



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

---

May 15, 2013

Joint Committee on Finance

Paper #140

### **Agricultural Chemical Segregated Funds Overview (Agriculture, Trade and Consumer Protection)**

---

#### **CURRENT LAW**

The Department of Agriculture, Trade and Consumer Protection administers two segregated funds for the regulation and cleanup of agricultural chemicals. The agricultural chemical management (ACM) fund supports: (a) DATCP administration of the agricultural chemical cleanup program (ACCP); (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, known as clean sweep; and (e) grants for the Agriculture in the Classroom and Grazing Lands Conservation Initiative programs. DATCP is authorized 42.25 positions in 2012-13 from the ACM. Total expenditures from the fund are budgeted at \$7.2 million in 2012-13.

The agricultural chemical cleanup program (ACCP) fund primarily supports reimbursement grants to eligible farms and businesses that remediate sites contaminated with fertilizers or pesticides. The fund also currently supports: (a) 4.0 positions for animal health inspection, testing and enforcement, budgeted at \$351,700; and (b) the Discovery Farms program in the University of Wisconsin–Extension, which is authorized 1.2 positions and expenditures of \$248,400 in 2012-13.

ACM fund revenues include fees on licenses and permits required of certain manufacturers or handlers of agricultural chemicals, as well as fees on each ton of certain agricultural products sold in Wisconsin. ACCP fund revenues also include a tonnage fee assessed on fertilizer sold in Wisconsin, as well as several surcharges on licenses required for pesticide and fertilizer manufacturers or distributors. The attachment lists each fee deposited to the funds, as well as the revenues from the fee category in 2011-12.

ACM fees have not changed since 1999 Act 9, although most fees received by the fund

have been maintained since 1997 Act 27 or earlier, aside from temporary fee holidays in certain fee categories from 1999 through 2002. ACCP fees were reduced by approximately 30% across the board under 2007 Act 20, and have been at current levels since that time. The statutes allow DATCP to increase or decrease, by administrative rule, the surcharges deposited to the ACCP fund, but not to exceed the maximum amount established in the statutes. Each maximum surcharge and the corresponding amount under current law is shown in Table 1. DATCP also is required to adjust surcharges as necessary to maintain an ACCP fund balance of no more than \$2,500,000 at the end of each fiscal year.

**TABLE 1**

**ACCP Fund License and Tonnage Fees**

	<u>Maximum Fee</u>	<u>Current Fee</u>
Fertilizer License	\$20	\$14
Fertilizer Tonnage	63¢/ton	44¢/ton
Non-Household Pesticides (Based on annual sales)		
Under \$25,000	\$5	\$3.50
\$25,000 - \$74,999	\$170	\$120
\$75,000 and Over	1.1% of gross revenues	0.75% of gross revenues
Pesticide Dealer - Restricted Use	\$40	\$28
Pesticide Application - Business	\$55	\$38
Pesticide Application - Individual	\$20	\$14

The bill would make several changes to appropriations of the ACM and ACCP funds, which are discussed in separate papers. Tables 2 and 3 show the estimated condition of the ACM and ACCP funds, respectively, under AB 40.

**TABLE 2****Agrichemical Management (ACM) Fund Condition – AB 40**

	Actual <u>2011-12</u>	Estimated <u>2012-13</u>	Estimated <u>2013-14</u>	Estimated <u>2014-15</u>
Opening Balance	\$2,445,600	\$4,209,500	\$4,877,000	\$4,771,600
Fee Revenue	7,897,100	7,800,000	7,600,000	7,600,000
Interest and Misc. Income	<u>33,600</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Revenue	\$7,930,700	\$7,850,000	\$7,650,000	\$7,650,000
Appropriations/Transfers				
Agrichemical management operations	\$5,708,700	\$6,713,100	\$6,663,100	\$6,668,000
Agriculture in the Classroom grants	93,900	93,900	93,900	93,900
Discovery Farms	---	---	248,400	248,400
Grazing Lands Conservation Initiative grants	364,200	375,500	0	0
Transfer to Environmental Fund (Clean Sweep)	0	0	750,000	0
Total Appropriations and Transfers	\$6,166,800	\$7,182,500	\$7,755,400	\$7,010,300
Cash Balance	\$4,209,500	\$4,877,000	\$4,771,600	\$5,411,300
Encumbrances	<u>-575,200</u>	<u>-575,200</u>	<u>-575,200</u>	<u>-575,200</u>
Available Balance	\$3,634,300	\$4,301,800	\$4,196,400	\$4,836,100
Annual Surplus/(Deficit)	\$1,763,900	\$667,500	-\$105,400	\$639,700

**TABLE 3****Agricultural Chemical Cleanup Program (ACCP) Fund Condition – AB 40**

	Actual <u>2011-12</u>	Estimated <u>2012-13</u>	Estimated <u>2013-14</u>	Estimated <u>2014-15</u>
Opening Balance	\$5,800	\$938,900	\$1,088,800	\$1,336,300
Total Revenue	\$2,371,400	\$2,250,000	\$2,100,000	\$2,100,000
Appropriations/Transfers				
Agricultural chemical cleanups	\$1,005,500	\$1,500,000	\$1,500,000	\$1,500,000
Animal health inspection	246,100	351,700	352,500	352,500
Discovery Farms	<u>186,700</u>	<u>248,400</u>	---	---
Total Appropriations	\$1,438,300	\$2,100,100	\$1,852,500	\$1,852,500
Cash Balance	\$938,900	\$1,088,800	\$1,336,300	\$1,583,800
Encumbrances	<u>-61,700</u>	<u>-61,700</u>	<u>-61,700</u>	<u>-61,700</u>
Available Balance	\$877,200	\$1,027,100	\$1,274,600	\$1,522,100
Annual Surplus/(Deficit)	\$933,100	\$149,900	\$247,500	\$247,500

Prepared by: Paul Ferguson  
Attachment



## ATTACHMENT

### Agricultural Chemical Fees and Revenues

<u>License/Fee</u>	<u>ACM</u>		<u>ACCP</u>	
	<u>Base Fee</u>	<u>2011-12 Revenues</u>	<u>Surcharge</u>	<u>2011-12 Revenues</u>
Commercial Feed License	\$25	\$34,900		
Commercial Feed (per ton)	23¢	1,063,800		
Fertilizer License	\$30	23,300	\$14	6,800
Fertilizer Permit Applications	\$25	16,200		
Fertilizer (per ton)	30¢	494,800	44¢	720,900
Lime License	\$10	1,100		
Pesticide Application Business	\$70	147,400	\$38	80,000
Pesticide Dealer - Restricted Use	\$60	21,700	\$28	10,100
Pesticide Individual Applicator	\$40	296,000	\$14	103,300
Pesticide Reciprocal Certification	\$75	25,400		
Soil and Plant Additive License and Permit	\$125	21,800		
Soil and Plant Additives (per ton)	25¢	57,600		
Special Local Needs Permit	\$250	300		
<b>Pesticide Registration – Household</b>				
Sales of \$0-\$24,999	\$141	779,500		
Sales of \$25,000-\$74,999	\$626	279,400		
Sales of \$75,000 or more	\$1,376	638,200		
<b>Pesticide Registration – Industrial</b>				
Sales of \$0-\$24,999	\$221	225,200		
Sales of \$25,000-\$74,999	\$766	76,300		
Sales of \$75,000 or more	\$2,966	305,700		
<b>Pesticide Registration – Non-Household</b>				
Sales of \$0-\$24,999	\$226	1,102,000	\$3.50	14,600
Sales of \$25,000-\$74,999	\$796	299,300	\$120	38,500
Sales of \$75,000 or more	\$2,966*	<u>1,987,200</u>	0.75%	<u>1,398,500</u>
Fee Subtotals		\$7,897,100		\$2,372,700
Interest, Late Fees and Miscellaneous		<u>\$33,600</u>		<u>-\$1,300</u>
Revenue Totals		\$7,930,700		\$2,371,400

\* Also includes a charge of 0.2% of annual gross revenues from sales of the registered product.