



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-5011/1
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2019 SENATE BILL 664

January 8, 2020 - Introduced by Senators SMITH, SCHACHTNER, HANSEN, LARSON and SHILLING, cosponsored by Representatives NEUBAUER, SHANKLAND, SPREITZER, ANDERSON, BILLINGS, BOWEN, BROSTOFF, CONSIDINE, CROWLEY, FIELDS, GOYKE, GRUSZYNSKI, HEBL, HESSELBEIN, KOLSTE, OHNSTAD, POPE, RIEMER, SARGENT, SINICKI, STUBBS, SUBECK, C. TAYLOR, VRUWINK and ZAMARRIPA. Referred to Committee on Agriculture, Revenue and Financial Institutions.

1 **AN ACT to create** 20.115 (7) (cm) and 93.60 of the statutes; **relating to:** creating
2 a grant program for farmers who use certain sustainable practices, granting
3 rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Agriculture, Trade and Consumer Protection to create a sustainable agriculture grant program, under which DATCP may award grants to farmers to 1) implement on-site fossil fuel input efficiency measures, such as reducing the use of fossil fuel-based fertilizers or pesticides or adopting alternative fuel technologies like solar or wind power; 2) plant hedgerows, windrows, riparian buffers, or woody plantings like fruit trees; 3) increase the carbon stored in the soil, such as by using no- or low-till practices or changing grazing practices; or 4) develop a conservation management plan for carbon reduction or sequestration. Under the bill, a grant may not be awarded for a project that occurs on lands participating in a land retirement program or on commercial forest lands, or for aquaculture-based projects. A grant also may not be awarded to a farmer who is eligible for the combined state-federal conservation reserve enhancement program unless the farmer has already applied for that program, or to a farmer who is eligible for any other state, federal, or local grant for the same conservation actions unless the farmer has already applied for that grant.

The bill requires DATCP, in prioritizing grant recipients, to seek to maximize the total reduction in atmospheric carbon dioxide equivalents per grant dollar awarded by leveraging other nonstate public or private funding. In addition, DATCP

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must prioritize projects that both improve air or water quality and provide agronomic benefits. The department must also attempt to provide grants to farmers in different parts of the state and for different types of projects, and must ensure that small- and medium-sized farms are included in the grant program. Under the bill, DATCP may use up to 20 percent of the amount appropriated for the grant program to create educational programs about the grants, to provide technical assistance, to develop models to assist in prioritizing grant awards, and to administer the grant program.

The bill allows a grant recipient to use grant funds to make down payments on equipment or other types of loans related to the purpose of the grant. The bill also allows grants awarded for carbon storage projects that have an uncertain storage life to include ongoing annual payments for the previous year's storage or upfront cumulative payments based on the expected storage in future years.

The bill also allows DATCP to require a grant recipient to allow access to the property on which the grant project will take place, and requires DATCP to maintain a public list of all grant recipients, the amount of money spent or borrowed under the program, and the impact on total atmospheric carbon dioxide equivalents emissions under the program.

In addition, the bill requires DATCP, in consultation with the UW Extension, the U.S. Department of Agriculture, the Department of Natural Resources, and county land and water conservation departments to promulgate rules to administer the grant program. The bill also requires DATCP to report to the legislature biennially on the implementation and impact of the grant program.

Finally, the bill provides that an offer of a grant under the new grant program qualifies as a bona fide offer of cost-sharing. Under the current soil and water resource management program, unless a farmer receives a bona fide offer of cost-sharing from DATCP or from DNR, the farmer is not required to follow the conservation practices set by DATCP and DNR if doing so would require the farmer to discontinue or modify cropping practices on existing cropland or to discontinue or modify an existing livestock facility or operation.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

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1 (d) Develop a conservation management plan that outlines the producer's plan
2 for carbon reduction or sequestration.

3 (2) The department may not award a grant under this section for a project that
4 occurs on lands participating in a land retirement program or on commercial forest
5 land, or for aquaculture-based projects. The department also may not award a grant
6 under this section to a person who is eligible for the state-federal conservation
7 reserve enhancement program under s. 93.70 unless the person has first applied for
8 enrollment in that program, or to a person who is eligible for any other state, federal,
9 or local grant for the same conservation actions unless the person has first applied
10 for that grant.

11 (3) In prioritizing grant recipients, the department shall seek to maximize the
12 total reduction in atmospheric carbon dioxide equivalents per dollar awarded by
13 leveraging other nonstate public or private funding. The department shall also
14 prioritize practices, activities, and technologies that both improve air or water
15 quality in this state and provide agronomic benefits. The department shall also seek
16 to ensure that grants are provided to agricultural producers that are located in
17 different regions of the state and that represent different types of agricultural
18 enterprises, and shall seek to ensure that small- and medium-sized agricultural
19 enterprises are included in the grant program.

20 (4) For purposes of this section and rules promulgated under this section,
21 storing one ton of carbon dioxide equivalents in soil or standing trees for 100 years
22 shall be considered equal to avoiding one ton of carbon dioxide equivalents
23 emissions. Carbon dioxide equivalents stored for less than 100 years must be
24 annualized linearly with one-ton year carbon dioxide equivalents storage having

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1 one-hundredth the relative value as the emission of one ton of carbon dioxide
2 equivalents.

3 (5) The department may use up to 20 percent of the amount appropriated under
4 s. 20.115 (7) (cm) to create educational campaigns that raise awareness of the grant
5 program under this section; to provide technical assistance to grant applicants in
6 cooperation with the UW Extension, the natural resources conservation service of
7 the federal department of agriculture, the department of natural resources, and
8 county land and water conservation departments; to cover the cost of administering
9 the program under this section; and to develop programs and models to assist with
10 the grant prioritization process under this section.

11 (6) A person who receives a grant under this section may use the grant to make
12 down payments on equipment or other types of loans related to the purpose of the
13 grant.

14 (7) Grants awarded under sub. (1) (c) for activities or technologies that have
15 an uncertain storage life may include ongoing annual payments for the previous
16 year's storage, or upfront cumulative payments based on the expected storage in
17 future years. Grants that include upfront payments for future benefits must be
18 conditioned to include penalties for default due to negligence on the part of the grant
19 recipient.

20 (8) The department may require a grant recipient to allow access to the
21 property on which the grant project is located, with reasonable notice, to monitor the
22 impacts of the project. All grant recipients shall allow information about their
23 projects to be made available to the public. The department shall maintain a public
24 list of all grant recipients, as well as other pertinent information including total state

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1 dollars spent or borrowed and the impact on total atmospheric carbon dioxide
2 equivalents emissions.

3 (9) The department, in consultation with the UW Extension, the natural
4 resources conservation service of the federal department of agriculture, the
5 department of natural resources, and county land and water conservation
6 departments, shall promulgate rules to administer the program under this section.

7 (10) No later than January 1 of the year following the year in which a grant
8 is first awarded under this section, and no later than January 1 of each subsequent
9 odd-numbered year, the department shall submit a report on the program under this
10 section to the chief clerk of each house of the legislature for distribution to the
11 appropriate standing committees under s. 13.172 (3). The report shall document the
12 nonstate matching funds that were used by grant recipients; the total state dollars
13 awarded under the program; the total state dollars spent on providing technical
14 assistance, educational campaigns, and administration; the quantity of carbon
15 dioxide equivalents emissions avoided; the quantity of carbon stored for projects
16 under sub. (1) (c); and the total impact on atmospheric carbon dioxide equivalents
17 emissions of all activities funded under the program to date and expected over the
18 life of each project by the categories described under sub. (1) (a) to (c).

19 (11) An offer of a grant under this section shall be considered a bona fide offer
20 of cost-sharing.

21

(END)