

AGRICULTURE, TRADE AND CONSUMER PROTECTION AND NATURAL RESOURCES

Agrichemical Management and Environmental Fund Revenues

[LFB Papers #570 and #571]

Motion:

Move to adopt alternative 3.a. from paper #570. Further, adopt alternative A.4. from paper #571.

In addition, deposit all other pesticide, fertilizer, soil additive and well compensation fees currently deposited into the environmental fund into the agrichemical management (ACM) fund.

Further, create an appropriation in DNR funded from the agrichemical management fund that would reimburse DNR for any cleanup actions taken by the Department under s. 94.73 (2m) in response to one or more of the following actions: (a) the action or order is 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 to take the action or issue the order; (c) the Secretary of DNR approves the action or order in advance after notice to the Secretary of DATCP; (d) the DNR takes action after a responsible person fails to comply with an order that DNR issued under the spills law; or (e) DNR takes the action because the identity of the responsible person is unknown. No expenditure authority would be provided to the appropriation. DNR could request expenditure authority from the Joint Committee on Finance under s. 13.10 if it takes action under s. 94.73 (2m). If the Department uses the state-funded spills response appropriation from the environmental management account for expenditures under s. 94.73 (2m), it could request reimbursement of those expenditures from the new agrichemical management fund appropriation.

In addition, reduce the DNR Air and Waste Division operations appropriation from the environmental management account by \$1,120,000 SEG annually, from \$3,868,800 to \$2,748,800. Authorize DNR to submit an alternative plan to the Secretary of Administration for allocating the reduction among any of the agency's other sum certain appropriations funded from the environmental management account. Direct that if DNR submits a request for reallocation of the reduction, the Department include the appropriations that the reduction would be allocated to, and a description of how many and what type of positions would be deleted under the reduction. Provide that if the DOA Secretary approves the alternative reduction plan, the plan be submitted to the Joint Committee on Finance for its approval under a 14-day passive review procedure. Specify that if the Secretary of Administration does not approve the agency's alternative reduction plan, the agency must make the reduction to the Air and Waste Division operations appropriation.

Note:

Alternative 3.a. from paper #570 would approve the Governor's recommendation to transfer funding of the agricultural clean sweep program from the ACM fund to the recycling fund. In addition, it would transfer \$150,000 SEG annually in expenditures for the household clean sweep grant program from the environmental fund to the recycling fund (to consolidate all clean sweep funding in one DATCP recycling fund appropriation). Further, transfer administration of the household clean sweep program from DNR to DATCP and specify DATCP administer the program under existing administrative rules until DATCP promulgates a new rule. Finally, it would provide for the deposit of the \$30 fee for household pesticide product licenses to the ACM fund beginning July 1, 2003.

Alternative A.4. from paper #571 would delete the 15[^] fertilizer tonnage fee increase (from 3Q[^] to 45[^]) in the bill, and the 7[^] commercial feed inspection fee increase (from 23[^] to 30[^]) from the bill. This would reduce revenues deposited to the ACM fund under the bill by \$391,000 annually, starting in 2004-05.

The following fees are currently deposited into the environmental management account: (a) a \$124 license fee for each household pesticide product that a manufacturer or labeler sells or distributes in the state; (b) a \$94 license fee for each industrial and non-household pesticide product that a manufacturer or labeler sells or distributes in the state; (c) a \$150 pesticide primary producer fee; (d) a 10[^] soil additive tonnage fee; and (e) a 10[^] fertilizer tonnage fee. A pesticide primary producer is a person who manufactures an active ingredient that is used to produce a pesticide.

Under the bill, the segregated environmental management account of the environmental fund would have an estimated June 30, 2005, balance of \$74,000. The account is used for DNR administration of contaminated land cleanup, groundwater management, state-funded environmental response actions, brownfields site assessment grants and debt service for general obligation bonds for remedial action, and Commerce brownfields grants (consolidated in DNR under the bill). It also funds environmental programs in the Department of Health and Family Services, Department of Military Affairs, and the University of Wisconsin System. Under the bill, the vehicle environmental impact fee would provide approximately 59 of the \$52.1 million in estimated revenues to the account in the 2003-05 biennium. (The bill would increase the vehicle environmental impact fee from \$9 to \$10.50 on the effective date of the bill and would repeal the December 31, 2003, sunset of the fee, making the fee permanent.)

The motion would decrease revenues to the environmental management account by an estimated \$1,307,000 in each year, and decrease expenditures from the environmental management account by \$150,000 in each year. The DNR Air and Waste Division operations appropriation from the environmental management account would be reduced by \$1,120,000 SEG annually, from \$3,868,800 to \$2,748,800, to balance the environmental management account on June 30, 2005. Under the bill, the Air and Waste Division would be authorized \$3,868,800 SEG with 50.0 SEG positions from the environmental management account. This would represent a reduction of 29 of the expenditure authority from the Air and Waste

Division's environmental management account appropriation. Under the bill, DNR would be authorized a total of \$26,157,100 SEG in 2003-04 and \$26,926,500 SEG in 2004-05 from the environmental management account. The motion would represent a reduction of 4.3 in 2003-04 and 4.2 in 2004-05 of DNR's total expenditure authority from the environmental management account. DNR could submit an alternative plan to the Secretary of Administration for allocating the reduction among any of the agency's other appropriations funded from the environmental management account. If DNR submits a request for reallocation of the reduction, the Department would have to include the appropriations that the reduction would be allocated to, and a description of how many and what type of positions would be deleted under the reduction. If the DOA Secretary approves the alternative reduction plan, the plan would be submitted to the Joint Committee on Finance for its approval under a 14-day passive review procedure. If the Secretary of Administration does not approve the agency's alternative reduction plan, the agency must make the reduction to the Air and Waste Division operations appropriation.

Compared to the bill, the motion would increase revenues to the ACM fund by \$2,223,000 over the biennium. This would leave the ACM fund with a potential July 1, 2005, balance of up to \$2,853,000.

The motion would also specify that if DNR takes emergency action or issues an emergency order to a person under current authority under the s. 94.73 (2m) for agricultural chemical sites under DATCP jurisdiction, a new DNR appropriation from the ACM fund would reimburse DNR for its costs of taking action. DNR is authorized to take action at sites under DATCP jurisdiction only under certain circumstances. The circumstances include that one or more of the following apply: (a) the action or order is 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 to take the action or issue the order; (c) the Secretary of DNR approves the action or order in advance after notice to the Secretary of DATCP; (d) the DNR takes action after a responsible person fails to comply with an order that DNR issued under the spills law; or (e) DNR takes the action because the identity of the responsible person is unknown. DNR could request expenditure authority under s. 13.10 if it takes action under s. 94.73 (2m). If the Department uses the state-funded spills response appropriation from the environmental management account for expenditures under s. 94.73 (2m), it could request reimbursement of those expenditures from the new agrichemical management fund appropriation. No estimate of potential expenditures by DNR under this provision is currently available.

[Change to Bill: \$300,000 recycling fund SEG; -\$2,540,000 SEG environmental management account, -\$2,614,000 SEG-REV environmental management account, \$2,223,000 SEG-REV agrichemical management fund]