



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

2017

Joint Committee on Finance

Paper #142

Farmland Preservation Planning Grants (Agriculture, Trade and Consumer Protection)

CURRENT LAW

The Department of Agriculture, Trade and Consumer Protection (DATCP) provides grants to assist counties in updating their farmland preservation plans. Grants are funded by general purpose revenues (GPR) on a reimbursement basis, and may cover up to 50% of the county's cost of preparing a farmland preservation plan. 2015 Act 55 provided \$374,200 GPR annually for planning grants during 2015-17. However, current law establishes a sunset for the appropriation of June 30, 2016, after which no money may be provided by DATCP for planning grants. As a result, appropriated funds of \$374,200 GPR during 2016-17 will be lapsed to the general fund.

Farmland preservation plans are intended to establish a county's policy for farmland preservation and agricultural development. Plans map areas in each county to be preserved for agricultural use, and describe actions counties and municipalities intend to take to preserve identified areas. Plans are to identify the following: (a) economic or demographic trends that may affect farmland in the county; (b) current agricultural uses of land; (c) key agricultural resources and infrastructure; (d) goals for agricultural development; and (e) land use issues related to farmland preservation and development.

GOVERNOR

No provision. Although the appropriation for planning grants is sunset on June 30, 2016, base funding of \$374,200 annually is included in the Governor's 2017-19 budget.

DISCUSSION POINTS

1. Farmland preservation plans form the basis for all other farmland preservation policy instruments. Farmland preservation zoning districts, farmland preservation agreements, and

agricultural enterprise areas, which are the basis for eligibility to claim the farmland preservation tax credit, are all required to be located in areas designated by preservation plans for long-term agricultural use. In 2015-16, the farmland preservation tax credit paid total claims of \$19.5 million to agricultural owners of eligible lands who also are in compliance with state soil and water conservation standards.

2. Preservation plans are certified by DATCP and last for 10 years, but may be extended by up to two years at the discretion of the DATCP Secretary. Counties may apply for grant funding of up to \$30,000 per award to update their preservation plans, which include costs such as mapping, data collection, and citizen outreach. DATCP indicates many counties lack the technical expertise or staff to develop plans on their own and often hire a consultant or regional planning commission to assist in plan development.

3. DATCP reports farmland preservation planning by counties is dependent on cost support from the state. Under the original farmland preservation planning program created in 1977, counties were provided grants to create farmland preservation plans. By 1986, all counties except Menominee and Milwaukee had created plans. At the time funding was provided only for the creation of plans, and as a result, only seven counties revised their plans before changes made in 2009 that established plan expiration dates. Since 2009, 64 counties (see Attachment 1) have received planning grant awards totaling approximately \$1.5 million. As a result, 58 counties have updated their plans as of April, 2017, and 10 more are in the process of doing so. A summary of plan expiration dates by county can be found in Attachment 2.

4. Taylor and Douglas counties were not able to fully anticipate their future costs for updating plans when making requests before the June 30, 2016, sunset. As a result, DATCP indicates both would likely apply for grants to update their plans expiring in 2017. Further, DATCP reports most counties begin work updating their plan two years before its expiration. The Department expects Dodge, Grant, Jefferson and Waukesha counties would request planning grants during the next biennium to update their plans if funds were available. Further, 18 counties will have plans expiring in 2022 and 2023, including a number of counties with high participation and numbers of tax credit claimants, which DATCP indicates may raise interest for planning grants well before their plan expirations, perhaps during the next biennium.

5. As seen in Attachment 1, some planning grant funds go unspent. DATCP reports it is difficult for counties to anticipate costs for plans until the planning process is mostly complete. The Department notes that despite unspent allocations in the past, it anticipates grant awards of the maximum \$30,000 for each county that would request a grant in the next biennium.

6. In addition to the GPR appropriation discussed above, farmland preservation planning grants may be funded by an appropriation from the segregated (SEG) working lands fund. Revenues to the fund consist primarily of conversion fees for early termination of farmland preservation agreements, and are not expected to generate significant income. The only authorized spending from the fund during 2015-17 was an \$8,000 annual appropriation in DATCP for expenses related to workshops with local governments. The fund had a balance of \$139,100 as of June 30, 2016. In the event the Committee deletes GPR funding, it could consider providing working lands SEG on a limited basis, although the fund lacks significant revenues to support ongoing grant allocations.

7. Under current law, farmland preservation planning grants are sunset as of June 30, 2016. As a result, currently appropriated funds of \$374,200 GPR for 2016-17 will not be spent and will be lapsed to the general fund. If the Committee wishes to maintain the sunset of planning grants, a technical modification deleting the associated funding should be considered [Alternative 1]. If the Committee adopts Alternative 1, it could also consider deleting the farmland preservation planning grant program entirely, including authorizing statutes and two associated appropriations [Alternative 2]. Funds currently encumbered for counties could be disbursed, but the statutory authority for the program would be repealed.

8. It may be that counties find the infrequent and possibly significant costs of planning difficult to absorb in county budgets without state assistance. Given the need for planning grants to update preservation plans and the dependence of other agricultural land conservation activities on preservation plans, the Committee could consider deleting the June 30, 2016, sunset [Alternative 3].

9. Considering a smaller amount of counties will need to update their plan in the next two biennia and thus demand for grants will be lower, the Committee could also consider repealing the sunset and reducing grant allocations to \$210,000 GPR annually to align more closely with current need [Alternative 4].

ALTERNATIVES

1. Delete \$374,200 GPR annually associated with farmland preservation planning grants. (This would maintain the grant sunset of June 30, 2016.)

ALT 1	Change to	
	Base	Bill
GPR	- \$748,400	- \$748,400

2. In addition to Alternative 1 above, repeal the farmland preservation planning grant program under s. 91.10(6) and its appropriations under 20.115(7)(dm) and 20.115(7)(tm).

3. Delete the farmland preservation planning grant sunset of June 30, 2016. (This would retain funding of \$374,200 annually during the biennium for planning grants.)

4. Delete the farmland preservation planning grant sunset of June 30, 2016. Reduce funding to \$210,000 GPR annually during the biennium for farmland preservation planning grants.

ALT 3	Change to	
	Base	Bill
GPR	- \$328,400	- \$328,400

Prepared by: Rory Tikalsky
Attachments

ATTACHMENT 1

Farmland Preservation Planning Grant Awards by County

<u>County</u>	<u>Year Awarded</u>	<u>Amount Disbursed</u>	<u>Amount Still Available</u>	<u>County</u>	<u>Year Awarded</u>	<u>Amount Disbursed</u>	<u>Amount Still Available</u>
Adams	2014	\$19,486	\$0	Marquette	2014	\$30,000	\$0
Ashland	2014	30,000	0	Monroe	2013	3,719	0
Barron	2013	7,863	0	Oconto	2013	30,000	0
Bayfield	2016	0	24,230	Oneida	2014	8,571	0
Brown	2010, 2016	30,000	10,000	Outagamie	2010	20,467	0
Burnett	2014	16,447	2,208	Ozaukee	2010	30,000	0
Calumet	2016	0	22,284	Pepin	2013	15,888	0
Chippewa	2011	4,287	0	Pierce	2011	30,000	0
Clark	2015	0	10,000	Polk	2012	30,000	0
Columbia	2011	30,000	0	Portage	2013	13,116	0
Crawford	2014	14,598	15,402	Racine	2010	30,000	0
Dane	2010	30,000	0	Richland	2014	12,000	18,000
Dodge	2010	17,000	0	Rock	2010	30,000	0
Door	2011	10,100	0	Rusk	2016	0	30,000
Douglas	2014	0	22,560	St. Croix	2010	30,000	0
Dunn	2011	12,456	0	Sauk	2011	30,000	0
Eau Claire	2012	30,000	0	Sawyer	2014	0	12,553
Florence	2014	16,637	6,376	Shawano	2013	30,000	0
Fond du Lac	2011	30,000	0	Sheboygan	2011	25,862	0
Forest	2015	9,084	0	Trempealeau	2014	15,000	15,000
Green	2011	30,000	0	Vernon	2014	19,610	0
Green Lake	2014	24,045	0	Vilas	2014	5,122	0
Iowa	2013	30,000	0	Walworth	2010	30,000	0
Iron	2015	0	24,400	Washburn	2014	0	0
Jackson	2014	4,300	5,203	Washington	2010	30,000	0
Jefferson	2010	30,000	0	Waupaca	2013	30,000	0
Juneau	2013	16,184	0	Waushara	2013	10,500	0
Kenosha	2010	30,000	0	Winnebago	2010, 2016	30,000	30,000
Kewaunee	2015	0	15,000	Wood	2014	<u>9,567</u>	<u>0</u>
La Crosse	2010	30,000	0				
Lafayette	2014	0	22,500	Total		\$1,177,544	\$300,266
Langlade	2014	20,186	0				
Lincoln	2014	15,450	14,550				
Manitowoc	2013	30,000	0				
Marathon	2011	30,000	0				

Last Updated: May, 2017.

Note: Some awarded funds go unused. These are included as part of amounts still available until the planning process is complete.

ATTACHMENT 2

Farmland Preservation Plan Expirations by Year

<u>County</u>	<u>Approved</u>	<u>Expiration</u>	<u>County</u>	<u>Approved</u>	<u>Expiration</u>
Marinette*	1981	2014*	Sheboygan	2013	2023
Menominee*	---	2015*	Washington	2013	2023
Milwaukee*	---	2016*	Door	2014	2024
Sawyer	1982	2016++	Langlade	2014	2024
Washburn*	1982	2016*	Manitowoc	2015	2024
Bayfield	1982	2017++	Monroe	2014	2024
Buffalo	1980	2017++	Oconto	2014	2024
Clark	1986	2017++	Polk	2014	2024
Crawford	1981	2017++	Rock	2014	2024
Douglas	1982	2017++	Waupaca	2014	2024
Iron	1983	2017++	Waushara	2015	2024
Price	1983	2017++	Barron	2015	2025
Rusk	1983	2017++	Chippewa	2015	2025
Taylor	1981	2017++	Eau Claire	2015	2025
Winnebago	2012	2017	Forest	2015	2025
Calumet	2011	2019	Green Lake	2016	2025
Dodge	2011	2021	Iowa	2016	2025
Grant	2011	2021	Marquette	2016	2025
Jefferson	2011	2021	Oneida	2015	2025
Waukesha	2011	2021	Vernon	2015	2025
Dane	2012	2022	Vilas	2015	2025
Fond du Lac	2012	2022	Wood	2015	2025
Green	2012	2022	Ashland	2016	2026
La Crosse	2012	2022	Burnett	2016	2026
Outagamie	2012	2022	Dunn	2016	2026
St. Croix	2012	2022	Florence	2016	2026
Walworth	2012	2022	Jackson	2016	2026
Columbia	2013	2023	Kewaunee	2016	2026
Juneau	2013	2023	Pepin	2016	2026
Kenosha	2013	2023	Portage	2016	2026
Marathon	2013	2023	Richland	2016	2026
Ozaukee	2013	2023	Trempealeau	2016	2026
Pierce	2013	2023	Adams	2017	2027
Racine	2013	2023	Brown	2017	2027
Sauk	2013	2023	Lafayette	2017	2027
Shawano	2013	2023	Lincoln	2017	2027

Last Updated: April, 2017.

+ County has received an extension of one year (+) or two years (++), as of December, 2016. Date shown includes the number of years by which the plan has been extended.

*Marinette and Washburn Counties have chosen not to update their farmland preservation plans. Marinette County's certification expired in 2014, and Washburn County's certification expired in 2016. Menominee and Milwaukee Counties have chosen not to develop farmland preservation plans.

ATTACHMENT 2 (continued)

Farmland Preservation Plan Expirations (2019-2023)

