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03/04/2009

1 **AN ACT** *to renumber and amend* 93.46 (1) (d); and *to create* 26.42, 93.46 (1) (d) 1.
2 to 4. and 93.46 (1e) of the statutes; **relating to:** the agricultural diversification
3 program.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill draft was prepared for the joint legislative council's special committee on domestic biofuels. The bill draft expands the agricultural diversification program administered by the department of agriculture, trade and consumer protection (DATCP) to include the promotion of marketable credits for reducing emissions of greenhouse gases derived from the production of agricultural commodities (also known as carbon offset credits) and of other types of energy made from these commodities in addition to alternative fuels made from agricultural source stocks. The bill draft creates a comparable forestry diversification program administered by the department of natural resources (DNR). The bill draft also directs DATCP and DNR to promote these new products in cooperation with and with the assistance of the other department and the University of Wisconsin—Extension.

The draft does not authorize DATCP or DNR to regulate greenhouse gas emissions.

4 **SECTION 1.** 26.42 of the statutes is created to read:

5 **26.42 Forestry diversification.** (1) The department shall establish a forestry
6 diversification program and shall promote and assist the development and use of industrial and
7 commercial products from forestry products, including:

8 (a) Alternative fuels, including fuels subject to the renewable fuel program under 42
9 USC 7545 (o).

10 (b) Heat.

11 (c) Electricity, including electricity subject to s. 196.378 (2).

1 (d) Marketable credits for reducing emissions of greenhouse gases, as defined in s.
2 285.78 (1) (c), derived from appropriate management practices used in the production of
3 timber.

4 (2) The department shall promote and assist the development and use of the products
5 identified in sub. (1) (a) to (d) in cooperation with and with the assistance of the department
6 of agriculture, trade and consumer protection and the University of Wisconsin–Extension.

7 **SECTION 2.** 93.46 (1) (d) of the statutes is renumbered 93.46 (1) (d) (intro.) and amended
8 to read:

9 93.46 (1) (d) Promote and assist the development and use of industrial and commercial
10 products from agricultural commodities ~~and forestry products~~ and from the production of
11 these commodities, including ~~alternative fuels produced from agricultural source stocks.~~

COMMENT: Section 93.46 (1) contains the agricultural diversification program.

12 **SECTION 3.** 93.46 (1) (d) 1. to 4. of the statutes are created to read:

13 93.46 (1) (d) 1. Alternative fuels, including fuels subject to the renewable fuel program
14 under 42 USC 7545 (o).

15 2. Heat.

16 3. Electricity, including electricity subject to s. 196.378 (2).

17 4. Marketable credits for reducing emissions of greenhouse gases, as defined in s.
18 285.78 (1) (c), derived from appropriate management practices used in the production of the
19 agricultural commodity.

COMMENT: The renewable fuel program referenced in subd. 1. is the federal renewable fuels standard. The reference in subd. 3. is to the state renewable portfolio standard applicable to electricity sold by retail electric utilities and cooperatives.

20 **SECTION 4.** 93.46 (1e) of the statutes is created to read:

93.46 (1e) The department shall promote and assist the development and use of the products identified in sub. (1) (d) 1. to 4. in cooperation with and with the assistance of the department of natural resources and the University of Wisconsin–Extension.

(END)