



Agricultural Chemical Fees and Programs

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Introduction

The Department of Agriculture, Trade and Consumer Protection (DATCP) is responsible for regulation of the composition, labeling, storage and use of materials and substances involved in agricultural production. These materials include animal feed, fertilizers, herbicides and pesticides. DATCP's regulatory activities include sampling and review of products and product labels, licensing or permitting of regulated products and entities, and inspection of most production, storage and distribution facilities. These activities are primarily funded by fees and surcharges on regulated entities.

1993 Wisconsin Act 16 created an agricultural chemical cleanup program at DATCP, transferring responsibility for the investigation and remediation of agricultural chemical spills from the Department of Natural Resources (DNR) to DATCP. It also established a reimbursement program to fund a portion of cleanup costs and increased DATCP pesticide and fertilizer fees to partially fund the program. In 1997, agrichemical revenues were split into base fees deposited to the segregated agrichemical management (ACM) fund and surcharges deposited to the segregated agricultural chemical cleanup program (ACCP) fund.

Under section 94.73 of the statutes, DATCP is authorized to order any of the following actions for the cleanup of an agricultural chemical: (a) the investigation of a site to determine the extent and severity of contamination; (b) containment, removal, treatment or monitoring of contaminated materials; and (c) transportation, storage, land application or disposal of contaminated materials. DATCP actions must be in compliance with cleanup standards set in the statutes and DNR

administrative rules. DATCP and DNR signed a memorandum of understanding beginning in August, 1994, to establish their respective responsibilities.

DNR is authorized to take corrective actions or issue orders related to agricultural chemical discharges if one of the following conditions apply: (a) when necessary, in an emergency to prevent or mitigate an imminent hazard to public health, safety or welfare or to the environment; (b) DATCP requests DNR take an action or issue an order; (c) the DNR Secretary approves the action or order in advance, after providing notice to DATCP; (d) DNR takes corrective action after a responsible party fails to comply with an order issued by DNR; or (e) the action or order is authorized under the DNR and DATCP memorandum of understanding.

Agricultural Chemical Management Fund

The agrichemical management (ACM) fund receives revenues from several feed, fertilizer and pesticide license and tonnage fees. As seen in Table 1, in fiscal year 2017-18, ACM revenues totaled \$7.9 million and expenditures totaled \$6.6 million. Fund revenues are used for: (a) DATCP administration of the cleanup reimbursement program; (b) inspection and regulation of the individuals and businesses that manufacture, store or distribute feed, fertilizer and pesticide products in Wisconsin; (c) DATCP administration of environmental quality programs related to groundwater; (d) administration of the collection program for agricultural chemical containers and wastes, which is known as clean sweep; (e) inspector positions in the DATCP Division of Animal Health;

and (f) various grant programs, which are described later in greater detail. DATCP is authorized 44.25 positions in 2018-19 from the ACM, including 40.25 positions for agricultural chemical program administration and 4.0 positions for animal health inspectors. The University of Wisconsin System is also authorized 2.0 ACM-funded positions for the Discovery Farms program.

Agricultural chemical fee revenues deposited into the ACM fund are from the following sources:

- \$30 annual license fees for fertilizer manufacturers and distributors operating in Wisconsin;
- fees of 23¢ per ton of fertilizer sold or distributed in Wisconsin;
- \$25 permits for special or non-agricultural fertilizers distributed in Wisconsin;
- \$25 annual licenses for soil or plant additive manufacturers and distributors;
- \$100 one-time permits for each soil or plant additive product to be distributed in Wisconsin;
- fees of 25¢ per ton of soil or plant additive distributed in Wisconsin;
- annual license fees of \$10 for sellers or distributors of agricultural liming materials;
- \$25 annual licenses for commercial feed manufacturers and distributors;
- inspection fees of 23¢ per ton of commercial feed sold or distributed in Wisconsin, with a minimum fee of \$46 for persons not selling or distributing more than 200 tons in a year;
- annual license fees of \$60 for a dealer or distributor of pesticides with uses restricted by the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA);
- annual pesticide applicator licenses of \$40 for individuals and \$70 for businesses;
- annual nonresident commercial pesticide applicator reciprocal certificate fees of \$75;
- household, nonhousehold and industrial pesticide annual registration fees of \$392 per product for each registrant;
- \$250 for registrations of pesticides for special local applications or emergencies.

These fee levels are set in the statutes, except for the registration of an emergency or special local use, which is established in administrative rule. Table 1 shows the ACM fund condition for 2015-

Table 1: ACM Fund Condition

	Actual 2015-16	Actual 2016-17	Actual 2017-18	Estimated 2018-19
Opening Balance	\$6,978,200	\$8,493,700	\$10,625,200	\$11,883,900
Fee Revenue	8,273,500	8,851,800	7,736,300	\$7,800,000
Interest and Misc. Income	<u>22,800</u>	<u>61,800</u>	<u>136,500</u>	<u>100,000</u>
Total Revenue	\$8,296,300	\$8,913,600	\$7,872,800	\$7,900,000
Total Available	\$15,274,500	\$17,407,300	\$18,498,000	\$19,783,900
Expenditures	<u>-\$6,780,800</u>	<u>-\$6,782,100</u>	<u>-\$6,614,100</u>	<u>-\$7,403,500</u>
Cash Balance	\$8,493,700	\$10,625,200	\$11,883,900	\$12,380,400
Encumbrances	-\$420,400	-\$6,100	-\$82,600	-\$82,600
Available Balance	\$8,073,300	\$10,619,100	\$11,801,300	\$12,297,800

16 through 2018-19, and the Appendix provides a summary of all agricultural chemical fees.

Bureau of Agrichemical Management

Programs related to agricultural chemicals and their use are administered by the DATCP Bureau of Agrichemical Management. In addition to overseeing agricultural chemical cleanups and cleanup reimbursements, the Bureau administers programs related to: (a) household and commercial pesticides; (b) fertilizers; (c) soil or plant additives; (d) commercial animal feed; (e) water quality in areas in which applications of agricultural chemicals occur; and (f) administration of the clean sweep program.

Pesticides. Pesticide regulation in the Bureau includes multiple activities related to the marketing, sale and distribution of pesticides and the effects of pesticide use on humans and the environment.

The statutes require any producer of pesticides to be licensed in the state, as well as businesses and individuals who apply pesticides as part of a commercial operation, and any dealer or distributor of a restricted-use product under FIFRA. License fees fund several program duties, which are briefly described in the following paragraphs.

Inspections and Enforcement. DATCP conducts inspections of facilities such as pesticide manufacturers and sellers, farms and other businesses to ensure compliance with state and federal regulations. Inspections, which may occur on either a routine basis or as the result of a complaint, are intended to ensure compliance with national worker protection standards established by the U.S. Environmental Protection Agency (EPA), and state and federal laws for preventing pesticide misuse that could harm agricultural crops, the environment or public health. Violations may result in special orders, as well as civil or criminal penalties.

Landscape Registry. DATCP administers a statewide registry for persons who wish to be notified of commercial landscape applications of pesticides near their residence. DATCP registers members of the general public and provides a list to commercial pesticide applicators operating in the state. These applicators are subsequently required to provide notification of pesticide applications to registered parties at least 12 hours before application.

Special and Experimental Uses. DATCP issues permits both for experimental pesticide uses intended to gather scientific data and for special uses in local areas for unique or emergency pest issues. As of July 1, 2018, 24 special local needs authorizations, four experimental use permits, one emergency exemption, and zero emergency use permits are in effect. Use of these permits included treatment of corn, hops, potatoes, ginseng, cranberries, and various other fruits and vegetables, among others.

Fertilizer and Other Additives. The Bureau is responsible for enforcement of labeling and quality of fertilizer, agricultural lime and other soil or plant additives. Persons manufacturing, distributing or selling these compounds must be licensed by DATCP. Additionally, permits are required for persons selling soil or plant additives and for persons distributing certain special-use or nonagricultural fertilizers. The statutes also specify required information that must appear on labels or invoices of these compounds. DATCP regulatory actions include reviewing product labels and sampling compounds to ensure consistency between labeling and the marketed product.

Containment. In addition to the regulatory responsibilities noted above for pesticides, fertilizers and other additives, the agrichemical management program is also responsible for enforcement of requirements relating to secondary containment structures for bulk fertilizer and pesticide storage. The statutes require DATCP to adopt standards for containment structures that capture spills or

overflow of fertilizers and pesticides to prevent groundwater and soil contamination and allow for easier recovery and cleaning. Containment violations may be discovered through inspections or complaints, and DATCP may enforce standards through warnings, special orders, or penalties. It should be noted that the EPA considers Wisconsin's containment regulations to be equivalent to federal requirements.

Animal Feed. Similar to program activities for fertilizer and other additives, the Bureau's responsibilities relating to animal feed are intended to ensure that feed ingredients are properly disclosed to purchasers and that marketed feed is unadulterated and consistent with its labeling. For example, DATCP inspects feed mills and samples feed to ensure the facility has practices to ensure medicines or other substances do not mix among feed batches; some substances beneficial to certain animals may be poisonous in feed for other animals. In the past, the Department has also assisted the U.S. Food and Drug Administration on rules governing the use of rendered bovine products in animal feed; the rules are intended to prevent bovine spongiform encephalopathy (BSE), commonly known as mad cow disease.

Environmental Programs. Agrichemical management environmental programs include efforts to minimize pesticide impacts and limit groundwater contamination by agricultural chemicals.

Groundwater. The Bureau conducts groundwater monitoring throughout the state for possible infiltration of agricultural chemicals to groundwater. The Bureau typically collects samples for laboratory analysis and further investigates sites whose samples had excessive levels of pesticides or other substances such as nitrates or ammonium. Investigations attempt to explain how chemicals were introduced to the groundwater, with possible regulatory actions to follow including enforcement of illegal applications or special orders and rules prohibiting applications in certain

geographic areas. The Department's most notable regulatory action of this sort is the 101 areas in which the herbicide atrazine is prohibited. These areas cover 1.1 million acres in the state across parts of 35 counties.

Manure Management Advisory System. DATCP maintains an online manure management advisory system, which provides farmers and manure applicators data to determine the most suitable times for manure spreading. The website publishes a forecast three times a day with risk assessments based on three- and 10-day projections of rainfall and snowmelt, respectively. DATCP reports it paid UW-Madison \$17,100 in 2016-17 and \$32,500 in 2017-18 for these purposes.

Clean Sweep. The clean sweep program provides grants to counties and municipalities for the collection of pesticides, farm chemicals, and hazardous wastes from farmers, businesses, households, schools, and government agencies. For the 2017-19 biennium, clean sweep grants have base funding of \$750,000 SEG each year from the environmental management account of the environmental fund. DATCP reports full-time equivalent staffing totaling 0.75 position is allocated to administer the program, at a cost of \$67,000 ACM SEG each year. Additional information on the clean sweep program can be found in the Legislative Fiscal Bureau informational paper entitled "Recycling Financial Assistance Programs."

Grants and Other Programs

Besides DATCP regulatory and administrative functions related to agricultural chemicals, the ACM funds several other programs and organizations.

Animal Health Inspections. DATCP is provided \$331,200 ACM SEG in 2018-19 with 4.0 inspector positions under DATCP's animal health program. DATCP's animal health program is responsible for enforcing state laws for inter- and intrastate movements of animals. The program is

charged with preventing disease outbreaks in Wisconsin animal herds that could be detrimental to human and animal health and livestock productivity. In addition to ACM-supported positions, DATCP is budgeted the following for field staff and expenditures in 2018-19 for animal health inspection and enforcement activities: (a) \$1,319,400 with 11.0 positions from the state's general fund; and (b) \$343,700 in program revenue (PR) with 4.0 positions from various fees charged to the rearing and moving of livestock and other animals.

Discovery Farms. The Discovery Farms program, operated by the University of Wisconsin–Extension and UW–Madison, evaluates nutrient management strategies and nonpoint source runoff reduction practices by monitoring such practices in place at commercial farms throughout the state. In 2018-19, the program is authorized \$249,800 ACM SEG with 2.0 positions. In addition to ACM SEG funding, the Discovery Farms budget typically includes other state general fund or program revenue funding appropriated through the UW System, as well as contributions from nonprofit or charitable organizations. Expenditures include staff salaries and fringe benefits, research and equipment costs, grants to participating producers for assisting in the projects, and costs for publishing research findings.

Agriculture in the Classroom. DATCP awards grants for the agriculture in the classroom program, which is a national program coordinated by the U.S. Department of Agriculture (USDA) for educating students about agriculture. ACM funding is disbursed to the Wisconsin Farm Bureau Federation, which administers the Wisconsin program. The 2017-19 budget appropriates \$93,900 each year.

Agricultural Chemical Cleanup Program Fund

The agricultural chemical cleanup program (ACCP) fund supports the cleanup of fertilizers and nonhousehold pesticides, including spills occurring at commercial fertilizer blending facilities, commercial pesticide application businesses and farm sites. DATCP reports cleanup cases are most commonly begun following: (a) a reported spill; (b) sampling during inspection of a property being sold; or (c) DATCP-initiated sampling at a site, including sampling that shows discharges were insufficiently removed following an initial cleanup project. 2013 changes repealed DATCP's authority to initiate sampling, which historically has accounted for the largest portion of cases, although this authority had become unnecessary as old or abandoned sites in need of cleanup were discovered and remediated. Currently, most cases are initiated through property transactions.

Reimbursements

Cleanup of agricultural chemical spills is eligible for reimbursement from the fund subject to a number of conditions. Parties must pay a deductible of \$3,000 for farms or small businesses, and \$7,500 for larger commercial businesses or licensed pesticide handlers. The reimbursement rate is set at 75% of eligible costs above the deductible and below a \$650,000 limit. (Any costs above \$650,000 are not eligible for reimbursement.) To reflect inflation over time, 2017 Wisconsin Act 59 increased this limit from \$400,000, with any costs after July 1, 2017, being subject to the higher reimbursement cap. Reimbursements may be provided for first and subsequent spills at the same site, although an applicant may submit only one application per year for one site. Both statutes and administrative rules establish eligible cleanup costs. Table 2 shows the maximum ACCP reimbursement amounts at various cleanup cost levels.

Table 2: ACCP Maximum Reimbursements

Costs Incurred	Percent Reimbursed	Maximum State Reimbursement
Licensed Commercial Facilities		
Up to \$7,500	0%	\$0
\$7,500 to \$100,000	75	69,375
\$100,000 to \$650,000*	75	481,875
Non-Licensed Facilities		
Up to \$3,000	0%	\$0
\$3,000 to \$100,000	75	72,750
\$100,000 to \$650,000*	75	485,250

*Provided that DATCP orders groundwater remediation or approves a soil contamination reimbursement amount prior to incurring costs over \$100,000.

Table 3 provides a historical overview of agricultural chemical cleanup reimbursements, which generally have decreased from a high of \$3.9 million in 2000-01. DATCP attributes lower reimbursements in recent years, and lower anticipated future reimbursements, primarily to: (a) fewer sites needing remediation of long-term contamination, (b) many sites having discontinued use of potentially contaminating substances, and (c) sites having reached the reimbursement limit. Additionally, spills related to bulk storage facilities constructed after July 1, 2013, were not eligible for reimbursement until passage of 2017 Act 59, which may have reduced reimbursements during that time period. DATCP projects annual reimbursements will average between \$500,000 and

Table 3: Agricultural Chemical Cleanup Reimbursements by Site

Year	Commercial Sites Reimbursements			Non-Commercial Sites Reimbursements		
	New	Follow-Up*	Expenditures	New	Follow-Up*	Expenditures
1994-95	18	0	\$764,100	2	0	\$11,700
1995-96	24	8	904,700	4	0	86,000
1996-97	27	16	1,265,100	1	0	69,400
1997-98	19	25	1,333,500	7	1	130,900
1998-99	24	24	2,805,000	4	1	70,100
1999-00	22	18	2,072,300	3	1	71,800
2000-01	36	27	3,913,700	2	1	50,300
2001-02	34	62	3,467,300	3	1	91,300
2002-03	27	42	3,760,800	0	1	103,400
2003-04	16	69	2,564,300	1	1	35,800
2004-05	16	64	2,493,000	0	1	29,600
2005-06	12	62	2,085,000	2	1	29,100
2006-07	22	71	2,085,800	0	1	400
2007-08	23	60	2,162,600	3	1	24,500
2008-09	15	69	2,398,600	0	1	10,100
2009-10	8	50	1,347,700	4	0	209,500
2010-11	6	54	2,125,500	3	1	5,800
2011-12	8	36	1,005,500	0	0	0
2012-13	5	31	957,700	2	2	59,300
2013-14	3	51	1,048,700	1	0	26,200
2014-15	5	34	1,383,800	1	0	26,500
2015-16	0	30	780,100	3	0	48,200
2016-17	5	22	572,200	0	0	0
2017-18	<u>1</u>	<u>22</u>	<u>470,500</u>	<u>1</u>	<u>1</u>	<u>43,100</u>
Total	376	947	\$43,767,500	47	16	\$1,233,000

*Follow-up reimbursements are those monies given for further reimbursements to sites previously receiving funding.

\$750,000 annually in the 2019-21 biennium.

Revenues

Revenues deposited into the ACCP consist of interest generated by the fund balance and the following surcharges, ordered approximately by the revenue they generate: (a) 10¢ per ton of fertilizer; (b) \$30 per pesticide product registration; (c) \$10 per individual commercial pesticide applicator license; (d) \$20 per commercial pesticide application business license; (e) \$20 per fertilizer manufacturers or distributor license; (f) \$20 per restricted-use pesticide license; (g) \$25 per bulk fertilizer distribution location; and (h) \$25 per pesticide application business that also manufactures or distributes pesticides in bulk. A full listing of agrichemical fees can be found in the Appendix.

All fees deposited into the ACCP were affected by 2017 Act 59. As seen in Table 4, most surcharges were decreased. Pesticide product registration surcharges were changed from an amount based on reported annual sales to a flat fee of \$30. Additionally, two new surcharges were introduced: (a) a per-location surcharge for facilities distributing bulk fertilizer; and (b) a surcharge for pesticide application businesses that also manufacture or distribute pesticides in bulk.

Table 4: ACCP Surcharges

	Pre-2017 <u>Act 59</u>	Current <u>Law</u>
Fertilizer License	\$11.20	\$20
Fertilizer Tonnage	35¢	10¢
Bulk Fertilizer Distribution Location	-	\$25*
Pesticide Application Business	\$30.40	\$20/\$25*†
Restricted-Use Pesticide Dealer	\$22.40	\$20
Pesticide Individual Applicator	\$11.20	\$10
Pesticide Registration - Non-Household		
Under \$25,000	\$2.80	\$30
\$25,000 - \$74,999	\$96	\$30
\$75,000 and Over	0.60% Sales	\$30

*New surcharge.

†\$25 for pesticide application businesses that also manufacture or distribute pesticides in bulk.

Fund Condition

ACCP fund balances have fluctuated since the fund's creation in 1997. Table 5 shows summary information for the ACCP fund since 2008-09. Declining reimbursement costs and increasing revenues have caused the fund to produce a surplus in recent years. The resulting rise in fund balances prompted DATCP to convene a group of stakeholders in 2015 and 2016 to consider fee and program changes to reduce ACCP balances. Surcharge amounts were subsequently adjusted in 2017 Act 59.

Table 5: ACCP Fund by Year (Millions \$)

Fiscal Year	Revenues	Expenditures	Year-End Cash Balance
2009	\$2.59	\$2.41	\$2.67
2010	1.81	1.56	1.48
2011	1.96	2.13	0.01
2012	2.37	1.01	0.94
2013	2.60	1.02	1.86
2014	2.40	1.07	3.83
2015	2.96	1.41	5.37
2016	2.01	0.83	5.57
2017	2.31	0.57	6.31
2018	0.76*	0.51	6.55

*Reflects fee holiday. Some fees were still received due to timing of fee payment deadlines.

Additionally, 2017 Act 59 created a mechanism to automatically reduce ACCP surcharges if the ACCP fund balance exceeds certain thresholds. Annually on May 1, if the balance exceeds \$1.5 million, all ACCP surcharges are to be reduced to \$0 in the subsequent year. If the balance is between \$750,000 and \$1.5 million, ACCP surcharges would be reduced to half their usual amounts. DATCP elected to retroactively implement this mechanism effective May 1, 2017, beginning in the 2017-18 fee year, although the surcharge holiday had not been enacted as of that date.

Prior to 2017, DATCP was directed to adjust

surcharges to maintain an ACCP balance not to exceed \$2.5 million. DATCP was authorized to raise or lower the surcharges within a certain statutory range by either: (a) the administrative rule process; or (b) promulgation of an emergency rule, subject to a 14-day passive review with the Joint Committee on Finance. DATCP never used this authorization and it was subsequently replaced under Act 59.

The changes under Act 59 are expected to substantially reduce the balance of the ACCP fund in coming biennia. Table 6 shows the estimated condition of the ACCP fund for the 2017-19 biennium. Under current law, it is expected that the ACCP fund balance will continue to exceed the \$1.5 million maximum through at least the end of the 2019-21 biennium, during which time no fee revenue will be collected as the automatic mechanism will continue to reduce fees to \$0.

Table 6: ACCP Fund Condition

	Actual 2016-17	Actual 2017-18	Estimated 2018-19
Opening Balance	\$5,567,700	6,305,500	\$6,551,400
Total Revenue	2,310,000	759,500*	0
Cleanup			
Expenditures	-572,200	-513,500	-600,000
Transfers	<u>-1,000,000</u>	<u>0</u>	<u>0</u>
Closing Balance	\$6,305,500	\$6,551,400	\$5,951,400

* Reflects fee holiday. Some fees were still received due to timing of fee payment deadlines.

Fund Transfers and Other Appropriations

Balances of the two agricultural chemical funds have been transferred to other funds since the 1990s, due both to anticipated shortfalls in other funds, particularly the state general fund, and to available balances in the agricultural chemical funds. A total of \$14.6 million, consisting of \$7,956,500 from the ACM fund and \$6,604,800

from the ACCP fund, has been transferred to the state's general fund since 1997-98. No general-fund transfers have been made since 2010-11. It should be noted that the general fund provided \$4.1 million from 1994-95 through 1998-99 for agricultural chemical cleanup reimbursements.

The ACM has also supported other appropriations and one-time transfers to other segregated funds in the past, in addition to ongoing funding for agriculture in the classroom, UW Discovery Farms, and DATCP animal health positions. Transfers and appropriations have included: (a) a loan of \$2 million ACM SEG in 2001-02 as startup funding for the agricultural producer security fund, which was later repaid; (b) \$1 million in 2005-06 for grants to develop technologies that limit agricultural waste or use it or other agricultural products as an energy source; (c) \$142,000 in the 2007-09 biennium to an International Crane Foundation project to deter sandhill cranes from feeding on crops; (d) the Wisconsin Grazing Lands Conservation Initiative from 2008 to 2012 totaling \$2,068,800; and (e) \$750,000 to the environmental fund in 2013-14 for the clean sweep program.

Similarly, the ACCP has also supported other appropriations and one-time transfers to other segregated funds, including: (a) transfers to DATCP PR appropriations of \$250,000 (animal health) and \$350,000 (food regulation) in the 2007-09 biennium; (b) \$40,000 for county fair aids in the 2009-11 biennium; (c) UW Discovery Farms and animal health positions, which were transferred to the ACM in 2013; and (d) a transfer of \$2 million to the nonpoint account of the environmental fund in the 2015-17 biennium.

Other Deposits of Agricultural Chemical Fees

As shown in Table 7 and the Appendix, agricultural chemical fee revenues are deposited

Table 7: Agricultural Chemical Fee Revenue

Fund/Purpose	2017-18 Fee Revenue
ACM	\$7,736,300
ACCP	663,600
EMA	1,574,000
Fertilizer Research	314,800
UW-Extension	185,100
Weights and Measures	153,100
Liming Research	<u>11,800</u>
Total	\$10,638,700

into five places aside from the ACM and ACCP funds. These include: (a) the environmental management account (EMA) of the environmental fund; (b) DATCP's fertilizer research appropriation account; (c) the University of Wisconsin-Extension nutrient and pest management outreach appropriation account; (d) DATCP's weights and measures inspection appropriation account; and (e) DATCP's liming material research appropriation account.

Environmental Management Account. The EMA, along with the nonpoint account, constitute the segregated environmental fund. The EMA primarily receives revenues from state solid waste tonnage fees, but also from other sources, including petroleum inspection fees and hazardous spills reimbursements from responsible parties. The EMA also receives the agricultural chemical fees shown in Table 8 and the Appendix. 2017 Act 59 repealed a surcharge on wood preservatives and standardized the fee for pesticide product registration to \$108, regardless of category, with a generally neutral effect on the total transfer amount. EMA revenues are primarily dedicated to: (a) recycling grants to local governments; (b) grants by DNR and other agencies for various programs related to solid waste management and contaminated land remediation; (c) debt service on general obligation bonds issued for state-funded cleanups of contaminated lands and abatement of water pollution; and (d) DNR administrative activities related to recycling and environmental response/repair programs. Additional information on the EMA can be found in the Legislative Fiscal

Table 8: 2017-18 Environmental Management Account Agricultural Chemical-Related Revenues

License/Fee	Fee Amount	2017-18 Revenue
Fertilizer Tonnage	10¢	\$185,100
Soil or Plant Additive Tonnage*	10¢	100*
Pesticide Well Compensation Fee	\$150	13,200
Pesticide Registration	\$108	<u>1,375,600</u>
Total		\$1,574,000

*2017 Act 59 shifted the tonnage fee year for soil and plant additives, delaying 2017-18 fees payments until fall 2018, after the end of the fiscal year.

Bureau informational paper entitled, "Environmental Management Account." As shown in Table 8, agricultural chemical-related revenues to the environmental fund totaled approximately \$1.6 million in 2017-18.

Fertilizer Research. DATCP's fertilizer research appropriation collects revenue from tonnage fees on fertilizer and soil or plant additives sold or distributed in the state. The soil or plant additive fee is 10¢ per ton. The fertilizer fee is 17¢ per ton. Revenues in this category totaled \$314,800 in 2017-18. However, the statutes allow DATCP to retain 3.5% of all revenues to assist with the administrative costs of collecting these fees. The Department retained \$11,000 in 2017-18 under this provision, forwarding approximately \$303,800 to the UW System for research.

Revenues from this account are forwarded to the University of Wisconsin System to be used for research on soil management, soil fertility and plant nutrition problems, and surface and groundwater problems related to fertilizer usage. In addition, funding may be used to disseminate the results of the research and activities that promote the correct usage of fertilizer materials.

DATCP's Fertilizer Research Council recommends projects to be financed by this appropriation. The Council consists of seven voting members, three of whom are fertilizer industry representatives and three of whom are crop producers. They are appointed jointly by DATCP's Secretary

and the Dean of the University of Wisconsin-Madison's College of Agricultural and Life Sciences. A seventh member is appointed by the DNR Secretary, and is to be knowledgeable about water quality issues. Members serve three-year terms, but no member may serve more than two consecutive terms. Although the statutes do not limit which UW System institutions may receive funding, funds have gone to researchers at UW-Madison in recent years. The Fertilizer Research Council may recommend other nonprofit research institutions to receive funds if the University of Wisconsin System is unable to carry out the projected research.

UW-Extension Outreach. DATCP collects 10¢ per ton of fertilizer sold and deposits the revenues into the UW-Extension's Outreach appropriation account. This revenue supports UW-Extension's nutrient and pest management program, which provides education and outreach to farmers and other businesses on the efficient use of fertilizers. Revenue from this surcharge was \$185,100 in 2017-18.

Weights and Measures Inspection. 2¢ per ton of fertilizer and commercial feed distributed in the state, with a minimum of \$4 for commercial feed licensees distributing less than 200 tons in a year, is deposited to the DATCP appropriation for

weights and measures inspection. The appropriation also receives revenue from: (a) contracts with municipalities for the testing of weights and measures machines; (b) weights and measures tests performed by DATCP at its metrology laboratory; (c) license fees from operators of vehicle scales, vehicle tank meters and liquefied petroleum gas meters; (d) licenses for people who install, test or calibrate weights and measures equipment; (e) inspection fees from retail food establishments; and (f) reinspections of noncompliant weights and measures. This account in part funds the Department's weights and measures inspection, testing and enforcement responsibilities under Chapter 98 of the statutes. Revenues from fertilizer and feed tonnage fees were \$153,100 in 2017-18.

Liming Material Research. DATCP assesses a tonnage fee of 1.25¢ on all liming materials sold in the state and deposits it into its liming material research appropriation. The fee supports: (a) research by the UW-Madison College of Agricultural and Life Sciences related to liming materials or crop response to liming materials; and (b) the dissemination of results of such research, and dissemination of other activities that promote the correct use of liming materials. Funding may be allocated to other entities if UW is unable to carry out research. Revenues totaled \$11,800 in 2017-18.

APPENDIX

Agricultural Chemical Fee Revenues

License/Fee	ACM	ACCP*	EMA**	Other	Total Fees/ Surcharges	2017-18 Total Revenue
Commercial Feed License	\$25				\$25	\$41,900
Commercial Feed Tonnage	23¢ ^a			2¢ ^b	25¢	1,458,200
Fertilizer License	\$30	\$20			\$50	33,600
Bulk Fertilizer Distribution Location		\$25			\$25	0
Fertilizer Permit Applications	\$25				\$25	15,900
Fertilizer Tonnage	23¢	10¢	10¢	29¢ ^c	72¢	1,818,200
Lime License	\$10				\$10	1,100
Lime Tonnage				1.25¢ ^d	1.25¢	11,800
Pesticide Application Business	\$70	\$20/\$25 ^e			\$90/95	170,300
Pesticide Dealer - Restricted Use	\$60	\$20			\$80	23,800
Pesticide Individual Applicator	\$40	\$10			\$50	355,600
Pesticide Reciprocal Certification	\$75				\$75	41,900
Soil or Plant Additive License and Permit	\$125				\$125	21,500
Soil or Plant Additive Tonnage	25¢		10¢	10¢ ^f	45¢	600
Primary Producer Fee			\$150		\$150	13,200
Special Local Needs Permit	\$250				\$250	2,000
Pesticide Product Registration	\$392	\$30	\$108		\$530	<u>6,621,100</u>
Total						\$10,630,700[†]

* For the 2017-18 license year, a fee holiday on ACCP surcharges was in effect, pursuant to 94.73(15).

** Environmental management account of the environmental fund.

† Excludes \$8,000 in unassigned late fees, which are included in the amounts in Table 7.

^a Minimum fee of \$46.

^b Minimum fee of \$4. Deposited to DATCP's weights and measures inspection appropriation for weights and measures testing.

^c Includes 17¢ for UW soil and fertilizer research, 10¢ to fund UW-Extension fertilizer education and outreach, and 2¢ for weights and measures testing.

^d Deposited to DATCP's liming research appropriation to fund UW lime material research.

^e \$25 for pesticide application businesses that also manufacture or distribute pesticides in bulk.

^f Deposited to DATCP's fertilizer research appropriation to fund UW soil and fertilizer research.