



# PATRICK TESTIN

## STATE SENATOR

DATE: February 9, 2021

RE: **Testimony on Senate Bill 68**

TO: The Senate Committee on Agriculture and Tourism

FROM: Senator Patrick Testin

---

Thank you to the Senator Ballweg and the committee for hearing testimony from Representative Oldenburg and I on Senate Bill 68 (SB 68).

The Census of Agriculture reported that between 2012 and 2017, total farm acreage in Wisconsin decreased by almost 2%. SB 68'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.



---

**BRAD PFAFF**  
**STATE SENATOR**

---

**DATE:** February 9, 2021  
**RE:** Testimony on Senate Bill 68  
**TO:** The Senate Committee on Agriculture and Tourism  
**FROM:** Senator Brad Pfaff

---

Good morning Chair Ballweg and members of the committee. I am pleased to submit testimony in support of Senate Bill 68, which updates Wisconsin's Farmland Preservation Program. The goal of this proposal is to increase participation in this important program, which incentivizes the preservation of quality soil and farmland around the state. One of the things that makes Wisconsin special is our commitment to our agricultural economy. I can think of few things as important as preserving this heritage for the generations that will come after us.

By increasing the tax incentives in the program, we will provide meaningful property tax relief at a time that has been especially challenging for farmers. The bill also reduces the number of years a farm is committed to the program from 15 years to 10. This will help incentivize more participation. The last time the program was updated was over a decade ago and it is time to make the program more attractive to farm families. I am pleased so many agricultural stakeholders have expressed their support for this proposal.

The Department of Agriculture, Trade and Consumer Protection conducted a survey of farmers that highlighted the need to increase the incentives in the program. Many farmers were reluctant to participate because the benefits of the program did not meet their needs. With this proposal we are not only increasing the incentives to participate now, because the bill indexes the incentives to inflation it will help maintain the attractiveness of the program for years to come.

I respectfully ask for your support of Senate Bill 68 and the modernization of the Farmland Preservation Program. There is broad recognition that land conservation yields many benefits for our communities. Thank you.



---

# LOREN OLDENBURG

STATE REPRESENTATIVE • 96<sup>th</sup> ASSEMBLY DISTRICT

## Senate Bill 68

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

**Senate Committee on Agriculture & Tourism**

**February 9, 2021**

Good Morning, Chairwoman Ballweg and committee members. I want to thank you for your willingness to hear Senate Bill 68.

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.

Senate Bill 68 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 68 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.

Senate Bill 68 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 Senate Bill 68. 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 and Tourism  
**From:** Representative Mark Spreitzer  
**Re:** Testimony on Senate Bill 68  
**Date:** February 9, 2021

Chair Ballweg and committee members:

Thank you for hearing Senate Bill 68, and for the opportunity to submit written testimony in favor of this bill. This bill is a reintroduction of 2019 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.

SB 68 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.



State of Wisconsin  
Governor Tony Evers

---

**Department of Agriculture, Trade and Consumer Protection**  
Secretary-designee Randy Romanski

February 9, 2021

**FROM:** Bradford Steine, Legislative Liaison  
Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

**TO:** Senate Committee on Agriculture and Tourism

**RE:** **Senate Bill 68 Relating to: farmland preservation implementation grants, agreements, and tax credits and making an appropriation.**

Chair Ballweg and members of the Senate Committee on Agriculture and Tourism:

Thank you for the opportunity to submit written testimony in support of Senate Bill 68 (SB 68) relating to farmland preservation implementation grants, agreements, and tax credits. I appreciate the chance to share more information with you on how DATCP works to help preserve this valuable part of our state's heritage and economic well-being.

Overall, DATCP is excited about the many proposals currently circulating in support of Wisconsin agriculture. The Governor's announcement of his agricultural initiatives in the upcoming budget last week was certainly welcome news. The items before the committee today, paired with the Governor's proposed investments in meat processing, local and international markets, soil and water conservation, and farmer mental health programming will further strengthen Wisconsin's agricultural economy. The department looks forward to working with members of this committee and the legislature on the many bi-partisan issues currently before us.

**Background:**

Wisconsin's farmland preservation program was established in the 1970s. It is administered by DATCP and provides land use tools to help ensure the availability and viability of farmland for current and future generations of farmers. The FPP also protects soil and water by requiring that landowners meet state conservation standards if they wish to claim the annual tax credit. The program also encourages farmers and local governments to work together to promote their local agricultural economy.

County conservation departments play an integral role in the success of Wisconsin's farmland preservation program. Each year, in addition to the statutory obligation to conduct soil and water conservation compliance checks each year, these departments support local efforts to certify new farmland preservation zoning districts and designate new Agricultural Enterprise Areas (AEAs). The increased number of zoning districts and AEAs opens the door for more farmland owners to participate in the farmland preservation program.

Throughout the years, there have been many conversations on how to improve our state's farmland preservation program. The most recent changes were adopted by 2009 Act 28. That law established the current framework of the program by creating a three-tiered system of tax credits:



DATCP believes these proposed changes to the farmland preservation program will increase interest in the program, protect our state's farmland, and promote investment in Wisconsin agriculture. We look forward to working with the bill author, members of the committee and the legislature this session.

**DATCP is also supportive of the following bills before the committee today:**

- Senate Bill 81 relating to: labeling food as a type of dairy product or as a dairy ingredient
- Senate Bill 82 relating to: labeling a food product as meat
- Senate Bill 83 relating to: labeling a food product as a type of milk

Thank you again for the opportunity to testify in support of SB 68. Feel free to reach out to me at (608) 224-5024 or [Bradford.Steine1@legis.wisconsin.gov](mailto:Bradford.Steine1@legis.wisconsin.gov) if you have any questions.

Sincerely,

Bradford Steine  
Legislative Liaison  
Wisconsin Department of Agriculture, Trade and Consumer Protection

DATE: February 9, 2021

TO: Chairperson Ballweg and  
Members of the Senate Committee on Agriculture and Tourism

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

RE: Support for Senate Bill 68 – updating WI Farmland Preservation Program

Thank you for this opportunity to speak in support of Senate Bill 68 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 (10) 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 modernization by establishing 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 negative impact on their net income. This bill updates the FPP to ensure that landowners are not actually losing money in trying to meet conservation requirements of the program.



Tuesday, February 9, 2021

Senate Committee on Agriculture & Tourism

Re: Senate Bill 68 - farmland preservation implementation grants, agreements, and tax credits and making an appropriation.

Nick Levendofsky – Government Relations Director, Wisconsin Farmers Union

Chair Ballweg and members of the committees, thank you for the opportunity to submit testimony in support of Senate Bill 68.

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%.

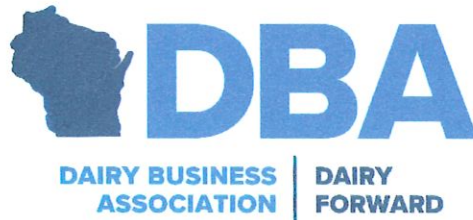
Unfortunately, the lack of access to affordable farmland is one of the biggest barriers to new farms getting started. This problem will continue to grow as the amount of farmland in Wisconsin shrinks. Acreage and participation in the farmland preservation program has fallen over the last decade. SB68 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 this issue.

If you have any questions or concerns, please email me at [nick@wisconsinfarmersunion.com](mailto:nick@wisconsinfarmersunion.com) or call 608-514-4541.

*Founded in 1930, Wisconsin Farmers Union is member-driven 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](http://www.wisconsinfarmersunion.com)*



February 9, 2021

Senate Committee on Agriculture and Tourism  
Written Testimony in Favor of SB 68, Farmland Preservation Program (FPP)

Chairwoman Ballweg, Ranking Member Pfaff and committee members, thank you for scheduling this hearing on Senate Bill 68 which will increase tax credits for 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 Senate Bill 68. 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 Senate Bill 68. I hope you will move this bill forward for consideration by the full Senate.

Sincerely,

Chad Zuleger



**Testimony of Scott Laeser, Water Program Director  
SB 68  
Senate Committee on Agriculture and Tourism  
February 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 SB 68 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 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 SB 68.

Thank You



## Wisconsin Land+Water Conservation Association

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

### **Written SB 68 Testimony of WI Land+Water Executive Director Matt Krueger**

Senate Committee on Agriculture and Tourism

February 8, 2020

Dear Chair Ballweg, Vice Chair Marklein, Ranking Member Pfaff, 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 SB 68.

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 the bill, and thank I want to thank Sen. Testin for his work on this bill, as well as representatives Oldenburg and Spreitzer and their respective staff members.

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 100,000 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 proposes to FPP tax credits, which have not been adjusted for 10 years. One in three respondents to a 2018 DATCP FPP survey on 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.

Conservation departments in counties with FPP zoning and high participation rates experience significant workload related to FPP implementation. To this point, there has not been a mechanism to offset implementation expenses such as 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 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 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", with a long horizontal flourish extending to the right.

Matt Krueger  
Executive Director