 2003
7	2002, an agricultural chemical cleanup surcharge of \$40.
8	SECTION 4. ATCP 29.20(6)(b) is amended to read:
9	ATCP 29.20(6)(b) Beginning with the license year that begins on January 1, 2003
10	2002, an agricultural chemical cleanup surcharge of \$55.
11	SECTION 5. ATCP 29.25(5)(a)2. is amended to read:
12	ATCP 29.25(5)(a)2. Beginning with the license year that begins on January 1,
13	2003 2002, an agricultural chemical cleanup surcharge of \$20.
14	EFFECTIVE DATE. The rules contained in this order shall take effect on the first
15	day of the month following publication in the Wisconsin administrative register, as
16	provided under s. 227.22(2)(intro.), Stats.
	Dated this day of, 2001
	STATE OF WISCONSIN
	DEAPARTMENT OF AGRICULUTURE,
	TRADE AND CONSUMER PROTECTION
	By
	James F. Harsdorf Secretary

Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R10/2000)

Fiscal Estimate — 2001 Session

	i isoui La	200 i	36221011	
☐ Original	□ Updated	LRB Number		Amendment Number if Applicable
Corrected	☐ Supplemental	Bill Number		Administrative Rule Number ATCP 29
Subject Agricultural Chemi	cal Cleanup Surcharges		-	
Fiscal Effect State: No State Fi Check columns below or affects a sum suffici Increase Existing A Decrease Existing A Create New Appro Local: No Local Ge Increase Costs Permissive Decrease Costs Permissive GPR FED Assumptions Used in A Based on currently generated by an Oct Based on written cost department estimate anticipates generated by an Oct This rule assumes the numbers of licenses generate \$1,560,000	scal Effect only if bill makes a direct approper appropriation. Appropriation	Existing Revenues e Existing Revenues e Revenues missive	within agen Yes Decrease C 5. Types of Lo Towns Counties School I Affected Chap 20.115(7)(wm) mitted and revie ely \$2.7 million lete its review of mowledge of wheen \$4.2 million ed for reimburse ement demand of ovember 1, 2001 d, the department cation after Dec-	ocal Governmental Units Affected: Villages Cities Others Districts WTCS Districts Oter 20 Appropriations wed in the last half of a fiscal year, at the end of FY 2000/2001. This if the majority of the backlog of cases ich projects have been completed, the and \$4.7 million per year. ments, and that 75% of submitted
Note: Separate from already scheduled to FY2002/2003 and be Long-Range Fiscal Impli	this rule, fertilizer and pesticid increase to the maximum level yond are estimated at \$2,650,000 cations	le license, registration ar s allowed by statute dur 00.	nd tonnage base ing FY 2002/200	fees and ACCP surcharges are 03. The ACCP revenues for n, the fee increases described by this
Prepared By:		Telephone No.	Agency	·
Paul Morrison		608/224-4512	DATCP-	ARM
Authorized Signature	, ,	Telephone No	Date (mr	n/dd/ccvv)

05/07/01

ISCAL ESTIMATE WORKSHEE	T		200	1 Session
etailed Estimate of Annual Fiscal Effect	ORIGINAL	UPDATED	LRB No. and BillAdm. Rule No.	Amendment No.
OA-2047 (R10/98)		SUPPLEMENTAL	ATCP 29	
iubject			ATCP 29	
Agricultural Chemical Cleanu				
One-time Costs or Revenue Impacts for State and	or Local Government (do not include in annua	lized fiscal effect):	
1,560,000 increased SEG revenue to ACCF	P Fund in FY 2001/20	002		
Annualized Costs:			Annualized Fiscal Impact o	n State Fund (
. State Costs by Category			Increased Costs	Decreased Costs
State Operations - Salaries and Fr	inges			Decreased Costs
(FTE Position Changes)		FTE		
State Operations - Other Costs				
Local Assistance				
Aids to Individuals and Organization	ons			
TOTAL State Costs by Catego	ory			
State Costs by Source of Funds			Increased Costs	Decreased Costs
GPR				
FED				
PRO/PRS				
SEG/SEG-S	erioria de la compansión d El compansión de la compa			
State Revenues Complete this only revenues (e.g., tax	when proposal will increasincrease, decrease in lice	se or decrease state	Increased Rev.	Decreased Rev.
GPR Taxes				
GPR Earned				
FED				
PRO/PRS				
SEG/SEG-S			1-time, above	
TOTAL State Revenues			• .	
	NET ANNUALIZ	ZED FISCAL IMPA	ACT	
		STATE		LOCAL
CHANGE IN COSTS				<u> </u>
CHANGE IN REVENUES				
t. of Agriculture, Trade & Consumer P	rotection	Authorized Signature	a/Talanhand Na	
	· Otecuon	Darbara	Mapp	Date 5 - 10 - 0 /
Paul Morrison 608/224-4512		Barbara Knapp (6	508) 224-4 1 46	2-10-01

FINAL REGULATORY FLEXIBILITY ANALYSIS

for revisions to Ch. ATCP 29, Wis. Adm. Code

The proposed changes to ATCP 29, Wis. Adm. Code will have an effect on small businesses that sell or use pesticides in Wisconsin.

Businesses Affected:

Currently all manufactures and labelers of pesticides used in agricultural crop production must register those pesticides and pay certain fees for those pesticides, with the fees based on the value of Wisconsin sales. Agricultural coops and farm centers that sell or apply pesticides must be licensed to do these activities. A portion of these fees, known as the Agricultural Chemical Cleanup Program (ACCP) surcharge, are used to clean up sites that have been contaminated by spills of pesticides and fertilizers. Most of the surcharge fees are passed to farmers through distributor imposed surcharges on the products.

The product and license surcharge fees have not been collect since December of 1997 because the balance of funds that were available in the ACCP fund exceeded the anticipated costs of cleaning up contaminated sites. This is no longer the case, and as a result, the proposed changes to ATCP 29, Wis. Adm. Code, reinstate the product and license surcharge fees.

Most manufacturers of pesticides and many manufacturers of fertilizers, as well as many agricultural coops and farm centers are not small businesses. Some smaller coops and farm centers are small businesses. Since most of these fees are passed on to farmers, the greatest impact should be at the farm level, most of which are small businesses.

Anticipated Impacts

The department estimates this rule will increase farm costs by \$1,560,000 during state FY 2001/2002. Based on 30,000 farms, the department anticipates average per farm cost of about \$52. Separate from this rule, previously scheduled increases in license fees and surcharges, fertilizer tonnage fees and surcharges and pesticide registration fees and surcharges will commence in state FY 2002/2003. These fee and surcharge increases total \$3.7 million, with a per farm cost of \$123 per year, starting in state FY 2002/2003.

There are no anticipated changes in recordkeeping, reporting, or other practices as a result of this rule.

Dated this <u>minth</u>	day of	2001
	STATE OF WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION	-001

By <u>Yernslas J. Nefter</u> Nicholas J. Mener, Administrator

Agricultural Resource Management Division

Testimony of Nicholas J. Neher, Administrator Agricultural Resource Management Division Of the

Wisconsin Department of Agriculture, Trade and Consumer Protection

Before the

Assembly Agriculture Committee, and the Senate Labor and Agriculture Committee

Clearinghouse Rule #01-021 Agricultural Chemical Cleanup Program Surcharge Fees

Good morning. I am Nick Neher, Administrator of the Agricultural Resource Management Division of the Wisconsin Department of Agriculture, Trade and Consumer Protection. My Division is responsible for administration of the Agricultural Chemical Cleanup Program. Thank you for the opportunity to appear before you today.

Cleanup of fertilizer and pesticide spills is needed. This is a point of general agreement and this will continue regardless of this rule. What this rule is designed to assure is that funding is available for those facilities that are undergoing a cleanup. Without this rule change the fund will be at or near a zero balance by next June. Those facilities involved in cleanups, cleanups they know they need to do, will feel the effect very soon.

Today's rule was prepared under the direction of our current statute. This statute directs us to adjust industry surcharges as necessary to maintain a fund balance between \$2 million and \$5 million, while it also establishes maximum surcharge amounts. During the past fiscal year our balance dropped rapidly to near the minimum. This rule is necessary to begin recharging the depleted fund.

This rule will generate \$1.56 million in the current fiscal year. This amount is consistent with the rule we brought to public hearing, and we believe it is the most that we can collect this year without facing a legal challenge that could delay the rule. Industry has already expressed concern that this rule imposes fees on products that have already been sold. With the rule, the fund will end the year at a balance of more than one million. Without the rule we will be near or below zero. Either with or without the rule we are unable to end this year above the \$2 million minimum balance that the statute asks.

This rule also resumes the maximum fee collection beginning next year. The maximum fee would apply on fertilizers sold since this July 1 and on pesticides sold after October 1, 2001. At this maximum surcharge rate allowed by statute, the potential revenues are estimated at \$2.7 million. This is still less than the \$3.1 to \$3.4 million that we face in annual expenditures. Again, our maximum surcharge authority does not allow us to comply with the \$2 million minimum. The fund will run out of money by the end of the biennium.

The only means of resolving the issue are legislative. The Department is in the process of convening an advisory committee, to discuss long-term options for addressing ACCP funding. We have also explained to our Department Board that we only see three options for resolution:

- Resumption of GPR contributions toward these cleanups, consistent with the early
 direction of the program, and in recognition of the general benefits these cleanups
 have on Wisconsin's small community economies and on the environment.
- Increases in the maximum surcharge fees allowed by the statute. This increase would be in the tail wind of the fee increases imposed by this rule, plus \$1 million of increases to the base fees that are already on the books for next year.
- Reduce the fees collected from this industry that are currently diverted to the
 environmental fund and instead deposit this amount in the ACCP Fund. The industry
 is paying more in fees toward DNR's environmental fund now than they did before
 DATCP established its lead role on these environmental programs.

Each of these options presents its own challenges and we expect some tough discussions when we return to you. While funding the program is a challenge, no one thinks we should stop cleaning up the contamination. We believe that our program is effective, efficient and necessary. While no facility likes spending money to clean up a problem that is not directly visible, they do believe we treat them fairly. They also tell us that knowing their cleanups will be reimbursed is the best means of assuring the cleanups will happen. Likewise, consultants regularly comment that we watch both the budgets and technical expectations more closely than any other program.

We're both proud of the work we've done and concerned about future funding. We think this rule should be implemented promptly while we continue discussing the additional funding that will be needed to keep the fund solvent. The rule needs to be released by the legislature and published quickly since the only revenues we will collect before next June are collected during November and December.

Thank you for the opportunity to present testimony on this rule and to explain the tough decisions that lie ahead for this program.

Clearinghouse Rule 01-021 Agricultural Chemical Cleanup Program Surcharge Fees Background to Testimony of Nicholas Neher

The Agricultural Chemical Cleanup Program was established in 1994 to help local coops and independent farm centers deal with the problems that had resulted from years of accumulation of small spills, dripping valves, equipment cleaning and related activities at pesticide storage and handling facilities. In the early years of pesticide handling these facility operators were lead to believe that these chemicals would break down rapidly and that only larger releases might cause an environmental problem. Investigations during the late 1980s and early 1990s found this was not the case, and that contamination was common at these commercial facilities. We've also found these problems at farms, but typically at a smaller scale.

When the program was established it had two components; cleanup and reimbursement. The investigation and cleanup component required the Department to go out and identify the contamination and direct facility owners to clean up the contamination. We have done that at over 350 sites and completed work at more than 140 sites. We also clean up and close between 50 and 90 one-time spills of fertilizer or pesticide annually.

The reimbursement side of the program was initially established to recognize that the one-time costs of these cleanups, even when well managed, can be expensive. For a seasonal industry that works on tight margins, the \$50,000 to \$150,000 cost of a cleanup was frequently large enough to force site closures. Funding for reimbursements was initially established with a near 50/50 mix of GPR and industry surcharges, to recognize that this program would benefit both agriculture and the environment, as well as the small communities where these facilities exist.

In the first years of the program many facilities waited to see how well the program would work before submitting claims. Provisions in both the law and rule provided several incentives to hold back on submission of costs. Our assumptions that claims would come in rapidly resulted in over-estimates on costs during these years. While substantial dollars were spent, claims were not submitted, such that the pot of eligible costs grew far faster than the reimbursement claims. Finally the statute instituted a three-year rolling deadline for submission of costs, with the intent of eliminating this large but undefined backlog of eligible costs.

During FY 00/01 we have dealt with the last of these old costs, which lead to a record reimbursement level of just under \$4 million. We have an additional \$1.8 million in pending claims that were carried into this fiscal year, but the unknowns on what might be submitted and other rule provisions that limited our ability to reliably estimate costs are virtually eliminated.

Current expenditure estimates are based off written and approved cost estimates. Every December we review completed work and compare this with the approved cost estimates

to arrive at our annual industry expenditure. We know the industry has spent between \$4.2 million and \$4.7 million per year in each of the past three years. We know that 75% of costs are submitted within one year of when they are incurred and 90% are submitted within two years of when they are incurred. We also know that after deductibles, co-pays and ineligible costs are removed, we typically pay 75% of the submitted industry expenses.

While funding for the program began with the 50/50 GPR/ Industry mix, this changed when expenses did not match predictions. Industry fees accumulated in the ACCP Fund and GPR allocations were lapsed and reduced. Eventually the ACCP surcharges were placed on hold and the GPR appropriation was reduced to zero. Nearly \$3 million in industry surcharges was also converted to GPR during this period. This remains a major concern of the industry. Between the surcharge fee suspension, rule changes that promoted prompt submission of eligible costs and the conversions of SEG to GPR, the fund balance has dropped rapidly. A reduction in the balance was both expected and necessary to bring the fund balance in line with fund needs. But the loss of GPR and conversion of SEG funds to GPR further accelerated the balance reduction and made this more immediate response necessary. Regardless of the fund balance, the industry will continue spending more than \$4 million per year to clean up this contamination. A failure to promptly address the funding need simply accelerates the problem of facility closings.

During FY 00/01 the balance went from \$7.3 million to \$3.2 million. Although expenditures were higher in 00/01, with some carry-over effect in 01/02, the annual expenditures will drop back to between \$3.1 and \$3.4 million. Without prompt resumption of surcharge collection, the fund will be near zero at the end of FY 01/02. Even with resumption at the maximum rates proposed by this rule, the estimated \$2.7 million in revenue will not meet the expected reimbursement demand.

Agricultural Chemical Cleanup Program Financial History

GPR GPR Lapsed (at Appropriation Reimbursements end of FY)
\$2,000,000 \$ 0
2,000,000 609,826
2,000,000 465,594
2,000,000 627,204
1,550,000 688,271
,850,000 1,750,795
0
0
\$11,400,00 \$4,141,690
0
GPR balance still available: \$0

*The ACCP operated as a component of the ACM Fund from it creation in 1993 until the end of FY 95/96. Then the ACCP Fund was created and the funds collected for that program were transferred from the ACM Fund.

ACCP Fund Revenue Sources at Maximum Surcharge Level

Surcharge Source	Maximum	Units	Annual
	Surcharge		Revenue
	Amount		
Fertilizer License	\$20	300 licenses	\$ 6,000
Fertilizer Tonnage	\$0.38	1,300,000 tons	494,000
Restricted-Use Pesticide Dealer	\$40	420 licenses	16,000
Pesticide Application Business	\$55	1,270 licenses	70,000
License			
Individual Pesticide Applicator	\$20	5,250 licenses	105,000
License		-	-
Pesticide Registrations	\$5	3,600 products	18,000
Sales from \$0 to \$25,000			
Pesticide Registrations	\$170	220 products	38,000
Sales from \$25,000 to \$75,000			of the state of th
Pesticide Registrations	1.1% of sales	\$175,000,000	1,925,000
Sales >\$75,000		gross sales	-
		TOTAL	2,672,000



9910 WEST LAYTON AVENUE GREENFIELD, WISCONSIN 53228 PHONE (414) 529-4705 FAX (414) 529-4722

wisconsin landscape federation, inc.

State Rep. Al Ott, Chairman Assembly Committee on Agriculture P.O. Box 8953 Madison, WI 53708-8953

Dear Chairman Ott,

July 20, 2001

I truly hope you enjoyed the recent Agri-business bus tour and especially the Mitchell Park Domes reception and dinner hosted by our Federation. It was a pleasure having you at our event and it was a great opportunity for the Green industry to offer you and your colleagues some valuable information on the economic role we play here in Wisconsin.

I see from the hearing schedule I just received that your committee will be meeting on August 2nd to conduct a hearing on Clearinghouse Rule 01-021 relating to license fee surcharges on nonhousehold pesticide products. For obvious reasons the Federation is adamantly opposed to the resumption of these surcharges which in large part have been prompted by the Legislature when it re-directed earlier surcharge fees to GPR after they had been specifically earmarked for the Ag-Chem cleanup fund.

This is just another example of a hidden tax being imposed after slight-of-hand actions by the Legislature. We support the Ag-Chem cleanup fund but we oppose it being used as a tool to direct tax monies to other purposes. Clearly this is an issue of fairness. We would hope that your committee in its wisdom, would disallow the surcharge and restore funding for Ag-Chem from the General Purpose Revenue fund thereby allowing cleanups to proceed and give the DATCP sufficient monies to carry out this program and meet its statutory minimum balance requirement.

Please share this letter with your committee members and remind them that the 700 member firms of the Federation are troubled by this new rule and the added tax burden it represents. Thank you for your consideration.

Respectfully,

WISCONSIN-LANDSCAPE FEDERATION

JOE PHILLIPS. Executive Director

Encl. 2

Clarifications on Pesticide Fees

Last month, we reported in *Green Side Up* (June, 2001 issue – page 10) that the Wisconsin Agriculture Board had approved staff recommendations to significantly increase pesticide fees by as much as 79% on manufacturers, dealers, distributors, pesticide application businesses and individual pesticide applicators.

In discussing this issue further with both Brian Swingle, the pesticide certification and licensing specialist and Paul Morrison, a Bureau liaison to the Legislature (both work for the DATCP), we determined that some clarifications were in order.

We alluded to an increase in the "license fee surcharge" for individual applicators being increased from \$30 to \$50 under the recommendations approved by the Board. In reality, applicators pay a license fee now of \$30 and the surcharge is being reinstated so that the total cost to secure the license will be \$50. Similar distinctions should be made insofar as fees imposed on pesticide application businesses, dealers/distributors and manufacturers. They will continue to pay a license fee to which now a surcharge will be added.

As we had correctly reported, the surcharge is being reinstated to raise the statutory-required level of funding within the state Agricultural Chemical Cleanup program.

As Morrison pointed out to us, the Cleanup Fund is required to have a minimum balance of \$2 million. He further clarified matters by pointing out that in the last budget cycle, the Legislature took \$1 million in program funds from the Ag Chem Management Fund (it's used to operate DATCP's pesticide and fertilizer programs) as well as \$2 million from the Ag Chem Cleanup Fund (it's used solely to clean up contaminated sites). That combined \$3 million was then deposited in the State's General Fund, where its use cannot be distinguished from any other general tax revenues.

We still maintain (and no one in the DATCP disputes our contention) that the State Legislature was being grossly unfair in raiding the Ag Chem Management and Ag Chem Cleanup funds and then co-mingling those dollars to be spent on other GPR (General Purpose Revenue) programs. If the funds weren't being used as intended, we might understand the actions of lawmakers. However, in this case, there are statement that actions of lawmakers are statement to restore funding by adding anew a surcharge for pesticide applications is shameful and insensitive. It makes it appear that DATCP are the bad guys. They're only doing what the law requires—a law adopted by legislators who literally "stole" the money needed to implement that law.

According to Swingle, the Cleanup surcharges were first imposed in 1994 when the program was created. For the past four years however, the surcharges were not imposed because the Department had enough money to reimburse land owners for cleanup costs and still maintain the statutory minimum balance.

Finally it should be noted that we incorrectly stated that with the surcharge, pesticide manufacturers would see their combined costs payable to the state increase by "as much as 2% of gross sales." In reality, the surcharge fee adds 1.1% to the existing license fee of 0.2% for a total of 1.3% on the approximately 250 agricultural products that require licensing.

Despite over-stating the fees to now be paid to the state, we still institute the list clearly copping off small business entrepreneurs by forcing fown our investmental business entrepreneurs by forcing fown our investmental business entrepreneurs by forcing fown our investmental business entrepreneurs.

By: Joe Phillips

Article for August, 2001 issue of Green Side Up

IPM for Floriculture and Nurseries Released

The University of California, Division of Agriculture and Natural Resources is pleased to announce the publication of a major new book for the green industry - *IPM for Floriculture and Nurseries*. This 422-page manual will help nursery professionals apply integrated pest management principles to their flower and nursery crops. The benefits of adopting IPM methods include reducing pesticide resistance; minimizing phytotoxicity and disruptions that occur from pesticide re-entry intervals; and reducing the costs of pesticide purchases, application labor, and regulatory compliance.

This full-color book is profusely illustrated with illustrations, tables, a comprehensive index, and over 300 photographs. It also includes 117 pages of handy crop tables that provide a symptom based-guide for accurately diagnosing problems and give the recommended controls for problems affecting 120 major flower and foliage species.

IPM for Floriculture and Nurseries is available for \$45.00 by calling (800) 994-8849 or by logging onto http://anrcatalog.ucdavis.edu. Tax, along with shipping and handling, is added to the cost of each order. Quantity discounts are available.

Over 50 acres Shade Trees, Evergreens and Flowering Shrubs.

Very large selection of RARE GRAFTED Ornamentals, Weeping and Standards, Dwarf Pines, Spruces, Magnolias, Beeches

Phone 262-835-1000 (Milwaukee Number) FAX 262-835-1026

www.garden-of-eder.com

Between Milwaukee and Kenosha (Town of Raymond)
1½ Mi W of I-94 at 5300 Hwy. K

Franksville, WI 53126



THE GARDEN OF EDER NURSERY

THE MIDWEST SOD COUNCIL

Free!! - Everything you need to know about sod.

Ag Board Okays Pesticide Fee Increases

On June 1st, the Wisconsin Agriculture Board approved staff recommendations to significantly increase pesticide fees by as much as 79% on manufacturers, dealers, distributors, pesticide application businesses AND individual pesticide applicators.

The new fee schedule was advanced after the state Agricultural Chemical Cleanup Fund fell below its designated \$2 million level. That minimum balance was mandated by the State Legislature when the fund was initially established. However, after adding some general revenue tax dollars to the fund, lawmakers not only reclaimed those monies, but took an additional \$500,000 from the fund to direct to other programs in the general budget.

Unfortunately when the DATCP developed its plan to resurrect the pesticide fee schedule and also increase it, few industry representatives spoke out. A public hearing on the issue resulted in only one person---WLF Vice President Bill Vogel----expressing opposition on behalf of the Green industry.

The Ag Board therefore had little choice but to accept the plan which now goes before the Legislature's committee for the Review of Administrative rules. Executive Director Joe Phillips has contacted State Rep. Lorraine Serrati who chairs that committee and is trying to work out some modification of the new fee schedule.

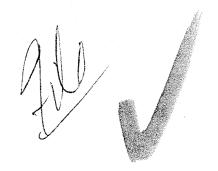
As it now stands, individual applicators who paid a license fee surcharge of \$30 would be paying \$50. Pesticide application businesses that heretofore paid \$70 per location would be paying \$125. Dealer and distributor fees would be bumped from \$60 to \$100 each. Manufacturers would see their licensing fees increased by as much as 2% of gross sales.

If the fee hikes alone weren't bad enough, the DATCP is proposed that they be made retroactive to October 2000. That means each professional user of pesticides would be dealt a double dose of fee increases when the bills are sent out in November of this year.

Reportedly there are over 360 sites in Wisconsin being cleaned up with funding from the Age Chem. Cleanup Fund. That's well and good. However, the Legislature had no business in taking fees from this fund and diverting those dollars to other programs, perhaps totally unrelated to the issue. Now, it's the tax-payer notably small business entrepreneurs who are being asked to bail out the program and the ill-advised actions of the State lawmakers. The Green industry deserves better.

By: Joe Phillips

Assembly Committee on Agriculture C/o State Representative Al Ott, Chairman State Capitol PO Box 8953 Madison, WI 53708-8953 Rep.Ott@legis.stlte.wi.us



July 23, 2001

To the Assembly Committee on Agriculture,

I am writing to voice my disappointment that you are considering Clearinghouse rule 01-012 submitted by the DATCP restoring a surcharge on pesticide license fees for the Agriculture Chemical Cleanup fund. In 1994 a surcharge was imposed, and was dropped in 1997 when the fund reached it's mandated \$2 million balance. It is my understanding that the resuming the surcharge would not be necessary if the legislature hadn't redirected \$500,000 out of the Ag-Chem fund to the General Program Revenue fund. Now that the Department of Ag has a shortfall, we are again being victimized. It seems like unfair, selected taxation to take the funds that the green industry paid in good faith for a good program, and send them to the GPR for other purposes. It is my hope that your committee will not reinstate this surcharge and that the legislature will behave more responsibly with regard to the direction of funds.

At Terra-Firma Landscape, Inc., we have a staff of 20 who install and maintain landscapes. I am also a new owner of a Weed Man franchise, providing lawn care services. In all, there are 9 licensed pesticide applicators and 2 licensed businesses at this site. Our 2001 expenditures for state training and licensing will be approximately \$618. If the proposed increases are put into effect, our annual tax would be \$880- and increase of over 40%.

I will be unable to the public hearing on August 2nd, as this is my busy season. However, please submit my comments to the record.

Thank you for considering my comments.

Best wishes,

Heather Schuster, Vice President Terra-Firma Landscape, Inc. S66W14427 Janesville Rd Muskego, WI 53150 (414)422-9440 hshuster@wi.rr.com Napralla, Erin

From: Dave Van Eperen [davev@vandeheys.com]

Sent: Monday, July 23, 2001 3:06 PM
To: Rep.Ott@legis.state.wi.us
Subject: Clearinghouse Rule 01-021

Rep. Ott,

I will not be able to attend the public hearing Thursday August 2nd regarding the restoration of a surcharge on pesticide license fees but I felt it was important enough to email you with my input. As the General Manager of a large landscape company in northeastern Wisconsin, I have not had any complaints about the reasonable license fees currently charged for the pesticide license. However, Completion that it is right to reinstate a surcharge to the short as a created by redirecting further of the Action (1997).

Flavenue would urge you and your committee to consider setting aside this rule.

Thank You, Dave Van Eperen Vande Hey's Landscape Center, Inc. Represenative al Ott, az Chair

Near ser, I am a vegetable former in southern luise fairly large 7000 acres so we have some experience cevil Chemicals obviously, There apparently is a new bell le raise the tax on chemical cleanup. ele. Our experience certh the program is semilar to the tank removal program. We had a 1100 yas tank that was underground and needed removing. By "(professionals)"? 9000 later the tanh was out, 1 barrel of dist was there that was supposedly contamine no holes in the tanh - So I asked the contlemen in the white apparently expensive suit what was to bean of the barrel of highly contaminated soil! the soul We will take it to a farm and spread it on top of the ground: I larrel. 9000 The Lov. ended up gazin us 7000 vout of super fund for this se It seems we should focus on being more proctical and use our common sense and I would Thinks the money we choose would be plante. We could be told more as users but you are succeeding in pushing all ag to nex. argenting Ite where these takes and chego labor do rate and do exist. Thayle that O.K. who need our ag economy there any was. Please Nathink Rule 01-021

> Thanks. Song & meail 2028: Hwy 106 Palmya Ww 535

T H AGRI-CHEMICALS, INC.

P.O. Box 265, Highway 73
Plainfield, WI 54966
715/335-6343 715/335-6345
July 31, 2001

Representative Al Ott 318 North, State Capitol Madison, WI 53702

Representative Al Ott,

I am writing in regard to Clearing House Rule 01-021, which will reinstate pesticide license fee surcharges retroactively.

While I am in support of the agricultural chemical cleanup fund, to reinstate the fees and make them across two to come to ensure structures of the second to ensure structures.

Growers will suffer from the fact that this is an unbudgeted expense. Wisconsin potato growers and food processors are some of the largest users of pesticides. It is not uncommon for these people to spend \$500,000.00 to \$1,000,000.00 a year for herbicides, insecticides and fungicides to protect their crops. If the fee is increased by just 1% it will mean a \$5,000.00 to \$10,000.00 additional unbudgeted expense. While this may not sound like a lot of money to some people, to growers who have not been breaking even the past few years this is placing an additional hardship on them.

Dealers are going to have considerable expense in labor, invoicing and postage to collect these fees. We will not be able to collect all of these fees because any accounts that are C.O.D. or cash sales will most likely refuse to pay these fees. Because we are responsible for collecting these fees we will suffer additional losses.

If the Agricultural Chemical Cleanup Fund had not been raided by the Legislature with a total of \$2,980,000.00 in license fee surcharges being transferred to the state general fund and removing all GPR funding, we would not have the problem we are faced with. Rather than increase fees and make them retroactive this year I believe that the state should restore a portion of the funding they raided in the past two sessions. By doing this it would avoid putting additional hardships on Wisconsin agriculture this year.

I am enclosing some information on agricultural field crops pesticide fees for thirteen Midwest states. I hope you find this information useful.

Thank you for your time. If you should have any questions or comments please feel free the contact me.

President

Г			Agricu	Itural Fie	ld Cro	os Pest	icide Fe	es		
13 MACPA States										
State	Pest. Reg. Fee/Year unless noted	Peaticide Special Taxes		Pesticide Dealer or Business Facility License	Private Applicate License (Farmer)	Appl.	Noncom. Appl. License	Public & Commercia Not for hire License		Sales Tax Charge
CO	\$80/product application*	\$20* - included ir registration fee.		Pesticide	certification only. See	1	NA	\$50 Limited Commercial & Public Applicator \$75 Qualified Supervisor 3 years.	\$75 individual without on site supervision.	NO
IL	\$250/company. \$100/product 2003. \$300/company, \$130/product		NA	\$100/location for restricted use.	\$15 2008, \$20 2007, License is for 3 years.	\$45 -2006, \$60 -2007	NA	NA NA	\$30 2003 \$35 2004 \$40 - 2007	NO
IN	\$75*	NA	*Discontinued pesticide requires 2 yrs terminal registration. (Rag. fee continues.)	location.	1/1/01- \$10/yr. plus continuing education o \$40 for 5 years plus test.	1	NA	\$0 public employees, \$30 not-for- hire	NA	NO
	\$250- \$3000/product. \$250 initial registration for new products for first year. Natural Products* (See state notes.)	NA.	Fees based on one fifth of one percent (0.002) of previous year's sales.	See state inotes .	\$15 for 3 years.	\$25 per company plus \$30/year, or \$75 for 3 years, for each applicator.	Not necessary as long as non-restricted pesticides are used and on property owned by the company. If restricted pesticides are used, then have to follow commercial applicators license requirements.	Public must be certified.	NA .	NO
	Pest. Reg. Fee/Year unless noted \$193/product		water plan. \$30 KS Depart of Ag tund pasticide			Com. Appl. License \$35 per category every 3 yrs."	Noncom. Appl. License NA	Public & Commercial Not for hire License NA		Sales Tex Charged NO
		ľ	program operations,	under the business' idense.		per category,				

Page 2 of 6

			Remediation Fund.	\$100/location dealer facility license fee. See state notes.						
MI	\$20/product	Specialty \$100 per product. Non- specialty - 0.75% Annual Gross Sales in MI with minimum of \$150.	* Funds Ground Water and Fresh Water Frotection Act.	\$50/dealer	Certification required (\$10 for 3 years), then \$25 for registration.	Must be certified (\$50 for 3 years), then \$25 to register. Must also have a business license - \$50.	NA	NA	NA	NO
MN	0.6% of one percent of annual gross sales in MN. \$250 minimum.*	0.2% of one percent of annual gross sales in MN**. (This is included in reg. fee.)	*Discontinued pesticides require 2 yrs. terminal registration. **For clean-up of ag chem spill sites.	\$200/year per location with	\$35 3 years.	\$90 includes \$40 to ACRRA.	\$90 - Business \$10 exempt government entities.	NA	See state notes.	NO
State	Post. Reg. Fee/Year unless noted	Peaticide Special Taxes	Comments	Posticide Dealer or Business Facility License	Private Applicator License (Farmer)	Com. Appl. License	Noncom. Appl. License	Public & Commercial Not for hire License	Operator License	Sales Tax Charged
MO	\$15/product	N/A	NA	\$25/year dealer license	Certificate required.	\$50	\$25/year	Must be certified.	See state	NO
NE .	\$90/product	NA .	\$30 Noxious Weed Cash Fund, \$60 Buffer Strip Incentive Fund.	\$25/year per location for dealer.	\$0 See state notes.	\$0	\$0 Šasto všukio s	NA .	NA .	NO see state notes.
ND	\$350/2 years.	See state notes.	\$50 General Fund \$300 Environment And Rangeland Protection (EARP) Fund.	Business must register with Secretary of State.		\$53 single cat. \$10 for additional cat. plus cart.	NA	NA .	NA	YES
ОН	\$50/product	\$50 - See state notes.	NA	\$25/year	\$30 for 3- year certificate.	\$100 - year	NA	\$20/year	\$30/year	YES
	\$175 every 2 . yra.		\$40 pest reg. fund, \$42.50 weed & pest fund, \$42.50 public lands weed & pest control fund, \$30 ag experiment station, \$20 cooperative extension	\$50/site for dealer or \$25 - if spplicant holds pesticide applicator license. 7/1/01 - \$100 every 2 years per site plus applicator license if applicator.	\$0 certification required every 5 years.	\$25/year 7/1/01- \$25 for 2 years.	NA	\$0 for government employees.	N A	NO

Page 3 of 6

State	Pest. Reg. Fee/Year unless noted	Pesticide Special Taxes	Comments	Pesticide Dealer or Business Facility License	Private Applicator License (Farmer)	Com. Appl. License	Noncom. Appl. License	Public & Commercial Not for hire License	Operator License	Sales Tax Charged
	sales as follows:	notes regarding ACCP surcharge & changes in 2002.	the product's preceeding year's gross	Dealer	\$0 must be certified which is \$30 per category, \$5/sub-category. Good for 5 years.					NO

HEADING DEFINITIONS:

- State respective 13 states in MACPA region
- Pest. Reg. Pesticide Registration
- Pesticide Special Taxes fee charged at time of registration for a specific effort. Product cannot be registered in the state without paying the special tax.
- Comments explains the special tax or any other special things related to pesticide registration.
- Pesticide dealer or business facility license different states use different terms but generally refers to a special license that either the dealer or facility must have in order to operate.
- Private applicator license (farmer) this is only for farmers or producers.
- Com. Appl. License Commercial Applicator License
- Noncom. Appl. License Noncommercial Applicator License
- Public & Commercial Not for hire License generally this is for public employees such as state or school
 districts and other "not for hire" entities.

Page 4 of 6

HEADING DEFINITIONS CONTINUED:

Operator license varies from state to state. In Illinois it means the person who drives the spray rig. A
licensed commercial applicator has determined and loaded the appropriate spray mixture.

THAGRICHEM

- Sales Tax Charges this is for purchase of pesticide products by farmers for agricultural production purposes.
- NA Not applicable.

STATE NOTES:

Colorado Environmental Protection Agency handles the private applicator program. No license is issued; rather the producers are certified via a self-study kit. The certification program is free and good for 4 years.

Illinois \$5 fee for duplicate license, \$20 for late application fee.

lowa pesticide dealer with less than \$100,000 in gross retail pesticide sales pay a license fee based on one-tenth of one percent of the gross retail pesticide sales in the previous year or:

- a. \$25.00 if less than \$25,000 gross retail.
- b. \$50.00 if \$25,000 or more but less than \$50,000.
- c. \$75.00 if \$50,000 or more but less than \$75,000.
- d. \$100.00 if \$75,000 or more but less than \$100,000.

lowa license required for manufacturer and distributors not engaged in retail sales - \$25/location.

lowa natural products are exempt from registration fees, but must still register, if the sales are less than \$20,000 in state and no similar product is registered in the state and a substantial amount of active ingredient is naturally occurring substance such as plant or animal and the oral lethal dose 50 has to be 5,000 milligrams/kilograms or greater.

Kansas dealer/facility license fee and special assessment - \$100/location split with \$20 to KS Department of Ag to fund pesticide program operations. (A bill is being considered that would increase the \$20 fee paid to the Department \$12 to a grand total of \$32.)

Commercial applicators license is good for 3 years and requires 6 hours of recertification training every 3 years.

Michigan legislature is considering an increase in fees, as this matrix is prepared.

Page 6 of 6

Other:

Web site http://ace.orst.edu/info/nptn/state1.htm - has state pesticide regulatory agencies listed.

Information prepared by the Mid America Crop Protection Association in cooperation with state associations and state agencies.

THAGRICHEM

Information is current as of May 2, 2001.

For additional information contact:



9735 Landmark Parkway Dr., St. 14., St. Louis, MO 63127 PH: 314/849-9446; FX: 314/849-0988; TF: 800/625-2767

Napralla, Erin

From: James.Gray@aventis.com

Sent: Wednesday, August 01, 2001 1:11 PM

To: rep.ott@legis.state.wi.us; sen.hansen@legis.state.wi.us

Subject: Agriculture Chemical Cleanup Fund Rule

Importance: High

Dear Chairman Ott and Chairman Hansen,

I am writing on behalf of Aventis CropScience, a leading manufacturer of crop protection products which are sold by distributors and dealers and used by agricultural producers in the great State of Wisconsin.

Aventis is a relatively new company, formed by the merger of AgrEvo and Rhone-Poulenc Ag Companies in 1999. Both AgrEvo and RP have been supporters of the ACCP and its' stated purpose of site cleanup. This purpose is both practical and noble, and is of great benefit to the people of the State of Wisconsin; not just those in agriculture. To that end we believe the ACCP fund needs to be funded well; and as the original Legislature intended, by fees and assessments on products sold and used within the state matched by State General Funds.

We are quite concerned with the intent of this rule-making to increase the assessment on product sales, and make such assessment etc. 2021. Such a move will prove to be a hardship on manufacturers who always have and will continue to support Wisconsin agriculture. With this retroactive process there is no opportunity to plan or budget for such added expense. It would be a wiser move to instate such an increase for budget year 2002, to allow for the appropriate planning by all of the affected parties.

Wisconsin agriculture has had a tough year. We as input suppliers are recipients of how well our customers fare. Please do not add to this burden by promulgating a retroactive assessment.

Regards,

Jim Gray Manager, State Affairs Midwest/NE Environmental Affairs james.gray@aventis.com phone 573-441-0926 cell 916-718-7369 Napralla, Erin

From: Ab BASU [basu@acpa.org]

Sent: Wednesday, August 01, 2001 3:55 PM

To: rep.ott@legis.state.wi.us; sen.hansen@legis.state.wi.us

Cc: awinters@wisagri.com

Subject: Wisconsin Agriculture Chemical Cleanup Fund Rule

Dear Senator Hansen and Representative Ott:

You already have heard from some of our companies and will hear later this week from our allied organizations in Madison on the issue of the final rule regarding the Ag Chemical Cleanup Fund. I would like to add to the messages of concern, but this time with the perspective of the national trade association - ACPA.

The American Crop Protection Association (ACPA) represents virtually all of the manufacturers, formulators and distributors of crop protection chemicals sold in North America today. Many of our members are crop protection registrants in Wisconsin, and were thoroughly supportive of the ag chemical remediation fund when it was first structured several years ago. Clearly, the ag chemical remediation fund has shown tremendous positives, both for small chemical dealers and farmers who otherwise may have been forced out of business due to one or a few isolated spill accidents, and for larger companies in terms of decreased potential liabilities from contaminations due to spills, etc. On top of all this is the very positive message for agriculture vis a vis the general public: We care about the environment and we are putting our money into helping prevent accidents and to help clean up if they happen.

We have been dismayed with the total \$3 Million raid in the last two biennial budgets from the cleanup fund to the state general fund. We also know that the Wisconsin Department of Agriculture, Trade and Consumer Protection has known for a while about the seriously low level of the fund as early as last year. We disagree that the way to solve this situation would be to raise fees on our companies and even make it retroactive to past sales of ag chemicals. The raising of funds like this followed by the potential to again lose the monies to the general fund is tantamount to an unfair and very significant tax on our member companies. In aggregate, heavily taxing our industry and, ultimately all farmers in Wisconsin, is an unjust way to raise general fund or any other purpose non-germane to agricultural interests. Agriculture has not faired well in recent years and it makes no sense to use agricultural resources to make up for deficiencies in other areas of the state's budget.

This proposed Rule and the Wisconsin Legislature's recent history of raiding the fund also jeopardize the integrity of the fund itself. What would happen if the numbers of claimants increased with no finanical help in sight despite the fact that industry had previously more then met the projected financial needs of the fund?

On behalf of our member companies and agricultural interests nationwide, I urge you to vote against adoption of the Final Rule before you and to send it back to the Department to work with industry to better manage the fund.

Sincerely,

Ab Basu Senior Director, Government Affairs American Crop Protection Association 1156 Fifteenth St., NW, Suite 400 Washington, D.C. 20005 (202) 872-3841 tel (202) 463-0474 fax

Ellinger, Lisa

From:

James.Gray@aventis.com

Sent:

Wednesday, August 01, 2001 1:11 PM

To:

rep.ott@legis.state.wi.us; sen.hansen@legis.state.wi.us

Subject:

Agriculture Chemical Cleanup Fund Rule

Importance:

High

Dear Chairman Ott and Chairman Hansen,

I am writing on behalf of Aventis CropScience, a leading manufacturer of crop protection products which are sold by distributors and dealers and used by agricultural producers in the great State of Wisconsin.

Aventis is a relatively new company, formed by the merger of AgrEvo and Rhone-Poulenc Ag Companies in 1999. Both AgrEvo and RP have been supporters of the ACCP and its' stated purpose of site cleanup. This purpose is both practical and noble, and is of great benefit to the people of the State of Wisconsin; not just those in agriculture. To that end we believe the ACCP fund needs to be funded well; and as the original Legislature intended, by fees and assessments on products sold and used within the state matched by State General Funds.

We are quite concerned with the intent of this rule-making to increase the assessment on product sales, and make such assessment retro-active to January 1, 2001. Such a move will prove to be a hardship on manufacturers who always have and will continue to support Wisconsin agriculture. With this retroactive process there is no opportunity to plan or budget for such added expense. It would be a wiser move to instate such an increase for budget year 2002, to allow for the appropriate planning by all of the affected parties.

Wisconsin agriculture has had a tough year. We as input suppliers are recipients of how well our customers fare. Please do not add to this burden by promulgating a retroactive assessment.

Regards,

Jim Gray Manager, State Affairs Midwest/NE Environmental Affairs james.gray@aventis.com phone 573-441-0926 cell 916-718-7369

Ellinger, Lisa

From:

Ab BASU [basu@acpa.org]

Sent:

Wednesday, August 01, 2001 3:55 PM

To:

rep.ott@legis.state.wi.us; sen.hansen@legis.state.wi.us awinters@wisagri.com

Cc: Subject:

Wisconsin Agriculture Chemical Cleanup Fund Rule

Dear Senator Hansen and Representative Ott:

You already have heard from some of our companies and will hear later this week from our allied organizations in Madison on the issue of the final rule regarding the Ag Chemical Cleanup Fund. I would like to add to the messages of concern, but this time with the perspective of the national trade association - ACPA.

The American Crop Protection Association (ACPA) represents virtually all of the manufacturers, formulators and distributors of crop protection chemicals sold in North America today. Many of our members are crop protection registrants in Wisconsin, and were thoroughly supportive of the ag chemical remediation fund when it was first structured several years ago. Clearly, the ag chemical remediation fund has shown tremendous positives, both for small chemical dealers and farmers who otherwise may have been forced out of business due to one or a few isolated spill accidents, and for larger companies in terms of decreased potential liabilities from contaminations due to spills, etc. On top of all this is the very positive message for agriculture vis a vis the general public: We care about the environment and we are putting our money into helping prevent accidents and to help clean up if they happen.

We have been dismayed with the total \$3 Million raid in the last two biennial budgets from the cleanup fund to the state general fund. We also know that the Wisconsin Department of Agriculture, Trade and Consumer Protection has known for a while about the seriously low level of the fund as early as last year. We disagree that the way to solve this situation would be to raise fees on our companies and even make it retroactive to past sales of ag chemicals. The raising of funds like this followed by the potential to again lose the monies to the general fund is tantamount to an unfair and very significant tax on our member companies. In aggregate, heavily taxing our industry and, ultimately all farmers in Wisconsin, is an unjust way to raise general fund or any other purpose non-germane to agricultural interests. Agriculture has not faired well in recent years and it makes no sense to use agricultural resources to make up for deficiencies in other areas of the state's budget.

This proposed Rule and the Wisconsin Legislature's recent history of raiding the fund also jeopardize the integrity of the fund itself. What would happen if the numbers of claimants increased with no finanical help in sight despite the fact that industry had previously more then met the projected financial needs of the fund?

On behalf of our member companies and agricultural interests nationwide, I urge you to vote against adoption of the Final Rule before you and to send it back to the Department to work with industry to better manage the fund.

Sincerely,

Ab Basu Senior Director, Government Affairs American Crop Protection Association 1156 Fifteenth St., NW, Suite 400 Washington, D.C. 20005 (202) 872-3841 tel (202) 463-0474 fax



Wisconsin Federation of Cooperatives

131 West Wilson Street, Suite 400, Madison, WI 53703
Phone: 608.258.4400 Fax 608.258.4407 www.wfcmac.org wfcmac@wfcmac.org

August 2, 2001

TO:

Members, Senate Committee on Labor & Agriculture

Members, Assembly Committee on Agriculture

FROM:

John Manske, Director of Government Relations

RE:

Clearinghouse Rule 01-021, relating to Pesticide Fee Surcharges for

Agricultural Chemical Cleanup Program (ACCP)

Background:

The Wisconsin Federation of Cooperative's (WFC) involvement with the Agricultural Chemical Cleanup Program (ACCP) extends back to when we were advocating for the creation of the program. Our farm supply cooperatives were early believers that a state program would be a necessary step in creating a public-private partnership to clean up contaminated agronomy sites. The thought was Wisconsin would follow Minnesota's first statewide government-instituted agronomic site remediation program. Another hope was that lessons learned from Wisconsin's costly PECFA program would not be replicated in an ACCP. The goals of program advocates included helping to safeguard and improve the environment in rural Wisconsin at the same time that businesses and individuals would receive assistance in their remediation efforts. The Legislature approved the proposal in the early 1990s. The Wisconsin program justifiably began with a legislative commitment to help support the program with approximately 50% GPR funding.

WFC continues to support the ACCP as a necessary program to help property owners with the costs of cleaning up these contaminated sites. Cooperatives, other farm supply businesses and individual land owners have shared over \$13.5 million in payments from the program since it began reimbursing eligible claimants in fiscal year 1994-95. If our foresight was as keen as our hindsight, no one in state government or the "ag chem" industry would have recommended collecting as much as was collected for the ACCP from the program's beginning. A large and growing ACCP fund balance, combined with a tight state general fund situation, resulted in successive legislative raids from the segregated account, and withdrawal of partial-GPR funding. Now, in 2001, DATCP projections are that even with the surcharge adjustments being advanced in Clearinghouse Rule 01-021, "annual reimbursement claims will exceed new surcharge revenues by approximately \$400,000 to \$700,000 per year."

Comments on the current ACCP situation and the Clearinghouse Rule 01-021:

 WFC supported the proposed ATCP 29 fee changes when they were at public hearing March 28 of this year. We also pledged to work with legislators in efforts to restore state general funds to the ACCP. Needless to say, efforts to get legislative support for restoring GPR to this program during the recent budget action came up short. WFC and its members continue to believe the program merits both public and industry funding sources.

- We do not want the fund to go into deficit. Our experience with members who had to
 wait up to three years for PECFA program reimbursement leads me to believe that no
 one who supports the ACCP would desire any significant reimbursement backlog for
 the program.
- It cannot be certain that DATCP projections for program funding and reimbursement will mirror actual outcomes, though the opportunity for wide variances in projections and results is now less likely since all older eligible claims have been submitted for reimbursement.
- Many WFC members are not pleased with the fact that product sales fees are to be collected retroactively on pesticides already sold. It is anything but a good business practice and it reflects a fault of the law and collection system whenever fees are "turned back on," as is being proposed in CR 01-021. The system results in "somebody holding the bag" for a fee that has legal standing after the product is already sold.

WFC supports Clearinghouse Rule 01-021, though we must communicate member disagreement with the retroactive application of the pesticide product fee. It is unclear if there is a fiscally and politically viable solution to that concern that also ensures adequate funding for the ACCP program for the biennium.

Thank you for considering my comments on behalf of our farm supply members.