

Wisconsin Legislative Council

AMENDMENT MEMO



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2021 Assembly Bill 727

Assembly Amendment 1 and Assembly Substitute Amendment 1

2021 ASSEMBLY BILL 727

2021 Assembly Bill 727 authorizes the Department of Agriculture, Trade and Consumer Protection (DATCP) to provide a crop insurance premium rebate of \$5 for each acre that is planted with a cover crop. The bill appropriates \$400,000 in fiscal year 2022-23 from the environmental fund to DATCP for the rebates. DATCP may provide crop insurance premium rebates in accordance with the following:

- First, DATCP is authorized to **promulgate rules** to determine eligible cover crops and to establish procedures to verify that an eligible cover crop is planted on an acre for which a rebate is provided.
- Second, DATCP may not provide a rebate for the planting of a cover crop on an acre for which funding for planting a cover crop is **available** from a federal or state grant or incentive program. The bill lists the following as examples of such programs:
 - The federal Environmental Quality Incentives Program. [16 U.S.C. ss. 3839aa to 3839-8.]
 - The federal Conservation Stewardship Program. [16 U.S.C. ss. 3839aa-21 to 3839aa-25.]
 - A producer-led watershed protection grant. [s. 93.59, Stats.]
 - The Soil and Water Resource Management Program. [s. 92.14, Stats.]
- Finally, DATCP must award rebates in the **order** in which approved applications were received, and DATCP may not limit the **number of acres** for which a person may receive a rebate.

The bill also establishes a commercial nitrogen optimization pilot program. Under the program, DATCP may award grants to an agricultural producer, working in collaboration with a University of Wisconsin System (UWS) institution, to implement a project that optimizes the application of commercial nitrogen. The bill appropriates \$1 million in each of fiscal years 2021-22 and 2022-23 from the environmental fund for the program.

Finally, the bill requires the Board of Regents of UWS to create a full-time hydrogeologist project position for three years. The bill appropriates \$75,000 in fiscal year 2021-22 and \$150,000 in fiscal year 2022-23 from the environmental fund for the position.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 modifies crop insurance premium rebates in the following ways:

- First, in addition to the rulemaking authority granted by the bill, the amendment authorizes DATCP to **promulgate rules** to establish the application and award process and to determine the maximum amount of acres for which an applicant may receive funding in a year, except that DATCP

may impose such a maximum only in years in which the total amount of funding requested by eligible applicants exceeds the total funding available.

- Second, the amendment prohibits DATCP from providing a rebate for the planting of a cover crop on an acre for which funding for planting a cover crop is **provided** (instead of available) from a federal or state grant or incentive program. The amendment also adds the following to the list of illustrative federal or state grant or incentive programs:
 - A lake management planning grant. [s. 281.68, Stats.]
 - A lake management grant. [s. 281.69, Stats.]
 - A river protection grant. [s. 281.70, Stats.]
- Finally, the amendment does not require DATCP to award rebates in the **order** in which approved applications were received, and does not prohibit DATCP from limiting the **number of acres** for which a person may receive a rebate (although such a limitation may be imposed only in certain years, as described above).

ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Substitute Amendment 1 incorporates all of the changes made by Assembly Amendment 1, but makes the following changes regarding funding:

- The substitute amendment deletes the bill's appropriations from the environmental fund for crop insurance premium rebates and the commercial nitrogen optimization pilot program and instead requires that DATCP, in each of fiscal years 2021-22 and 2022-23, request that the Joint Committee on Finance supplement an existing soil and water management appropriation for DATCP with sufficient funds for DATCP to provide the crop insurance premium rebates and commercial nitrogen optimization pilot program grants created in the bill.
- The substitute amendment deletes the bill's appropriation from the environmental fund for the hydrogeologist position and instead requires that the position be funded from an existing appropriation for UWS general program operations.

BILL HISTORY

Assembly Amendment 1 was offered by Representative Kitchens on December 22, 2021. On February 8, 2022, the Assembly Committee on Agriculture unanimously recommended adoption of the amendment and passage of the bill, as amended.

Assembly Substitute Amendment 1 was offered by Representative Kitchens on February 18, 2022. On February 22, 2022, the Joint Committee on Finance recommended adoption of the amendment on a vote of Ayes, 12; Noes, 4, and passage of the bill, as amended, on a vote of Ayes 16; Noes, 0.

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