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# agricultural chemical fees and programs

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# Agricultural Chemical Fees and Programs

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# Agricultural Chemical Fees and Programs

## 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 (SEG) agrichemical management (ACM) fund and surcharges deposited to the segregated agricultural chemical cleanup fund, typically referred to as the ACCP fund, as its sole appropriation supports the agricultural chemical cleanup program (ACCP).

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.

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## Agrichemical Management Fund

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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 2019-20, ACM revenues totaled \$7.8 million and expenditures totaled \$7.5 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 2020-21 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, with a minimum fee of \$25 per year;
- \$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, with a minimum fee of

\$25 per year;

- 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 2017-

**Table 1: ACM Fund Condition**

	Actual 2017-18	Actual 2018-19	Actual 2019-20	Estimated 2020-21
Opening Balance	\$10,625,200	\$11,883,900	\$13,114,800	\$13,398,600
Fee Revenue	7,736,300	7,710,000	7,625,200	\$7,600,000
Interest and Misc. Income	<u>136,500</u>	<u>301,300</u>	<u>191,300</u>	<u>150,000</u>
Total Revenue	\$7,872,800	\$8,011,300	\$7,816,500	\$7,750,000
Expenditures	<u>-\$6,614,100</u>	<u>-\$6,780,400</u>	<u>-\$7,532,700</u>	<u>-\$7,718,700</u>
Cash Balance	\$11,883,900	\$13,114,800	\$13,398,600	\$13,429,900
Encumbrances	- \$82,600	- \$550,200	- \$740,000	- \$740,000
Available Balance	\$11,801,300	\$12,564,600	\$12,658,600	\$12,689,900

18 through 2020-21, and the Appendix provides a summary of all agricultural chemical fee revenues.

## **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, 2020, 21 special local needs authorizations and one emergency exemption are in effect. Use of these authorizations included treatment of corn, potatoes, ginseng, cherries, cranberries, and various other fruits and vegetables.

**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 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. 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 Wisconsin where the

herbicide atrazine is prohibited. These areas cover 1.1 million acres, containing an estimated 272,000 acres cultivated for corn, 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 provided UW-Madison \$32,500 in 2018-19 and \$19,500 in 2019-20 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 2019-21 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 0.5 position is allocated to administer the program, at a cost of \$49,000 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 \$351,800 ACM SEG in 2020-21 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.

*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 2020-21, the program is authorized \$252,700 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. Grants are budgeted \$93,900 each year during the 2019-21 biennium.

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.

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### Agricultural Chemical Cleanup Fund

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The agricultural chemical cleanup (ACCP) fund supports the cleanup of fertilizers and non-household 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,

**Table 2: ACCP Maximum Reimbursements**

Costs Incurred	Percent Reimbursed	Maximum State Reimbursement
<b>Licensed Commercial Facilities</b>		
Up to \$7,500	0%	\$0
\$7,500 to \$100,000	75	69,375
\$100,000 to \$650,000*	75	481,875
<b>Non-Licensed Facilities</b>		
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. However, the increase in the reimbursement limit to \$650,000 under 2017 Act 59 has contributed to an increase in reimbursements in recent years.

DATCP projects annual reimbursements will average approximately \$750,000 annually in the 2021-23 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

**Table 3: Agricultural Chemical Cleanup Reimbursements by Site**

Year	<u>Commercial Sites Reimbursements</u>			<u>Non-Commercial Sites Reimbursements</u>		
	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	1	22	470,500	1	1	43,100
2018-19	2	28	973,300	0	0	0
2019-20	<u>2</u>	<u>27</u>	<u>1,072,900</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	380	1,002	\$45,813,700	47	16	\$1,233,000

\*Follow-up reimbursements are those monies given for further reimbursements to sites previously receiving funding, including those reopened to receive funding under the higher reimbursement maximum.

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.

As seen in Table 4, most surcharges were decreased under Act 59. 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 2010-11. 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
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
2019	0.88*	0.97	6.45
2020	0.11*	1.08	5.48

\*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. This mechanism is currently in effect, reducing ACCP surcharges to \$0, as it has since its enactment during the 2017-18 fee year.

Table 6 shows the estimated condition of the ACCP fund for the 2019-21 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 2021-23 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 2018-19	Actual 2019-20	Estimated 2020-21
Opening Balance	\$6,551,400	\$6,454,700	\$5,479,700
Revenue	876,700*	109,300*	90,000
Cleanup Exp.	<u>- 973,400</u>	<u>- 1,084,300</u>	<u>- 900,000</u>
Closing Balance	\$6,454,700	\$5,479,700	\$4,669,700

\* Reflects fee holiday. In addition to interest, some fees were still received due to timing of fee payment deadlines.

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## Fund Transfers and Other Appropriations

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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. However, 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 wastes 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.

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## Other Deposits of Agricultural Chemical Fees

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

**Table 7: Agricultural Chemical Fee Revenue**

Fund/Purpose	2019-20 Fee Revenue
ACM	\$7,625,200
ACCP	18,000
EMA	1,611,800
Fertilizer Research	316,300
UW-Extension	180,200
Weights and Measures	158,400
Liming Research	<u>8,100</u>
Total	\$9,918,000

*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. 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 Bureau informational paper entitled, "Environmental Management Account." As shown in Table 8, agricultural chemical-related revenues to the environmental fund totaled \$1.6 million in 2019-20.

**Table 8: 2019-20 Environmental Management Account Agricultural Chemical-Related Revenues**

License/Fee	Fee Amount	2019-20 Revenue
Fertilizer Tonnage	10¢	\$179,500
Soil or Plant Additive Tonnage	10¢	11,300
Pesticide Well Compensation Fee	\$150	32,000
Pesticide Registration	\$108	<u>1,389,000</u>
Total		\$1,611,800

*Fertilizer Research.* DATCP's fertilizer research appropriation collects revenue from tonnage fees on fertilizer and additives to soil and plants sold or distributed in the state. The soil and plant additive fee is 10¢ per ton. The fertilizer fee is 17¢ per ton. Revenues in this category totaled \$316,300 in 2019-20. The statutes allow DATCP to retain 3.5% of the appropriation's revenues to assist with the administrative costs of collecting these fees. The Department retained \$11,100 in 2019-20 under this provision, forwarding approximately \$305,200 to 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 fee was \$180,200 in 2019-20.

*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 \$158,400 in 2019-20.

*Liming Material Research.* DATCP collects 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 \$8,100 in 2019-20.

## APPENDIX

### Agricultural Chemical Fee Revenues

License/Fee	ACM	ACCP	EMA*	Other	Total Fees/ Surcharges	2019-20 Total Revenue**
Commercial Feed License	\$25				\$25	\$40,400
Commercial Feed Tonnage	23¢ <sup>a</sup>			2¢ <sup>b</sup>	25¢	1,537,400
Fertilizer License	\$30	\$20			\$50	26,600
Bulk Fertilizer Distribution Location		\$25			\$25	0
Fertilizer Permit Applications	\$25				\$25	15,100
Fertilizer Tonnage	23¢	10¢	10¢	29¢ <sup>c</sup>	72¢	1,141,300
Lime License	\$10				\$10	1,000
Lime Tonnage				1.25¢ <sup>d</sup>	1.25¢	8,100
Pesticide Application Business	\$70	\$20/\$25 <sup>e</sup>			\$90/95	172,100
Pesticide Dealer - Restricted Use	\$60	\$20			\$80	24,900
Pesticide Individual Applicator	\$40	\$10			\$50	332,000
Pesticide Reciprocal Certification	\$75				\$75	34,600
Soil or Plant Additive License and Permit	\$125				\$125	40,000
Soil or Plant Additive Tonnage	25¢		10¢	10¢ <sup>f</sup>	45¢	53,500
Primary Producer Fee			\$150		\$150	32,000
Special Local Needs Permit	\$250				\$250	1,500
Pesticide Product Registration	\$392	\$30	\$108		\$530	<u>6,457,500</u>
Total						\$9,918,000

\* Environmental management account of the environmental fund.

\*\* Includes any late fees and penalties assessed within the fee category noted. For the 2019-20 license year, a fee holiday on ACCP surcharges was in effect, pursuant to 94.73(15).

<sup>a</sup> Minimum fee of \$46.

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

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

<sup>d</sup> Deposited to DATCP's liming research appropriation to fund UW lime material research.

<sup>e</sup> \$25 for pesticide application businesses that also manufacture or distribute pesticides in bulk.

<sup>f</sup> Deposited to DATCP's fertilizer research appropriation to fund UW soil and fertilizer research.