



PATRICK TESTIN

STATE SENATOR

DATE: February 6, 2020

RE: **Testimony on Senate Bill 575**

TO: The Senate Committee on Agriculture, Revenue, and Financial Institutions

FROM: Senator Patrick Testin

Thank you to the committee for accepting testimony from Representative Oldenburg and I on Senate Bill 575 (SB 575).

The Census of Agriculture reported that between 2012 and 2017, total farm acreage in Wisconsin decreased by almost 2%. SB 575'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.

I ask for your support for SB 575 so that we can ensure the continued effectiveness of this program that has been a tool for farmers and for land conservation for several decades.



LOREN OLDENBURG

STATE REPRESENTATIVE • 96th ASSEMBLY DISTRICT

Senate Bill 575

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

Senate Committee on Agriculture, Revenue & Financial Institutions

February 6, 2020

Good Morning, Chairman Marklein and committee members. I want to thank you for your willingness to hear Senate Bill 575.

As a fourth generation dairy farmer I know the value and importance of conserving our farmland. I have been involved in the Farmland Preservation Program since 2008. In order to participate in the program I, and all other farmers who participate, 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.

Senate Bill 575 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 SB 575 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



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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 take part 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.

Senate Bill 575 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,



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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 to 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, the Wisconsin Corn Growers Association, the League of Conservation Voters, and the Wisconsin Towns Association.

Thank you again for hearing Senate Bill 575. 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.



To: Senate Committee on Agriculture, Revenue and Financial Institutions
From: Representative Mark Spreitzer
Re: Testimony on Senate Bill 575
Date: February 6, 2020

Chairman Marklein and committee members:

Thank you for hearing Senate Bill 575, and for the opportunity to testify in favor of this bill. I'd like to thank the bipartisan coauthors who worked with me to address this important issue, and the Land Conservation staff in Rock County for bringing this issue to my attention.

Over the past year, Representative Kolste and I had the opportunity to meet with stakeholders from Rock County regarding a resolution passed by their Board of Supervisors recommending updates to the farmland preservation program. We soon discovered that similar conversations were happening with other legislators around the state, including Representative Oldenburg. Together, we convened a broad, bipartisan coalition to strengthen the farmland preservation program. This bill is the result of that work.

SB 575 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

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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 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 Dairy Business Association, the Wisconsin Corn Growers Association, Wisconsin Conservation Voters, Clean Wisconsin, the Wisconsin Towns Association, the Wisconsin Counties Association, and DATCP. In addition, this bill has the support of the River Alliance of Wisconsin, the Nature Conservancy, the Wisconsin Cattlemen's Association, the Wisconsin Pork Association, the Wisconsin Independent Businesses, and the Wisconsin Property Taxpayers.

Thank you again for the opportunity to testify today, and I am happy to take any questions.



February 5th, 2020

Assembly: Committee on Agriculture
Attention: Chair Gary Tauchen

Senate: Committee on Agriculture, Revenue and Financial Institutions
Attention: Howard Marklein

Chair Tauchen and Assembly Committee on Rural Development, and;
Chair Marklein and Senate Committee on Agriculture, Revenue and Financial Institutions:

This letter is in regards to Assembly Bill (AB) 637 and its companion bill, Senate Bill (SB) 575 which primarily proposes increasing involving Farmland Preservation tax credits and decreases the length of agreements from 15 years to 10 years. On behalf of Marathon County Board of Supervisors, I am providing this letter in support of the proposed legislative changes.

The Marathon County Board of approve a Farmland Preservation Plan in 2013 to accomplish the following primary objectives:

1. Farmland Preservation to conserve a critical mass (acres) of agricultural land
2. Protect soil and water resources
3. Keep individual farms from becoming isolated among residential neighborhoods and ensure enough farms to support the critical mass of local agricultural service businesses.
4. Develop Agricultural Enterprise Areas (AEA) which signifies a community's understanding of the economic importance of agriculture, value and purpose of existing soil resources and infrastructure (drainage, conservation BMP's, and transportation) to support agriculture, and the need to sustain and grow agricultural businesses. The AEA provides a program commitment by local officials and landowners and may encourage investment in agriculture.

Marathon County has a goal to be the safest, healthiest and most prosperous County and these bills aid in that goal in many ways but more specifically promoting the protection of farmland, implementation of conservation practices on the land and tax credits to farmers for good stewardship. The outcome of these proposed bills will help to accomplish Marathon County's Farmland Preservation goals.

I ask that this correspondence be added to the official record of the appropriate Committees. Thank you for considering our recommendations.

Sincerely,

Kurt Gibbs
County Board Chair

cc: Marathon County Legislators
Wisconsin Counties Association
Wisconsin Towns Association
Wisconsin Land and Water Conservation Association



Rock County Land Conservation Department

440 N US Hwy 14

Janesville, WI 53546-9708

Phone: (608) 754 - 6617 ext.3

Testimony of Rock County Land Conservation Department and Committee

SB 575 \ AB 637

Senate Committee on Agriculture, Revenue, and Financial Institutions

February 6, 2020

Chair Marklein, Vice Chair Petrowski, and Committee Members.

My name is Tom Sweeney and I am the County Conservationist for Rock County. I am here on behalf of the Department and Land Conservation Committee Members, and ultimately the Rock County Board of Supervisors to speak in favor of SB 575/AB 637.

I would like to extend a thank you to Rep. Sprietzer whom met with the Rock County Land Conservation Staff regarding the Farmland Preservation Program and its needs for updating. This initial meeting has led us here today. Also, I would like to thank Sen. Testin for his authorship of this bill and acknowledge the efforts of Rep. Sprietzer and Rep. Oldenberg and their respective staff for providing assistance in drafting the bills.

The Farmland Preservation Program has been and hopefully will remain an extremely valuable tool for Counties and Towns that are concerned with the long term viability of productive farmland in the state of Wisconsin.

At this time, I would like to give you a localized perspective of the Farmland Preservation Program. Rock County entered this program during its formative years commencing in 1978. All twenty towns within the political boundary of Rock County elected to participate from the start resulting in 1200 zoning certificates being issued. Rock County Staff had a huge undertaking to deliver conservation programming to all participants, which was accomplished. In 2009 the program underwent its first major amendment as part of the Working Lands Initiative. All but one township elected to update its FPP zoning ordinance. A loss of approximately 36 participants. However, the impact to the overall program participation was unforeseen. Numerous individuals elected non-compliance over implementation of the new conservation compliance requirements. So after the fall out we had approximately 750 participants remaining in the program. Since then we continue to accept voluntary non-compliance requests. When landowners are queried as to the foundation of their request, the most common answer is the costs of maintaining the conservation standards for this program out way the short term economic benefits. By the end of 2008, Rock County had

approximately 500 participants. In a nut shell, the credits are not keeping up with the costs. After researching the DATCP annual reports regarding this issue, we noticed that this issue is not just occurring in Rock County, but across the state. As a result of these observations, Rock County authored a resolution calling for an increase to the available tax credits available to program participants, recognizing a new tax credit category for agricultural conservation easements and finally establish a redesigned funding mechanism for the Purchase of Agricultural Conservation Easements Program at the state level. The bill encompasses all but the establishment of a modified funding mechanism for PACE. It also goes beyond the initial resolution, including the reduction to the contractual time frame (from 15 years to 10 years) for Agricultural Enterprise Areas, indexing the credits for each tax credit category and finally expansion of funding to local units of government, tribal governments and regional planning commissions related to implementing a county's certified FPP Plan.

Rock County is very supportive of this bipartisan bill, and thinks its passage would be a valuable step forward for both Wisconsin's farms and the States Natural Resources.

Thank you for the Opportunity to provide Comment, and I'd be happy to answer any questions you have.

DATE: February 6, 2020

TO: Speaker Marklein and
Members of the Senate Agriculture, Revenue and Financial Institutions
Committee

FROM: Debi Towns, Sr. Director of Government Relations
WI Farm Bureau Federation

RE: Support for Senate Bill 575 – updating WI Farmland Preservation Program

Thank you for this opportunity to speak in support of Senate Bill 575 relating to the Farmland Preservation Program (FPP). The Farmland Preservation Program, administered by the Department of Agriculture, Trade and Consumer Protection (DATCP) and claimed through a refundable per-acre tax credit from the Department of Revenue (DOR), has proven to be a positive cooperative incentive for both agriculture and conservation.

Eligible landowners may claim a Farmland Preservation tax credit on their income tax return in exchange for keeping the land in agricultural use and complying with the state's soil and water conservation standards.

However, participation in the FPP has declined in recent years. A 2018 statewide survey of farmers confirmed that the 15-year length of commitment and the modest financial incentives were the two main barriers to participation. An increasing number of farmers are finding the value of the tax credit no longer adequate compensation for limiting the use of their acreage for 15 years. This bill proposes to reduce the contract period to ten years.

The tax credits under the FPP have not been adjusted in over a decade. This bill increases the per acre tax credit in all three existing tiers of the program. These tiers include 1) qualifying acres that are subject to a FPP agreement but not located in a farmland preservation zoning district, 2) qualifying acres that are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement, 3) and qualifying acres that are located in a farmland preservation zoning district and are subject to a farmland preservation agreement.

This bill also proposes an additional tier which would be eligible for a credit which recognizes acreage located in a farmland preservation area, but only to the extent that the acres are covered by an agriculture conservation easement.

The cost of the required conservation practices has increased considerably over the past decade, but the tax credit incentive has not. Producers want to actively participate in innovative conservation practices, but this often comes with a significant price tag. This bill updates the FPP to ensure that landowners are not actually losing money in trying to meet conservation requirements of the program.

The bill also broadens the eligible purposes allowed for current DATCP grant dollars to local governments for developing and implementing farmland preservation plans. This should ensure that appropriated dollars will not go unused but actually make it possible to implement conservation plans.

State government is limited in the ways they can directly assist the agriculture industry in this state. There are many variables that legislation cannot address. However, SB 575 is one way the state can help farmers – and almost immediately. I encourage you to support SB 575. Thank you again for allowing me to testify. I would be happy to answer any questions.



Farmland Preservation

Preserving Farmland & Natural Resources for the Future

According to the most recent USDA Census of Agriculture, the number of farms in Wisconsin decreased by over 7% between 2012 and 2017¹ (more than twice the national decrease of 3.2%)² Total farm acreage also fell by nearly 2%.³

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. A bipartisan bill in the Wisconsin legislature would give a significant boost to the state's Farmland Preservation Program.

Assembly Bill 637, introduced by Representatives Oldenburg, Spreitzer, Novak, Kolste, Tranel, and Shankland, and its companion bill, Senate Bill 575, introduced by Senators Testin, Schachtner, Smith, and Taylor, would:

1) *Shorten farmland preservation agreements* that farmers enter into with the Department of Agriculture, Trade, and Consumer Protection (DATCP) from 15 years to 10 years.

2) The bill would also *increase the per-acre tax credit amounts* for farmers as follows:

- from \$7.50 to \$10 for acres in a farmland preservation zoning district without a farmland preservation agreement
- from \$5 to \$10 for acres covered by a farmland preservation agreement but not in a farmland preservation zoning district
- from \$10 to \$12.50 for acres in a farmland preservation zoning district and covered by a farmland preservation agreement
- add a new \$10 per acre credit for farmland in a farmland preservation area, if the acres are covered by an agriculture conservation easement

Acreage and participation in the farmland preservation program has fallen over the last decade. ⁴ AB 637/SB 575 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.

Barriers to Participation in Farmland Preservation



45% of farmers agreed that farmland preservation program incentives are too low to make participation worthwhile

44% of farmers that previously claimed the credit but no longer do so cited that the tax credit was not high enough to offset the costs of meeting the required conservation standards. ⁵

31% of farmers stated that the tax credit was not high enough to make signing the contract worthwhile



57% of farmers considering farmland preservation agreements were hesitant to limit what could be done with their land in the next 15 years

30% stated that the 15-year contract is too long⁶



Statistics source: DATCP

FARMLAND PRESERVATION

What can the state do?

SUPPORT THE FARMLAND PRESERVATION TAX CREDIT BILL (Assembly Bill 637/Senate Bill 575)

Groups that have already voiced support for this bill include:

- Wisconsin Farmers Union
- Wisconsin Corn Growers Association
- Wisconsin Pork Association
- Cooperative Network
- Dairy Business Association
- Wisconsin Farm Bureau Federation
- Wisconsin Counties Association
- Clean Wisconsin Inc
- River Alliance of Wisconsin
- The Nature Conservancy
- Wisconsin Conservation Voters
- Wisconsin Land and Water Conservation Association, Inc.
- Wisconsin Independent Businesses, Inc.
- Wisconsin Property Taxpayers Inc
- Wisconsin Towns Association

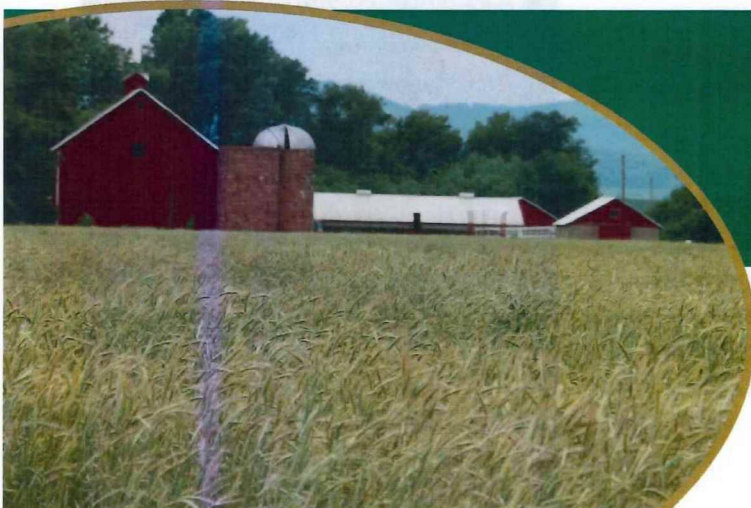
¹2012 Farms: 69,754. 2017 Farms: 64,793. Table 8, Total number of farms, 2017 and 2012, 2017 Census of Agriculture: Wisconsin. https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_State_Level/Wisconsin/st55_1_0007_0008.pdf

²2012 Farms: 2,109,303. 2017 Farms: 2,042,220. Table 8, Total number of farms, 2017 and 2012, 2017 Census of Agriculture: United States. https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/st99_1_0007_0008.pdf

³2012 Farm Acreage: 14,568,926. 2017 Farm Acreage: 14,318,630. Table 8, Total acreage of farms, 2017 and 2012, 2017 Census of Agriculture: Wisconsin. https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_State_Level/Wisconsin/st55_1_0007_0008.pdf

⁴ Email dated October 24, 2019: "Co-sponsorship of LRB 3633 & LRB 4749, related to the farmland preservation program," Memo from Representatives Loren Oldenburg, Mark Spreitzer, Todd Novak, Deb Kolste, Travis Tranel, and Katrina Shankland to legislative colleagues.

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.



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Updated January 2020



**Testimony of Scott Laeser, Water Program Director
AB 637/SB 575
Senate Committee on Agriculture, Revenue, Finances
February 6, 2020**

Clean Wisconsin is a non-profit environmental advocacy group focused on clean water, clean air and clean energy issues. We were founded fifty years ago and have 20,000 members and supporters around the state. While I am representing Clean Wisconsin today, I also operate an organic produce farm in Lafayette County outside of Argyle.

I'm here today to urge you to pass SB 575 and increase the Farmland Preservation Tax Credit. At a time when farmers are struggling with a historic run of low commodity prices 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 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 credit to farmers that implement and maintain at least the basic conservation compliance requires in NR 151, the state's non-point pollution standards rule.

Expanding the Farmland Preservation Tax Credit is a win for farmers and state conservation efforts. At a time when the state must accelerate implementation of basic agricultural conservation practices to address our water pollution challenges, 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 for its implementation.

We urge you invest in farmers and clean water and support SB 575.

Thank You



Wisconsin Land+Water Conservation Association

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Testimony of WI Land+Water Executive Director Matt Krueger

SB 575/AB 637

Senate Committee on Agriculture, Revenue, and Financial Institutions

February 6, 2020

Good morning Chair Marklein, Vice Chair Petrowski, and committee members.

My name is Matt Krueger, and I am the executive director of WI Land+Water. We are a nonprofit, nonpartisan membership organization that represents 800 county conservation department staff and elected county board supervisors across the state. I am here today, on behalf of our members, to speak in favor of SB 575/AB 637.

I want to thank Sen. Testin for his work on this bill, as well as representatives Oldenburg and Spreitzer and their respective staff members. As WI Land+Water's 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 the 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 we are annually losing an estimated 20,000-30,000 acres of farmland in the state.

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

The bill increases tax credits, which have not been adjusted for 10 years. One in three respondents to a 2018 DATCP survey on FPP 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 robust FPP participation, implementation of the program is a substantial staff workload, constituting a full-time position, or close to it.

Often, the limiting factor for FPP participation in a county with FPP zoning is conservation department staffing capacity to administer it. To this point, county conservation departments have received zero funding for their work ensuring program participants are complying with required standards. The bill would 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're optimistic that this can be addressed in the future, as we feel doing so would increase program participation.

We are also supportive of the provision to increase tax credits according to an agricultural inflationary index, as well, as not doing so will return us to the point we're at today—where depressed tax credits are a disincentive to program participation.

Lastly, though we don't 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 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, and I'd be happy to answer any questions.