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# LOREN OLDENBURG

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

## Assembly Bill 133

Relating to: farmland preservation agreements, and tax credits

Assembly Committee on Agriculture

April 11<sup>th</sup>, 2023

Good Morning, Chairman Tranel and committee members. Senator Testin and I want to thank you for your willingness to hear Assembly Bill 133. 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 to participate in the program farmers 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. 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.

In AB 133 we decreased the length of the agreement from 15 to 10 years. We've also updated the per-acre tax credits that have not been updated since 2009 listed below:

- Per acre of qualifying farmland located in a farmland preservation zoning district, but not a part of a farmland preservation agreement was \$7.50 and moved up to \$10.00
- If you're in a farmland preservation agreement, but not in a farmland preservation zoning district we're changing the rates from \$5.00 to \$10.00 per acre

- If the farmland is in a farmland preservation zoning district and under a farmland preservation agreement the tax credit is going from \$10.00 to \$12.50 per acre
- Creation of a new tax credit category will allow for a \$10.00 per acre credit 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

It is important to note that this bill was created with DATCP, DOR and the Wisconsin Land and Water Association during the past two legislative sessions. 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, Dairy Business Association, and the Wisconsin Land and Water Conservation Association.

Thank you again for hearing Assembly Bill 133. 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.



*Testimony in Support of Assembly Bill 133  
Assembly Committee on Agriculture  
April 11, 2023*

Chair Tranel and members of the Assembly Committee on Agriculture, thank you for the opportunity to testify in support of Assembly Bill 133, legislation to improve and modernize Wisconsin's Farmland Preservation Program. I also want to thank Representatives Oldenburg and Novak for their leadership and hard work on this important issue over multiple sessions.

As we all know, agriculture is vital to Wisconsin's economy, and beyond that, farming is inextricably tied to our state's heritage and identity. Our state's Farmland Preservation Program ensures the preservation of Wisconsin farmland, helps mitigate any land use conflicts, and protects our soil and water by ensuring producers adopt the best conservation practices that protect groundwater and surface water, limit erosion, and ensure Wisconsin farmland is usable for generations to come.

However, over the years, the land available for farming and agriculture has dwindled. In fact, since 2010, farmland has declined by about *one million* acres, and we know that once that land is gone, it rarely if ever is farmed again. Participation in our state's Farmland Preservation Program has dropped significantly, according to DATCP's 2018 program survey. In that survey, respondents reported numerous factors as being prohibitive to signing a farmland agreement, including the 15-year minimum contract being too long, the tax credits being too small to make it worthwhile, and concerns with how they can use their land throughout the duration of the contract. This legislation addresses these concerns and will help preserve farmland throughout Wisconsin. Assembly Bill 133 helps improve the program, aiming to enroll more producers and acreage in this program through several more attractive tax credits and eligibility changes:

- Reduces the minimum required length of a farmland preservation agreement between DATCP and a farmland owner from 15 to 10 years
- Increases the tax credit available from \$7.50 to \$10 for qualifying acres located in a farmland preservation zoning district but not subject to a farmland preservation agreement
- Increases the tax credit available from \$5 to \$10 for qualifying acres subject to a farmland preservation agreement but not located in a farmland preservation zoning district
- Increases the tax credit available from \$10 to \$12.50 for qualifying acres located in a farmland preservation zoning district and are subject to a farmland preservation agreement
- Creates a new category and a \$10 per acre credit for farmland that is located in a farmland preservation area, but only to the extent that the acres are covered by an agricultural conservation easement
- Indexes all of the farmland preservation tax credit values to inflation



To: Assembly Committee on Agriculture  
From: Senator Mark Spreitzer  
Re: Testimony on Assembly Bill 133  
Date: April 11, 2023

Chair Tranel and committee members:

Thank you for hearing Assembly Bill 133, and for the opportunity to submit testimony in favor of this bill. This bill is a reintroduction of 2021 Assembly Bill 54/Senate Bill 68, a bipartisan bill that passed unanimously last session out of both the Senate Committee on Agriculture and Tourism and the Assembly Committee on Agriculture.

The Land Conservation staff in Rock County first brought this issue to my attention in 2019. Over the past two sessions, I have been proud to work with Representative Oldenburg, Senator Testin, and others to convene a bipartisan coalition of legislators, agricultural groups, and farmers to strengthen and support the farmland preservation program. This bill is the result of that work.

AB 133 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 nearly 15 years, while the cost of the required soil and water conservation standards, and agricultural inputs, has increased. This has led to a significant and concerning decrease in participation in the farmland preservation program. From 2013 through 2022, the number of participants decreased by 29% and the number of enrolled acres decreased by 23%.

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 low dollar amount of the per-acre credits and the length of farmland preservation agreement contracts.

### **15<sup>th</sup> SENATE DISTRICT**



## PATRICK TESTIN

### STATE SENATOR

DATE: April 11<sup>th</sup>, 2023

RE: **Testimony on Assembly Bill 133**

TO: The Assembly Committee on Agriculture

FROM: Senator Patrick Testin

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Thank you to the Representative Tranel and the committee for accepting my written testimony on behalf of Assembly Bill 133 (AB 133).

Between 2010 and 2021, Wisconsin lost nearly one million acres of farm land; this is a disturbing trend. While farmers are producing more and using fewer resources, it remains critically important that agricultural land does not slip out of production. Preserving farmland ensures the security of our food supply, provides stability to the farming community, and sustains an important tradition.

Representative Loren Oldenburg and I understand the need to protect Wisconsin's farmland. We've been working with members of the farming and conservation communities to craft an update to Wisconsin's farmland preservation program that will work to increase interest and participation. This program, originally developed in 1977, provides tax credits to farmers who agree to be in the program for a specified length of time, submit a nutrient management plan, and meet soil and water conservation standards.

Our bill makes several adjustments. First, we propose decreasing the minimum length of agreement between the farmer and the Department of Agriculture, Trade, And Consumer Protection from fifteen years to ten years. Additionally, we increase the following per acre tax credits:

- 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.

Finally, we create a new tax credit of \$10.00 per acre that 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.

Once farmland is developed for other uses it is rarely returned to agricultural production. By revitalizing this program, Rep. Oldenburg and I aim to strengthen Wisconsin's farm economy and its environment for future generations.

This bill has earned support from many groups interested in both agriculture and conservation. Please join the Wisconsin Farm Bureau Federation, Wisconsin Conservation Voters, the Wisconsin State Cranberry Growers Association, Cooperative Network, the Dairy Business Association, Clean Wisconsin, and many others in support of this bill.



LAND CONSERVATION DEPARTMENT  
303 W Chapel Street, Suite 2100  
Dodgeville, WI 53533

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Chairman Tranel and fellow Assembly members,

Thank you for the opportunity to testify before you today. I am Katie Abbott, County Conservationist with the Iowa County Land Conservation Department, and I am here in support of AB 133.

Iowa County has a high number of Farmland Preservation Program (FPP) participants because our farmland preservation zoning is County-wide. My department works with over 675 farmers and landowners who have active Certificates of Compliance. These Certificates cover over 156,000 acres, or about a third of the total size of Iowa County.

This is a significant workload for our small department. We have one full-time position dedicated to the program, with the other three staff assisting when needed. Additional capacity would allow us to grow the program and spend more time with individual participants to better help them with their conservation goals and challenges.

The Farmland Preservation Program is the best tool we have to protect soil and water through voluntary means. However, we have fewer participants each year. Over the last five years FPP participation in Iowa County has dropped by 8%.

The most common reason for no longer participating is the expense of staying in compliance in relation to the tax credit amount. We've heard farmers say, "It's just not worth it," many times in our office.

Since the program's major updates in 2009, the amount of tax credit has never increased, even though four additional compliance standards were added in 2014, and the costs to stay in compliance continue to rise.

Farmers are asked to maximize their yields of food, fiber, and fuel for a growing world, while also maintaining clean water, improving soil health, providing wildlife habitat, reducing flooding risks, and, more recently, sequestering carbon.

Modernizing the Farmland Preservation Program and increasing the tax credit amount is an important step in helping our farmers provide all of these societal benefits, and in maintaining a strong, voluntary soil and water conservation program in Wisconsin.

Thank you for your time and I hope you will support both farming and conservation in Wisconsin by passing AB 133.



## Wisconsin Land+Water Conservation Association

121 S. Pinckney Street, Suite 420 · Madison, Wisconsin 53703  
(608) 441-2677 · Fax: (608) 441-2676 · wisconsinlandwater.org

**Testimony of WI Land+Water Executive Director Matt Krueger in Support of Assembly Bill 133**  
Assembly Committee on Agriculture  
April 11, 2023

Good Morning Chair Tranel, Vice-Chair Oldenburg, Ranking Member Considine, 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 land conservation committee members across the state. On behalf of those members, I submit my testimony in favor of AB 133.

WI Land+Water has enthusiastically supported versions of the bill during the last two legislative sessions, one reason for which is that our members called for similar improvements to the Farmland Preservation Program (FPP) at our 2019 annual membership meeting. As such, we are excited to see it reintroduced this session, and want to thank and acknowledge the office of Rep. Oldenburg as well as the offices of senators Testin and Spreitzer for their leadership on this 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. Improving and modernizing this program makes a lot of sense at this particular moment, as every year we are losing too many acres of valuable farmland in the state.

We support the proposed increase of FPP tax credits, which have not been adjusted since 2009. A 2018 DATCP FPP survey found that one in three participants felt the tax credit was too low to warrant signing a contract. Increased tax credits could represent a real incentive for farmers to participate in the program. Increased program participation would not only preserve farmland from development, but would mean that more farmland is meeting baseline conservation standards, which is a requirement for program participation.

We also support the provision to use an agricultural index to adjust FPP tax credits for inflation, as failing to do so will eventually return us to the point we are at today—where depressed tax credits are negatively affecting program participation. Though we do not support reducing the contractual terms of programs with conservation benefits as a general practice, in this situation it makes sense to do so, as the current 15-year program contract length was seen as an obstacle to participation, according to the same 2018 DATCP survey.



While we support this bill, a key provision of importance to WI Land+Water's members that existed in previous versions of the bill has been removed from this one. That provision would have allowed undersubscribed farmland preservation planning grant funds to be used by local units of government and tribes to offset program administrative and implementation expenses.

The reason that provision was important is that county conservation departments play a vital role in making FPP work; every four years, they visit the farms of participating landowners to ensure program standards are being met, and to issue a certificate of compliance that allows the landowner to receive their tax credit. There are many related administrative program duties, as well. In counties with robust FPP acreage, administration and implementation of the program is a substantial workload that falls to the conservation department staff, constituting more than a full-time position, in several cases.

We are hopeful that this important provision can be addressed in future legislation, because if this bill passes and successfully increases FPP participation, it will be an even greater workload on counties who receive no specific compensation from the state for program administration and implementation, which could act as a bottleneck to program expansion and success.

In closing, we are very supportive of AB 133, 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.



Tuesday April 11th, 2023

Assembly Committee on Agriculture

**Re: Assembly Bill 133: Relating to: Farmland preservations agreements and tax credits.**

**Daniel Kvalheim – 3rd Generation Farmer in Sun Prairie Township, Wisconsin Farmers Union**

Chair Tranel and members of the committees, thank you for the opportunity to submit testimony in support of Assembly Bill 133.

Wisconsin Farmers Union is a member-driven organization, committed to enhancing the quality of life for family farmers, rural communities, and all people through educational opportunities, cooperative endeavors, and civic engagement. Our state chapter was founded in 1930, and we proudly represent around 2,000 farming families in the state.

Wisconsin Farmers Union's grassroots, member-driven policy reads:

***“We favor maintaining the state’s share of public-school funding at 66% or higher. We call on the State to examine current spending and revenue-generating policies. We endorse the tax relief benefits under the Farmland Preservation and Homestead Credit programs, and support expanding these programs to provide property tax relief to more family farms. Reduce the age of eligibility down to 18 as was the case from 1947 to 2017. Increase the maximum annual credit amount to \$2500. Increase the maximum household income allowed for recipients to \$35,000.”***

***“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.”***

This bill is timely and necessary. According to the recent USDA Census of Agriculture, over eight (8) years between 2012 and 2019 Wisconsin has lost 6,300 farms or 8.8% of the farms.

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. AB 133 seeks to address the primary reasons that farmers are reluctant to enroll.

An additional 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.

My family's experience with the Farmland Preservation agreements started with my dad and mom in the 1970s and we have been a part of the program since that time. My wife Lori, and I purchased the farm on land contract in 1985 and in 2016 brought our son Kristen into the ownership also on land contract completing a succession plan to the next generation.

We have benefited from the program every year monetarily: our property tax bills for the last 9 years totaled \$120,547. Our return from FP was \$10,704. This is appreciated.

As a former Agriculture Educator I also believe the strong component of conservation practice and nutrient management is extremely important and a lasting benefit of FP involvement.

As legislators, anything you can do to help make farming and rural life more affordable will be appreciated. Removing more of the burden of property tax through farmland preservation is one step.

Thank you for this opportunity to share my thoughts and those of the Wisconsin Farmers Union's on this issue.

If you have any questions or concerns, please email Policy Coordinator, Michelle Ramirez-White at [mramirezwhite@wisconsinfarmersunion.com](mailto:mramirezwhite@wisconsinfarmersunion.com) or call 715-450-9507

Sincerely,

Daniel Kvalheim

3rd Generation Farmer in Sun Prairie Township, Wisconsin Farmers Union



State of Wisconsin  
Governor Tony Evers

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

**RE: Assembly Bill 133 Relating to: farmland preservation agreements and tax credits.**

Chair Tranel and members of the Assembly Committee on Agriculture:

Thank you for the opportunity to submit testimony in support of Assembly Bill 133 (AB 133) relating to farmland preservation agreements and tax credits. My name is Tim Anderson, and I am the Director of the Bureau of Land and Water Resources in the Division of Agricultural Resource Management at the Department of Agriculture, Trade and Consumer Protection (DATCP). I am joined by Wednesday Coye who is the Farmland Preservation Program Manager. 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 in partnership with local governments and landowners.

**Background:**

Wisconsin's farmland preservation program (FPP) 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, these departments support local efforts to certify new farmland preservation zoning districts, designate new Agricultural Enterprise Areas (AEAs) and enroll landowners in farmland preservation agreements. The increased number of zoning districts and AEAs opens the door for more farmland owners to participate in FPP.

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 the proposed changes in AB 133 to the farmland preservation program will increase interest in the program, protect our state's farmland, support conservation and promote investment in Wisconsin agriculture. We look forward to working with the bill author, members of the committee and the legislature this session.

Thank you for the opportunity to provide information on AB 133. Wednesday and I would be happy to answer any questions committee members may have.



April 11, 2023

**Assembly Committee on Agriculture  
Written Testimony in favor of AB 133, Farmland Preservation Program (FPP) grants**

Chairman Tranel, Ranking Member Considine and committee members, thank you for scheduling this hearing on Assembly Bill 133, which will increase tax credits for participating members in 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 AB 133 because 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 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.

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 my testimony in support of Assembly Bill 133. I hope you will move this bill forward for consideration by the full Assembly.

Sincerely,

Chad Zuleger  
Director of government affairs