Department of Agriculture, Trade and Consumer Protection

Ben Brancel, Secretary

DATE: January 14, 2014

TO: Bruce Hoesly, Legislative Reference Bureau

1 East Main Street, Suite 200

FROM: Ben Brancel, Secretary

SUBJECT: Ch. ATCP 50 - SOIL AND WATER RESOURCE MANAGEMENT; Final Rule

(Clearinghouse Rule #13-016)

The Department of Agriculture, Trade and Consumer Protection (DATCP) hereby submits the following rule for publication:

CLEARINGHOUSE RULE #: 13-016

SUBJECT: SOIL AND WATER RESOURCE MANAGEMENT

ADM. CODE REFERENCE: ATCP 50

DATCP DOCKET #: 11-R-01

We are enclosing a copy of the final rule, as adopted by DATCP. We are also providing the following information for publication with the rule, as required by s. 227.114(6), Stats.

Business Impact Analysis (Summary)

Most impacts of this rule will be on farmers, a great majority of whom qualify as "small businesses." These are the key factors affecting the impacts on farms:

- This rule does not add performance standards for farms, but focuses on implementation of standards previously developed by Department of Natural Resources (DNR) in 2011.
- In its implementation of the 2011 DNR standards, this rule includes measures intended to minimize the financial impacts on farmers, including accommodations to limit the burdens of nutrient management planning for pastures, and limitations on increasing the tillable setback over 5 feet.
- Most farmers will be insulated from the costs of implementation by the state's cost-share requirement and the limited state funding available to provide cost-sharing.

• For farmers receiving farmland preservation program tax credits, this rule provides farmers flexibility to minimize the financial impacts related to compliance (which range from \$8 to \$12 million state-wide), including a delay in the effective date for compliance with the 2011 DNR standards, the use of performance schedules, pursuit of cost-sharing for which they are eligible, use of a tax credit to offset some implementation costs, or if needed, withdrawal from the farmland preservation program to avoid unmanageable costs.

The rule changes will have small, but positive impacts on businesses other than farmers. Those businesses include nutrient management planners, soil testing laboratories, farm supply organizations, conservation engineering practitioners, and contractors installing farm conservation practices.

Comments from Legislative Committees (Summary)

On October 24, 2013, the Legislature officially received the above-referenced rule which the DATCP Secretary previously signed and submitted on October 21, 2013, pursuant to s. 227.19, Stats. The rule was approved by the Governor on September 24, 2013.

The rule was assigned to the Assembly Committee on Agriculture and the Senate Committee on Agriculture, Small Business, and Tourism. Neither committee took action. The Assembly referred the rule to the Joint Committee for Review of Administrative Rules (JCRAR) on December 10, 2013 and the Senate referred it to JCRAR on December 13, 2013. JCRAR took no action on the rule.