



LOREN OLDENBURG

STATE REPRESENTATIVE • 96th ASSEMBLY DISTRICT

Assembly Bill 54

Relating to: farmland preservation implementation grants, agreements, and tax credits and making an appropriation

Assembly Committee on Agriculture

March 10, 2021

Good Morning, Chairman Tauchen and committee members. I want to thank you for your willingness to hear Assembly Bill 54.

As a fourth generation farmer I know the value and importance of conserving our farmland. The Farmland Preservation Program allows my fellow farmers to do just that. In order for a farmer to participate in the program they need to complete a 590 nutrient management plan. The 590 nutrient management plan is something similar to what a farmer of a large CAFO would have to complete. The complexity of this plan demonstrates the hard work and planning that a farmer does to qualify to take part in the farmland preservation program. The plan goes over guidelines that relate to where manure, organic by-products, or fertilizer can be applied to fields. Regulating these practices within the farmland preservation program helps to protect ground and surface water. Managing these practices protects the soil, lessens erosion and can even help to protect against flooding.

Assembly Bill 54 does several things to help modernize the farmland preservation program, the first of those being that the bill decreases the minimum required length of a farmland preservation agreement between the Department of Agriculture, Trade and Consumer Protection (DATCP) and the farmland owner; under the bill, the agreement is reduced from 15 years to 10 years. Changing the length of the agreement between DATCP and the farmland owner should help to attract new farmland owners to the program.

The second thing that AB 54 does is require DATCP to submit a report to the Board of Agriculture, Trade and Consumer Protection, The Joint Committee on Finance (JFC), the standing committees of the legislature with jurisdiction over agriculture, the Department of Revenue (DOR) and the Department of Administration (DOA). A report about the Farmland Preservation Program and the farmland within it, is currently required to be submitted by DATCP, to DATCP, DOR and DOA. The bill expands the groups who would be getting this report to include JFC and standing committees of the legislature who have jurisdiction over

agriculture. The bill also expands what is included in the report to: a review of tax credit amounts for qualified farmland, and recommendations for tax credit levels for qualifying acres of farmland.

One of the benefits for a farmland owner to participate in the farmland preservation program is the per-acre tax credit. The rates of these tax credits have not been updated since the program was modernized to the Farmland Preservation Program as a part of the 2009-2011 biennial budget. The bill increases the amount of money that can be claimed, per acre of qualifying farmland, which is located in a farmland preservation zoning district but is not a part of a farmland preservation agreement from \$7.50 to \$10.00 (per acre). The next increase will be from \$5.00 to \$10.00 (per acre) for each qualifying acre of land that is a part of a farmland preservation agreement but not located in a farmland preservation zoning district. If the farmland owner has land in a farmland zoning district, and is subject to a farmland preservation agreement, the per acre tax credit will increase from \$10.00 to \$12.50 (per acre). Finally, the bill will add a new farmland preservation category that qualifies for the tax credit. This new category is a \$10.00 tax credit, per acre, for any farmland that is located in a farmland preservation area, but only to the extent that the acres are covered by an agricultural conservation easement. By raising these rates the hope is to draw more farmland owners into participating in the program.

Assembly Bill 54 also allows DATCP to award grants to cities, villages, towns, counties, regional planning commissions, and tribal governments. These grants can be used by these entities to implement their county's certified farmland preservation plan. The bill makes it so that this happens when DATCP enters into a contract with the recipient prior to the grant funds being distributed. This contract between DATCP and the entity of local government, will identify which costs of implementing the county's farmland preservation plan are eligible to be reimbursed by these grant funds. Activities that would qualify include: the implementation of a farmland preservation zoning ordinance - for the first time, enrolling land into farmland preservation agreements, the designation of an agricultural enterprise area, or facilitating agricultural preservation and development, monitoring the compliance of land and water conservation standards, and finally farmland preservation program outreach. Getting more farmers or farmland owners to have an interest in participating in this program will keep Wisconsin farmland being farmed, keep the soil in its place, and prevent runoff. Participating in this program is truly a conservation practice for both our farms and our treasured farmland.

The farmland preservation program, or something similar has been in existence since the 1977 biennial budget, and the 1989 biennial budget created the farmland tax relief credit. However, the program took on its current form after the 2009 Wisconsin Act 28 went into effect. The 2009 Wisconsin Act 28 was the biennial budget, and the effective date of that budget was June 29, 2009. Farmland owners were able to start claiming the new per-acre tax credit at the beginning of the 2010 tax year.

It is important to note that this bill was created in consultation with DATCP, DOR and the Wisconsin Land and Water Association. This bill is also widely supported by agricultural and conservation groups who know the importance of Wisconsin farmers and conservation including:

The Wisconsin Farm Bureau Federation, the Wisconsin Farmers Union, The Cooperative Network, and the Wisconsin Towns Association.

Thank you again for hearing Assembly Bill 54. This bill will help both farmers and the conservation of Wisconsin farmland. It's important that we keep using farmland for farming so we can keep the soil where it belongs, and prevent runoff.



PATRICK TESTIN

STATE SENATOR

DATE: March 10th, 2021

RE: **Testimony on Assembly Bill 54**

TO: The Assembly Committee on Agriculture

FROM: Senator Patrick Testin

Thank you to the Representative Tauchen and the committee for hearing testimony from Representative Oldenburg and me on Assembly Bill 54 (AB 54).

The Census of Agriculture reported that between 2012 and 2017, total farm acreage in Wisconsin decreased by almost 2%. AB 54's goal is to preserve our state's farmland by making changes to the Farmland Preservation Program to incentivize increased participation.

The Farmland Preservation Program helps both farmers and local governments in their efforts to preserve farmland and safeguard our soil and water from pollutants. It accomplishes this by providing growers with a refundable, per-acre tax credit. This program has existed in one form or another since the enactment of the 1977 budget, with significant changes made in 1989 and 2009.

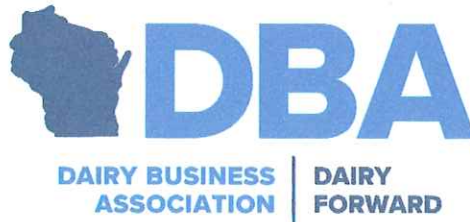
Now is the right time to make changes to the program – both to combat the loss of farmland and to reverse slipping farmer participation.

Our bill takes into account survey results gathered by the Department of Agriculture, Trade, and Consumer Protection (DATCP) that identified some of the key barriers to participation in this program – the length of the farmland preservation agreement and the size of the per-acre credits – and makes the following changes:

- Decreases the minimum length of agreement between the farmer and DATCP from 15 years to 10 years
- Increases the amount that can be claimed per acre for the farmland preservation tax credit by the following amounts:
 - From \$7.50 to \$10.00 per acre for acres that are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement.

- From \$5.00 to \$10.00 per acre for acres that are subject to a farmland preservation agreement but not located in a farmland preservation zoning district.
- From \$10.00 to \$12.50 per acre for acres that are located in a farmland preservation zoning district and are subject to a farmland preservation agreement.
- The bill also creates a new category of farmland that qualifies for the farmland preservation tax credit. A credit of \$10 per acre may be claimed for farmland that is located in a farmland preservation area, but only to the extent that the acres are covered by an agriculture conservation easement.
- Additionally, the bill indexes the farmland preservation tax credit dollar amounts described above for inflation.
- Includes the legislature in the list of entities to whom DATCP must submit reports regarding the program
- Authorizes DATCP to award grants to various municipal units and sets criteria for those agreements.

Please join the Wisconsin Farm Bureau Federation, the Wisconsin Farmers Union, the Cooperative Network, the Wisconsin Towns Association, the Wisconsin Land and Water Conservation Association, and me in support of this bill.



March 11, 2021

**Assembly Committee on Agriculture
Written Testimony in favor of AB 54, Farmland Preservation Program (FPP) grants**

Chairman Tauchen, Ranking Member Considine and committee members, thank you for scheduling this hearing on Assembly Bill 54 which will increase tax credits for participating members in the farmland preservation program while protecting agricultural land. This bill ensures land and water conservation practices employed by our producers are recognized and encouraged. DBA supports AB 54 because it will expand access to the program at a time when ag land and farm numbers are declining. This action will help preserve our state's farmland for future generations of farms and farm families.

In order to receive the tax credit, FPP participants must demonstrate they are in compliance with state conservation standards. Every four years, county conservation departments are required to ensure participant compliance with the standards, upon which participants are granted a certificate of compliance. This process can be a considerable workload on local staffing resources in counties with high FPP participation. The bill seeks to defray the costs of FPP program implementation by providing grants to local municipalities, planning commissions, and tribal governments for FPP zoning development, enrolling FPP agreements, monitoring compliance, outreach, and more.

Additionally, a shorter 10-year FPP contract could potentially incentivize more landowners to participate in the program. The current 15-year length of contract appears to be an obstacle to participation.

Finally, farmland preservation is a win-win for agriculture and conservation: in exchange for farmers keeping farmland in production and meeting baseline conservation standards, farmers receive a renewable tax credit.

Thank you for taking time to read testimony in support of Assembly Bill 54. I hope you will move this bill forward for consideration by the full Assembly.

Sincerely,

Chad Zuleger
Associate director of government affairs



**Testimony of Scott Laeser, Water Program Director
Assembly Bill 54
Assembly Committee on Agriculture
March 9, 2021**

Clean Wisconsin is a non-profit environmental advocacy group focused on clean water, clean air and clean energy issues. We were founded over fifty years ago and have 20,000 members and supporters around the state.

I'm writing today to urge you to pass Assembly Bill (AB) 54 to expand the Farmland Preservation Tax Credit. At a time when farmers are struggling with persistent low commodity prices and a market-disrupting public health crisis and the state is wrestling with a host of water quality problems as a result of pollution from agricultural sources, expanding the Farmland Preservation Tax Credit will provide a needed boost to efforts to address both challenges.

In 2016, a third of respondents to a DATCP survey about the Farmland Preservation Program (FPP) indicated the current tax credit was too low to make the conservation compliance efforts required to receive the credit worthwhile. While the state provides cost share funding and technical assistance to implement conservation practices, the FPP is a sustained tax credit for farmers that implement and maintain at least the basic conservation compliance requires in NR 151, the state's non-point pollution standards rule. With a little over one third of farmland currently in compliance with NR 151 conservation standards, expanding this tax credit will help increase the amount of acreage meeting those minimum conservation standards.

Expanding the Farmland Preservation Tax Credit is a win for farmers and state conservation efforts. We must accelerate implementation of basic agricultural conservation practices to address our water pollution challenges, and expanding this tax credit strengthens a tool important to conservation practice implementation. This bill also provides resources to the local conservation departments and other entities charged with implementation and oversight of conservation compliance requirements.

Many of our farm families are suffering from low commodity prices while their neighbors struggle to access clean drinking water. The status quo is failing them both. You can take a modest step towards addressing these interwoven challenges by increasing the Farmland Preservation Tax Credit and the resources available for its implementation. To truly address our clean water and agricultural challenges, much more will be necessary, but this is an important step, and we look forward to working with you to support this bill and additional legislation.

Today, we urge you to invest in farmers and clean water and support AB 54.

Thank You





To: Assembly Committee on Agriculture
From: Representative Mark Spreitzer
Re: Testimony on Assembly Bill 54
Date: March 10, 2021

Chair Tauchen and committee members:

Thank you for hearing Assembly Bill 54, and for the opportunity to testify in favor of this bill. This bill is a reintroduction of 2019 Assembly Bill 637/Senate Bill 575, a bipartisan bill that passed unanimously last session out of the Senate Committee on Agriculture, Revenue, and Financial Institutions.

Last session, after the Land Conservation staff in Rock County brought this issue to my attention, I was proud to work with Representative Oldenburg to convene a bipartisan coalition of legislators, interest groups, and farmers to strengthen and support the farmland preservation program. This bill is the result of that work.

AB 54 is a bipartisan bill that will maintain and increase participation in the farmland preservation program by increasing farmland preservation tax credit amounts and making other updates to the program. The farmland preservation program provides a refundable, per-acre tax credit to farmers that commit to keeping their land in agricultural use and that certify compliance with state soil and water conservation standards. Farmers may claim credits for acreage under either a farmland preservation agreement, which is signed between the landowner and DATCP, or a local zoning ordinance that zones the land for agricultural uses.

Unfortunately, farmland preservation tax credit amounts have not increased in the last decade, while the cost of the required soil and water conservation standards has increased. This has led to a significant and concerning decrease in participation in the farmland preservation program. From 2010 through 2017, the number of participants decreased by 24% and the number of enrolled acres decreased by 21%.

Farmers and county conservation staff across the state have highlighted the need for updating the farmland preservation program to better meet the needs of farmers. A statewide survey of farmers conducted by DATCP emphasized the most significant barriers to participation in the program: the amount of the per-acre credits and the length of farmland preservation agreement contracts. Nearly half of farmers cited that the farmland preservation program incentives are too low to make participation worth it, and over half stated that they were hesitant to limit what could be done with their land in the next 15 years.

45TH ASSEMBLY DISTRICT

State Capitol: PO Box 8953, Madison, WI 53708 (608) 266-1192
Toll-free: (888) 534-0045 FAX: (608) 282-3645 E-mail: Rep.Spreitzer@legis.wisconsin.gov
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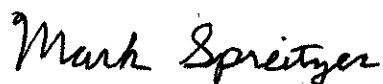
This bill will update and improve the farmland preservation program on multiple fronts. First, the bill will increase farmland preservation tax credit amounts, ensuring that farmers are not losing money by meeting conservation standards. It will also decrease the required length of farmland preservation agreements from 15 to 10 years, allowing farmers greater flexibility in a volatile agricultural economy. Third, the bill will require DATCP and the legislature to regularly review the farmland preservation program and its tax credit amounts, in order to ensure that the program meets the needs of our state's farmers. Fourth, it will allow land within Wisconsin's Purchase of Agricultural Conservation Easement (PACE) program to be eligible for farmland preservation tax credits. Finally, the bill will allow additional flexibility for DATCP and counties when developing and implementing county farmland preservation plans. Under current law, money is appropriated to DATCP only for planning grants to counties to create farmland preservation plans. This money lapses back into the general fund if an insufficient number of counties require planning grants in any biennium. The bill would allow these already-appropriated funds to also be used for implementation grants, ensuring that money is not left on the table each biennium and allowing political subdivisions to facilitate actions like land use plans or zoning ordinances.

This bill is an important step forward in preserving and protecting Wisconsin farmland for future generations. It will expand options for Wisconsin farmers struggling with a volatile agricultural economy, while incentivizing farmers and local governments to keep land in agricultural use while protecting our state's soil and water.

I am proud that this bill's companion, 2021 SB 68, passed unanimously out of the Senate Committee on Agriculture and Tourism last month. I am also grateful for the collaboration and support of the Wisconsin Land and Water Conservation Association, the Wisconsin Farm Bureau Federation, the Wisconsin Farmers Union, the Cooperative Network, the Wisconsin Corn Growers Association, Clean Wisconsin, and the Wisconsin Towns Association. I am also grateful to DATCP for their collaboration in drafting this bill. In addition, this bill has the support of the Dairy Business Association, the Wisconsin Cattlemen's Association, the Wisconsin Pork Association, the Wisconsin Soybean Association, the Wisconsin State Cranberry Growers Association, the Wisconsin Potato and Vegetable Growers Association, the Wisconsin Agri-Business Association, Green Fire Wisconsin, the River Alliance of Wisconsin, the Nature Conservancy, the League of Women Voters of Wisconsin, and the Wisconsin Farm Credit Services.

Thank you again for the opportunity to testify on this bill. Please do not hesitate to reach out to my office with any questions.

Sincerely,



Mark Spreitzer
State Representative
45th Assembly District



Wisconsin Land+Water Conservation Association

131 W. Wilson Street, Suite #601 · Madison, Wisconsin 53703
(608) 441-2677 · Fax: (608) 441-2676 · www.wisconsinlandwater.org

Written AB 54 Testimony of WI Land+Water Executive Director Matt Krueger

Assembly Committee on Agriculture

March 9, 2021

Dear Chair Tauchen, Vice-Chair Oldenburg, Ranking Member Considine, and Committee Members,

WI Land+Water is a nonprofit, nonpartisan membership organization that represents 800 boots-on-the-ground county conservation department staff and elected county board supervisors across the state. On behalf of those members, I submit my testimony in favor of AB 54.

WI Land+Water supported this bill when it circulated last session, and we are excited to see it reintroduced this session. As our membership approved a similar Farmland Preservation Program (FPP) resolution at our annual membership meeting in 2019, we were grateful to have the opportunity to provide input on this bill. In addition to Sen. Testin, I want to thank and acknowledge the offices of representatives Oldenburg and Spreitzer for their good work on this important bill.

FPP is a win-win for agriculture and conservation: in exchange for farmers keeping agricultural land in production and meeting baseline conservation standards, they receive a renewable tax credit. Enhancing this program makes a lot of sense at this particular moment, as every year we are losing too many acres of valuable farmland in the state.

There are several provisions in AB 54 that WI Land+Water supports, which I'd like to briefly highlight.

The bill proposes to increase FPP tax credits, which have not been adjusted for 10 years. One in three respondents to a 2018 DATCP FPP survey felt the tax credit was not high enough to make signing a FPP contract worthwhile. Especially amid the current farm crisis, increased tax credits could represent a real incentive for farmers to participate in the program. Increased participation in the program would not only preserve farmland from development, but would mean that more farmland is meeting baseline conservation standards, a requirement to participate in the program.

We particularly support the provision in Section 2, Subsection 7 of the bill that extends grant funding eligibility to program implementation. This provision allows local municipalities, planning commissions, and tribal governments to apply for funds for FPP zoning development, enrolling FPP agreements, monitoring compliance, outreach, and more. In counties with FPP zoning and robust FPP participation rates, implementation of the program is a substantial staff workload that falls to the conservation department, potentially constituting a full-time position, or more.

To this point, there has not been a mechanism to offset implementation expenses such as conservation department staff time for program compliance checks and associated documentation. This bill proposes to change that, though the amount of funding that would be available to offset implementation costs would not make a significant difference to most counties. In spite of this, we are optimistic that this can be addressed in the future, as doing so would increase county capacity to support the program, and accordingly, increase program participation.

We are also supportive of the provision to increase tax credits according to an agricultural inflationary index, as failing to do so will eventually return us to the point we are at today—where depressed tax credits are a disincentive to program participation.

Lastly, though we do not generally support reducing the contractual term of programs with conservation benefits, in this situation it makes sense to do so, as the current 15-year length of program contract appears to be an obstacle to landowner participation, based on DATCP survey results.

We are supportive of this bipartisan bill, and think its passage would be a good step forward for both Wisconsin's farms and its natural resources.

Thank you for the opportunity to provide comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Krueger". The signature is fluid and cursive, with a long horizontal line extending to the right.

Matt Krueger
Executive Director



Wednesday, March 10, 2021

Representative Gary Tauchen, Chair & Members of Assembly Committee on Agriculture

RE: Assembly Bill 54 - farmland preservation implementation grants, agreements, and tax credits and making an appropriation.

Chair Tauchen and members of the committee, thank you for the opportunity to submit testimony in support of Assembly Bill 54.

Wisconsin Farmers Union's grassroots, member-driven policy reads:

"The Farmland Preservation Program has been valuable in helping to ensure the economic vitality of Wisconsin agriculture since 1977. Wisconsin Farmers Union affirms its endorsement of the Farmland Preservation Program as a valuable tool for improving the economic condition of our members. Revisions to the program as part of the Working Lands Initiative have strengthened Farmland preservation, with an emphasis on collecting early release fees and the continuation of a refundable tax credit."

According to the most recent USDA Census of Agriculture, the number of farms in Wisconsin decreased by over 7% between 2012 and 2017 (more than twice the national decrease of 3.2%) Total farm acreage also fell by nearly 2%.

Unfortunately, the lack of access to affordable farmland is one of the biggest barriers to new farms getting started. This problem will continue to grow as the amount of farmland in Wisconsin shrinks. Acreage and participation in the farmland preservation program has fallen over the last decade. SB68 seeks to address the primary reasons that farmers are reluctant to enroll.

An additional side benefit to expanding the Farmland Preservation Program is improving soil and water quality in rural areas. Farmers who sign up for the farmland preservation tax credits agree to comply with soil and water conservation standards. Increasing the tax credit amounts will help farmers cover the cost of meeting the conservation standards set by the program.

Thank you for this opportunity to share Wisconsin Farmers Union's thoughts on and support for this legislation.

If you have any questions or concerns, please email me at nick@wisconsinfarmersunion.com or call 608-514-4541.

Sincerely,

Nick Levendofsky
Government Relations Director
Wisconsin Farmers Union

Founded in 1930, Wisconsin Farmers Union is member-driver organization that is committed to enhancing the quality of life for family farmers, rural communities and all people through education, cooperation, and legislation.

Learn more at www.wisconsinfarmersunion.com



March 10, 2021

Representative Gary Tauchen
Chair, Assembly Agriculture Committee
Room 13 West
State Capitol

Dear Representative Tauchen and Members of the Assembly Committee on Agriculture,

Wisconsin's Green Fire supports Assembly Bill 54, which proposes a modest increase in funding for the Farmland Preservation Program.

This program, administered by the Department of Agriculture, Trade and Consumer Protection and implemented by local government established in 1978, provides financial support to farmers, protects farmland as farmland, and advances soil and water conservation on agricultural lands to a greater extent than any other program in Wisconsin. Most importantly, the program's benefits extend beyond maintaining agricultural production to preserving the identity of rural communities and improving the quality of life of all Wisconsin citizens.

For various reasons, program participation has plateaued at about 20% of Wisconsin's farmland, greatly limiting its benefits to farmers, rural Wisconsin, and our environment. Some of those reasons include the adequacy of the financial incentives of the program to farmers, which this bill moderately advances. Some farmers believe that the soil and water conservation requirements of the Farmland Preservation program are too onerous. In reality, they are the same as the state performance standards required of all Wisconsin farmers since 2002. Plus, local land conservation offices are available to help farmers with technical and financial assistance to achieve those standards which will improve surface and groundwater quality.

But, it is important to note that farmers should not have to bear the full costs of preserving farmland and protecting the environment. The vast agricultural food supply chain should not view farmers as another fungible commodity in food production but as central to rural communities land and water stewardship. Thus, worthy of their support.

Wisconsin's Green Fire believes that this bill is an important step forward. We hope to work with farmers and their support industries, the legislature, state and local agencies, as well as other environmental groups to expand Farmland Preservation Program participation to achieve its full potential for a better future for all of Wisconsin.

Thank you for your consideration, and feel free to contact Paul Heinen, Wisconsin's Green Fire Legislative Liaison at 608-692-0279 or pheinen@wlgreenfire.com

wlgreenfire.org

PO Box 1206, Rhinelander, Wisconsin 54501 | 715.203.0384 | Info@wlgreenfire.org



3-5-21

Vernon County
Land & Water Conservation Department

220 Airport Road, Viroqua, WI 54665 Phone (608) 637-5480
www.lwcd.org

To the honorable public servants representing Wisconsin,

I would like to express my support for AB 54 regarding Farmland Preservation Program.

I am the County Conservationist in Vernon County. Here our community enjoys an important balance between agriculture, clean water, and tourism. The balance between the natural resources and livestock-based agriculture is a challenging yet noble effort. This balance is critical to ensuring our communities valued traditions, economic security, and public health.

Farmland Preservation is a success story for Vernon County. This program is the primary catalyst to incentive our great farmers to work directly with Land & Water Conservation Departments. Farmers voluntarily work with us to complete Nutrient Management Plans, farm conservation walkovers, and ensure compliance with the NR 151 performance standards (Runoff Rules).

Many of farmers rely on this program to help with the very important Farmland Preservation Tax Credit.

The continuation and enhancement of this program will help to safeguard the important gains that have been made in our community. Farmland Preservation is truly a benefit to all of the good hard-working folks who are caring for our land.

I sincerely support this bill and program, and I am happy to answer any questions.
Thank you for your time and consideration,

Ben Wojahn

A handwritten signature in cursive script, appearing to read "Benjamin W. Wojahn".

Vernon County Conservationist
Certified Crop Advisor, Certified Grazing Specialist
bwojahn@vernoncounty.org