

State of Misconsin 2017 - 2018 LEGISLATURE

LRB-0645/P2 MCP:ahe

DOA:.....Frederick, BB0061 - Modify fees for pesticide, fertilizer, and commercial feed licensing (RevEx)

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau AGRICULTURE

This bill makes changes to the licensing and permitting programs for manufacturers and distributors of fertilizer and of soil or plant additives, manufacturers and labelers of pesticides, dealers and distributors of restricted-use pesticides, commercial applicators of pesticides, and manufacturers and distributors of commercial feed. These programs are administered by DATCP.

The bill changes the amount of license fees and agricultural chemical cleanup surcharges that manufacturers and distributors of fertilizer and of soil or plant additives, manufacturers and labelers of pesticides, dealers and distributors of restricted-use pesticides, and commercial applicators of pesticides are required to pay to DATCP. In addition, the bill provides that many of these fees are reduced by half if the amount available in the agricultural chemical cleanup fund is between \$750,000 and \$1,500,000, or reduced to zero if the amount available in the agricultural chemical cleanup fund is more than \$1,500,000.

Under the bill, a license year for the licenses required for manufacturers and distributors of fertilizer and of soil or plant additives runs from October 1 to the following September 30. Under current law a license year for these licenses begins on August 15 and ends the following August 14.

The bill requires a person who holds a license to manufacture or distribute fertilizer to notify DATCP, before the license expires, whether the person intends to maintain, amend, or discontinue the license. The bill also requires a licensed pesticide manufacturer or labeler who stops selling or distributing a pesticide to pay a final license fee and a final agricultural chemical cleanup surcharge. In addition, the bill increases, from \$94 to \$108, the amount of each license fee received from a pesticide manufacturer or labeler that is deposited into the environmental fund, and eliminates the requirement that DATCP deposit \$30 of these license fees into the environmental fund as a hazardous household waste collection and disposal fee. The bill also eliminates the requirement that a pesticide manufacturer or labeler pay an environmental cleanup surcharge for certain pesticide products intended for use on wood.

The bill also creates a reduced feed inspection fee and weights and measures inspection fee for licensed commercial feed distributors who distribute less than 200 tons of commercial feed per year. In addition, the bill eliminates the classification of an "exempt buyer." Under current law, a licensed commercial feed manufacturer or distributor who distributes to an exempt buyer, and a licensed commercial feed manufacturer or distributor who is classified as an exempt buyer and who distributes to purchasers in other states, may claim credits against certain required inspection fees.

Finally, this bill increases, from \$400,000 to \$650,000, the maximum amount of corrective action costs, incurred in response to a harmful discharge of an agricultural chemical, that may be incurred while still remaining eligible for a 75 percent reimbursement from DATCP.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Section 1. 20.115 (7) (wm) of the statutes is amended to read:

20.115 (7) (wm) Agricultural chemical cleanup reimbursement. From the agricultural chemical cleanup fund, as a continuing appropriation, the amounts in the schedule for reimbursement of corrective action costs under s. 94.73 and for financial assistance to prevent pollution from agricultural chemicals under s. 94.74.

Section 2. 25.46 (4) of the statutes is amended to read:

25.46 **(4)** The moneys specified under s. 94.681 (7) (a) 1. and 2. for environmental management.

Section 3. 25.46 (4s) of the statutes is amended to read:

25.46 **(4s)** The fees imposed under s. 94.681 (3m) and (4) for environmental management.

Section 4. 25.465 (3) of the statutes is amended to read:

25.465 (3) The fees collected under s. 94.681 (2), (5) and (6) (a) 3. (bm), except as provided in s. 94.681 (7) (a).

Section 5. 25.465 (8) of the statutes is amended to read:

25.465 (8) The fees collected under s. 94.72 (5) (b) and (6) (a) 1. and 2. and (i).

Section 6. 25.468 of the statutes is amended to read:

25.468 Agricultural chemical cleanup fund. There is established a separate nonlapsible trust fund designated as the agricultural chemical cleanup fund, to consist of all revenues collected under ss. 94.64 (3r) (b) and (4) (a) 5., 94.681 (3) and (6) (a) 4. (c), 94.685 (3) (a) 2., 94.703 (3) (a) 2. and 3., 94.704 (3) (a) 2. and 94.73 (5) (e) and (8).

Section 7. 94.64 (3) (a) 1. of the statutes is amended to read:

94.64 (3) (a) 1. Except as provided in subd. 2., no person may manufacture or distribute fertilizer in this state without an annual license from the department. A separate license is required for each business location and each mobile unit at which the person manufactures fertilizer. A license shall expire expires on August 14 September 30 annually and is not transferable between persons or locations.

Section 8. 94.64 (3) (c) of the statutes is created to read:

94.64 (3) (c) A person who has been issued a license under this subsection shall annually, on or before the date the person's license expires, notify the department that the person intends to maintain, amend, or discontinue the license.

Section 9. 94.64 (3r) (b) (intro.) of the statutes is amended to read:

94.64 (3r) (b) (intro.) Beginning with the license year that begins on August 15, 2013, a A person applying for a license under sub. (3) shall pay the following agricultural chemical cleanup surcharges, unless the department establishes different surcharges under s. 94.73 (15):

SECTION 10. 94.64 (3r) (b) 1. of the statutes is amended to read:

94.64 (3r) (b) 1. For each business location and each mobile unit that the applicant uses to manufacture fertilizer in this state, other than a business location or mobile unit that is also licensed under s. 94.685 or 94.703, \$11.20 \$20, except as provided in s. 94.73 (15).

SECTION 11. 94.64 (3r) (b) 2. of the statutes is amended to read:

94.64 (**3r**) (b) 2. If the applicant distributes, but does not manufacture, fertilizer in this state, \$11.20 \$20, except as provided in s. 94.73 (15).

Section 12. 94.64 (3r) (b) 3. of the statutes is created to read:

94.64 (3r) (b) 3. For each business location and each mobile unit that the applicant uses to distribute bulk fertilizer in this state, \$25 in addition to the surcharge under subd. 2., except as provided in s. 94.73 (15).

Section 13. 94.64 (4) (a) 5. of the statutes is amended to read:

94.64 (4) (a) 5. An agricultural chemical cleanup surcharge of 35 10 cents per ton on all fertilizer that the person sells or distributes in this state after June 30, 2014, unless the department establishes a different surcharge under, except as provided in s. 94.73 (15).

SECTION 14. 94.64 (5) (a) (intro.) of the statutes is amended to read:

94.64 **(5)** (a) *Requirement*. (intro.) A person who is required to pay fees or surcharges under sub. (4) shall do all of the following by August 14 annually, on or before the date the license expires:

SECTION 15. 94.64 (5) (b) of the statutes is amended to read:

94.64 **(5)** (b) *Extended deadline*. The department may extend the filing deadline under par. (a) for up to 30 days for cause, in response to a request filed before August 14 the filing deadline.

Section 16. 94.65 (2) (a) of the statutes is amended to read:

94.65 (2) (a) Except as provided under par. (b), no person may manufacture or distribute a soil or plant additive in this state unless the person first obtains an annual license from the department. Application for a license or for renewal of a license shall be made on forms provided by the department and shall be accompanied by an annual license fee of \$25. All licenses expire on March 31. A license expires on September 30 annually.

Section 17. 94.65 (6) (a) (intro.) of the statutes is amended to read:

94.65 **(6)** (a) (intro.) Each person holding a permit for the distribution of a soil or plant additive under sub. (3) shall <u>do all of the following</u>:

Section 18. 94.65 (6) (a) 1. of the statutes is amended to read:

94.65 (6) (a) 1. Annually by March 31, on or before the date the person's permit expires, file with the department a tonnage report setting forth the number of tons of each soil or plant additive distributed during the preceding year the 12 months ending on the preceding June 30 by that person, or by any other person authorized under sub. (3) (a) 2. to distribute under the name of that person and pay to the department a fee of 25 cents per ton so distributed. The minimum total fee is \$25.

SECTION 19. 94.65 (6) (a) 3. of the statutes is amended to read:

94.65 (6) (a) 3. Annually by March 31, on or before the date the permit expires, pay to the department a research fee of 10 cents for each ton of soil or plant additive distributed as described in the tonnage report filed under subd. 1. The minimum

research fee is \$1 for 10 tons or less. The department shall credit this fee to the appropriation account under s. 20.115 (7) (h).

Section 20. 94.65 (6) (a) 4. of the statutes is amended to read:

94.65 (6) (a) 4. Annually by March 31, on or before the date the permit expires, pay to the department a groundwater fee of 10 cents for each ton of soil or plant additive distributed, as described in the tonnage report filed under subd. 1. The minimum groundwater fee is \$1 for 10 tons or less. All groundwater fees shall be credited to the environmental fund for environmental management.

Section 21. 94.65 (6) (a) 5. of the statutes is created to read:

94.65 (6) (a) 5. Annually, on or before the date the permit expires, notify the department that the person intends to maintain, amend, or discontinue the permit.

Section 22. 94.65 (6) (b) of the statutes is amended to read:

94.65 (6) (b) If by March 31 the date the permit expires a person holding a permit under sub. (3) has failed to file a tonnage report or to pay the inspection fee required under par. (a), the department may summarily suspend or revoke the permit or license issued under this section. A penalty of 10 percent of the inspection fee due shall be assessed against the permit holder for all inspection fees not paid when due. The minimum total penalty is \$10. An unpaid inspection fee or penalty shall constitute a debt owed the department by the permit holder until paid. The department may not issue or renew a license or issue a permit or amended permit to a person owing an unpaid inspection fee or penalty.

SECTION 23. 94.68 (2) (a) (intro.) of the statutes is renumbered 94.68 (2) (intro.).

SECTION 24. 94.68 (2) (a) 1. of the statutes is renumbered 94.68 (2) (am).

SECTION 25. 94.68 (2) (a) 2. of the statutes is renumbered 94.68 (2) (bm) and amended to read:

94.68 (2) (bm) A report identifying each pesticide that the applicant sells or distributes for use in this state and the gross revenue that the applicant derived from the sale or distribution of each pesticide during the preceding year, as defined in s. 94.681 (1) (d).

SECTION 26. 94.68 (2) (b) of the statutes is repealed.

Section 27. 94.68 (3) of the statutes is amended to read:

94.68 (3) At least 15 days before a person holding a license under this section begins to sell or distribute for use in this state a pesticide product that was not identified in the person's most recent annual license application, the person shall file a supplementary report with the information required under sub. (2) (a) 2. (bm) and any fees and surcharges required under s. 94.681. The department may not disclose sales revenue information obtained under this subsection submitted under s. 94.68 (2) (a) 2., 2015 stats.

SECTION 28. 94.681 (1) (cm) of the statutes is repealed.

Section 29. 94.681 (1) (d) of the statutes is repealed.

SECTION 30. 94.681 (2) (intro.) of the statutes is renumbered 94.681 (2) and amended to read:

94.681 (2) Annual license fee for each pesticide product that the applicant sells or distributes intends to sell or distribute for use in this state. The during the license year. Except as provided in sub. (5) or (6), the amount of the fee is based on sales of pesticide products during the payment period. An applicant shall pay an estimated fee before the start of each license year as provided in sub. (3s) (a) and shall make a fee adjustment payment before the end of the license year if required under sub.

(3s) (b). Except as provided in sub. (5) or (6), the fee for each pesticide product is as follows: \$480.

Section 31. 94.681 (2) (a) of the statutes is repealed.

Section 32. 94.681 (2) (b) of the statutes is repealed.

Section 33. 94.681 (2) (c) of the statutes is repealed.

SECTION 34. 94.681 (3) (intro.) of the statutes is renumbered 94.681 (3) and amended to read:

94.681 (3) Nonhousehold pesticides; cleanup surcharge. An applicant for a license under s. 94.68 shall pay an agricultural chemical cleanup surcharge for each nonhousehold pesticide product that the applicant sells or distributes intends to sell or distribute for use in this state. The amount of the surcharge is based on sales of nonhousehold pesticide products during the payment period. An applicant shall pay an estimated surcharge before the start of each license year as provided in sub. (3s) (a) and shall make a surcharge adjustment payment before the end of the license year if required by sub. (3s) (b) during the license year. Except as provided in sub. (6) or under s. 94.73 (15), the amount of the surcharge is as follows: \$30.

SECTION 35. 94.681 (3) (a) of the statutes is repealed.

Section 36. 94.681 (3) (b) of the statutes is repealed.

Section 37. 94.681 (3) (c) of the statutes is repealed.

Section 38. 94.681 (3m) of the statutes is repealed.

SECTION 39. 94.681 (3s) (a) of the statutes is renumbered 94.681 (3s) and amended to read:

94.681 (3s) Payment of fees and surcharges. Before the start of a license year, and at least 15 days before beginning to sell a new pesticide product in this state, an applicant or licensee shall estimate the gross revenues that the applicant will receive

from sales of each pesticide product during the payment period that ends during the year for which a license is sought under s. 94.68 and shall pay the amounts under subs. (2), (3), and (3m) based on that estimate. At least 15 days before beginning to sell a new pesticide product in this state, a licensee shall estimate the gross revenues that the applicant will receive from sales of that pesticide product during the payment period in which the licensee begins to sell the pesticide product and shall pay the amounts under subs. (2), (3), and (3m) based on that estimate pay the amounts due under subs. (2) and (3).

Section 40. 94.681 (3s) (b) of the statutes is repealed.

Section 41. 94.681 (3s) (c) of the statutes is repealed.

Section 42. 94.681 (5) of the statutes is amended to read:

94.681 (5) UNREPORTED PESTICIDE; INCREASED LICENSE FEE. If a person applying for or holding a license under s. 94.68 sells or distributes a pesticide product for use in this state without having filed a report for the product under s. 94.68 (2) (a) 2. (bm) or (3), the license fee for that product is twice the amount determined under sub. (2), except that, if the pesticide product is exempt from federal registration under 40 CFR 152.25, the license fee for that product is \$250.

SECTION 43. 94.681 (6) (a) (intro.) of the statutes is renumbered 94.681 (6) (intro.).

Section 44. 94.681 (6) (a) 1. of the statutes is renumbered 94.681 (6) (am).

Section 45. 94.681 (6) (a) 2. of the statutes is repealed.

SECTION 46. 94.681 (6) (a) 3. of the statutes is renumbered 94.681 (6) (bm) and amended to read:

94.681 (6) (bm) By March <u>December</u> 31 of the year following the year in which the person stopped selling or distributing the pesticide product for use in this state,

pay a final license fee of \$480 for the pesticide product, calculated under sub. (2) based on the sales of the pesticide product during the period specified in subd. 2.

SECTION 47. 94.681 (6) (a) 4. of the statutes is renumbered 94.681 (6) (c) and amended to read:

94.681 (6) (c) If the product is a nonhousehold pesticide, pay a final agricultural chemical cleanup surcharge calculated under sub. (3) based on sales of the product during the period specified in subd. 2. of \$30.

Section 48. 94.681 (6) (a) 5. of the statutes is repealed.

Section 49. 94.681 (6) (b) of the statutes is repealed.

SECTION 50. 94.681 (7) (a) (intro.) and 1. of the statutes are consolidated, renumbered 94.681 (7) (a) and amended to read:

94.681 (7) (a) *License fees*. The department shall deposit all license fees collected under subs. (2), (5) and (6) (a) 3. (bm) in the agrichemical management fund, except as follows: 1. The that the department shall deposit an amount equal to \$94 \$108 for each pesticide product for which an applicant pays a license fee in the environmental fund for environmental management.

Section 51. 94.681 (7) (a) 2. of the statutes is repealed.

Section 52. 94.681 (7) (b) of the statutes is amended to read:

94.681 (7) (b) *Nonhousehold pesticides; cleanup surcharge*. The department shall deposit the surcharges collected under subs. (3) and (6) (a) 4. (c) in the agricultural chemical cleanup fund.

SECTION 53. 94.681 (7) (bm) of the statutes is repealed.

Section 54. 94.685 (3) (a) 2. of the statutes is amended to read:

94.685 (3) (a) 2. An agricultural chemical cleanup surcharge of \$22.40, unless the department establishes a different surcharge under \$20, except as provided in s. 94.73 (15).

Section 55. 94.703 (3) (a) 2. of the statutes is amended to read:

94.703 (3) (a) 2. An agricultural chemical cleanup surcharge of \$30.40, unless the department establishes a different surcharge under \$20, except as provided in subd. 3. or s. 94.73 (15).

SECTION 56. 94.703 (3) (a) 3. of the statutes is created to read:

94.703 (3) (a) 3. If the applicant manufactures or distributes bulk pesticides in this state, an additional agricultural chemical cleanup surcharge of \$25, except as provided in s. 94.73 (15).

Section 57. 94.704 (3) (a) 2. of the statutes is amended to read:

94.704 (3) (a) 2. An agricultural chemical cleanup surcharge of \$11.20, unless the department establishes a different surcharge under \$10, except as provided in s. 94.73 (15).

Section 58. 94.72 (6) (a) 1. of the statutes is repealed.

Section 59. 94.72 (6) (a) 2. of the statutes is amended to read:

94.72 **(6)** (a) 2. For commercial feeds distributed in this state on or after January 1, 2002, a A feed inspection fee of 23 cents per ton, except that if the person distributes less than 200 tons of commercial feed in a year, the feed inspection fee is \$46.

Section 60. 94.72 (6) (a) 3. of the statutes is amended to read:

94.72 (6) (a) 3. Beginning on October 29, 1999, for commercial feeds distributed in this state a A weights and measures inspection fee of 2 cents per ton, except that

if the person distributes less than 200 tons of commercial feed in a year, the weights and measures inspection fee is \$4.

Section 61. 94.72 (6) (b) of the statutes is amended to read:

94.72 (6) (b) Responsibility. Except as provided in par. (d), if more than one manufacturer or distributor is involved in the chain of distribution, the one who first sells or distributes commercial feed in this state, or brings commercial feed into this state, for further sale is responsible for the payment of inspection fees for the feed. No inspection fees are required for commercial feeds sold under the name and label of another licensee if the inspection fees have been or will be paid by a previous manufacturer or distributor in the chain of distribution as evidenced by an invoice or sales receipt. No inspection fees are required for commercial feeds on which the inspection fees have been or will be paid by a previous manufacturer or distributor in the chain of distribution as evidenced by an invoice or sales receipt.

Section 62. 94.72 (6) (c) of the statutes is repealed.

Section 63. 94.72 (6) (f) of the statutes is repealed.

Section 64. 94.72 (6) (g) of the statutes is repealed.

Section 65. 94.72 (6) (h) of the statutes is repealed.

Section 66. 94.73 (3m) (w) of the statutes is repealed.

Section 67. 94.73 (6) (b) of the statutes is amended to read:

94.73 **(6)** (b) Except as provided in pars. (c) and (e), the department shall reimburse a responsible person an amount equal to 75 percent of the corrective action costs incurred for each discharge site that are greater than \$3,000 and less than \$400,000 for costs incurred before July 1, 2017, or that are greater than \$3,000 and less than \$650,000 for costs incurred on or after July 1, 2017.

SECTION 68. 94.73 (6) (c) (intro.) of the statutes is amended to read:

94.73 **(6)** (c) (intro.) Except as provided in par. (e), the department shall reimburse a responsible person an amount equal to 75 percent of the corrective action costs incurred for each discharge site that are greater than \$7,500 and less than \$400,000 for costs incurred before July 1, 2017, or that are greater than \$3,000 and less than \$650,000 for costs incurred on or after July 1, 2017, if any of the following applies:

Section 69. 94.73 (15) of the statutes is repealed and recreated to read:

- 94.73 (15) Surcharge adjustments. (a) On May 1 annually, the department shall determine the amount available in the agricultural chemical cleanup fund.
- (b) If the amount determined under par. (a) is more than \$1,500,000, the surcharges for the subsequent year shall be as follows:
 - 1. Under s. 94.64 (3r) (b) 1. and 2., \$0.
 - 2. Under s. 94.64 (3r) (b) 3., \$0.
 - 3. Under s. 94.64 (4) (a) 5., \$0.
 - 4. Under s. 94.681 (3), \$0.
 - 5. Under s. 94.685 (3) (a) 2., \$0.
 - 6. Under s. 94.703 (3) (a) 2., \$0.
 - 7. Under s. 94.703 (3) (a) 3., \$0.
 - 8. Under s. 94.704 (3) (a) 2., \$0.
- (c) If the amount determined under par. (a) is \$1,500,000 or less, but more than \$750,000, the surcharges for the subsequent license year shall be as follows:
 - 1. Under s. 94.64 (3r) (b) 1. and 2., \$10.
 - 2. Under s. 94.64 (3r) (b) 3., \$12.50.
 - 3. Under s. 94.64 (4) (a) 5., 5 cents per ton.
 - 4. Under s. 94.681 (3), \$15.

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- 5. Under s. 94.685 (3) (a) 2., \$10.
- 6. Under s. 94.703 (3) (a) 2., \$10.
- 7. Under s. 94.703 (3) (a) 3., \$12.50.
- 8. Under s. 94.704 (3) (a) 2., \$5.

Section 70. 94.74 of the statutes is repealed.

Section 9102. Nonstatutory provisions; Agriculture, Trade and Consumer Protection.

- (1) Transition period.
- (a) Notwithstanding the annual period for a license specified in section 94.64(3) of the statutes, a license issued on or after August 15, 2017, and before October 1, 2017, shall expire on September 30, 2018.
- (b) Notwithstanding the annual period for a license specified in section 94.65(2) of the statutes, a license issued on or after April 1, 2017, and before October 1, 2017, shall expire on September 30, 2018.
- (c) Notwithstanding the annual reporting period for a permit specified in section 94.65 (6) (a) of the statutes, the reporting period for a permit issued on or after April 1, 2017, and before October 1, 2017, shall be January 1, 2017, to June 30, 2018.

Section 9302. Initial applicability; Agriculture, Trade and Consumer Protection.

- (1) Pesticide, fertilizer, and commercial feed licensing.
- (a) The treatment of section 94.64 (4) (a) 5. of the statutes first applies to fertilizer sold or distributed on July 1, 2018.
- (b) The treatment of section 94.72 (6) (a) 2. and 3. of the statutes first applies to commercial feeds distributed on January 1, 2018.

- (c) The treatment of section 94.64 (3) (a) 1. of the statutes first applies to licenses for which the license period begins on the August 15 following the effective date of this subsection.
- (d) The treatment of sections 94.64 (3r) (b) (intro.), 1., 2., and 3. and 94.73 (15) (b) 1., 2., and 3. and (c) 1., 2., and 3. of the statutes first applies to licenses for which the license period begins on the October 1 following the effective date of this subsection.
- (e) The treatment of sections 94.68 (3), 94.681 (1) (cm) and (d), (3m), (6) (b), and (7) (bm), 94.685 (3) (a) 2., 94.703 (3) (a) 2., 94.704 (3) (a) 2., and 93.73 (15) (b) 4., 5., 6., 7., and 8. and (c) 4., 5., 6., 7., and 8. of the statutes, the repeal of sections 94.68 (2) (b) and 94.681 (2) (a), (b), and (c), (3) (a), (b), and (c), (3s) (b) and (c), and (6) (a) 2. and 5. of the statutes, the renumbering of sections 94.68 (2) (a) (intro.) and 1. and 94.681 (6) (a) (intro.) and 1. of the statutes, and the renumbering and amendment of sections 94.68 (2) (a) 2. and 94.681 (2) (intro.), (3) (intro.), (3s) (a), and (6) (a) 3. and 4. of the statutes first apply to licenses for which the license period begins on January 1, 2018.
- (f) The treatment of section 94.65 (2) (a) and the renumbering and amendment of section 94.65 (6) (a) 1. of the statutes first applies to licenses and permits for which the license or permit period begins on April 1, 2018.
- (g) The treatment of section 94.681 (7) (a) 2. of the statutes and the consolidation, renumbering, and amendment of section 94.681 (7) (a) (intro.) and 1. of the statutes first apply to fees collected for licenses for which the license period begins on January 1, 2018.

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(h) The treatment of section 94.72 (6) (c), (f), (g), and (h) of the statutes first applies to manufacturers and distributors with a license for which the license period begins on March 1, 2018.

(END)