

# MDA To Increase Fee Structure To Cover ACRRA

The Agricultural Chemical Response and Reimbursement Account (ACRRA) was created to reimburse persons for costs incurred in cleaning up agricultural chemical (pesticide and fertilizer) incidents. The account is funded by annual surcharges assessed on pesticide and fertilizer manufacturers, distributors, applicators and dealers. The surcharge rate has changed through the years of the program. ACRRA surcharges were reduced in 2010 by approximately 2/3rds from levels that had been set in 2005 because the ACRRA fund balance was above the statutory maximum of five million dollars. Since that time, and despite the Minnesota Department of Agriculture's (MDA) efforts to protect the fund, program reimbursements have exceeded revenues, and the fund balance has declined. The balance is projected to drop below the minimum balance of one million dollars during 2015 or 2016 based on current expenditure and revenue trends unless surcharge rates increase.

Commissioner Frederickson is responsible for maintaining the ACRRA fund balance. On April 16, 2014, the MDA held a public hearing to take comments about a proposal to set surcharge rates back to their pre-2010 levels. The Commissioner attended the public hearing and has reviewed comments; and after much consideration, he has approved the ACRRA surcharges increases so that the fund balance will be maintained. These increases will take effect in January 2015.

The new fee structure will be implemented on January 1, 2015; it will be reflected on application forms, reports and other documents sent by MDA. What will these changes mean?

- Commercial and Noncommercial Pesticide applicators will pay a \$25 surcharge on a license vs. the \$8.25 currently paid.
- Structural companies will pay a \$100 surcharge on a license vs. the \$33 currently paid.
- Fertilizer companies will pay a \$50 surcharge on a license vs. the \$16.50 currently paid.
- Pesticide dealers will pay a \$75 surcharge on a license vs. the \$24.75 currently paid.
- Fertilizer tonnage fees will be \$0.30/ton vs. the \$0.10/ton currently paid.
- The ACRRA surcharge on annual gross sales will be 0.30% vs. the 0.10% currently paid.

For more information about the ACRRA fund and the surcharge changes, please visit [www.mda.state.mn.us/acrra](http://www.mda.state.mn.us/acrra). Please feel free to contact Rae Lynn Herbster ACRRA Administrator at 651-201-6490 or at [raelynn.herbster@state.mn.us](mailto:raelynn.herbster@state.mn.us).