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Governor's Budget Introduced: Changes for Agriculture Proposed

By Jordan Lamb

On February 17, Governor Doyle delivered his budget bill to the Legislature. The Joint Committee on Finance will now hold public hearings on his bill across the state. Once the Joint Committee on Finance is finished reviewing and amending the bill, it goes to both houses of the legislature for their consideration. It is expected that this process could end as early as the end of May, when the budget will eventually return to the Governor's desk for his final review.

The following items contained in Governor Doyle's budget may be of interest to Wisconsin farmers:

Farmland Preservation Program and Tax Credit Restructure. The Governor's budget makes numerous changes to the Farmland Preservation Program including: changes to planning requirements; zoning ordinances; preservation agreements; soil and water conservation standards; and a general restructure the farmland preservation tax credit to a per-acre credit. The amount per acre will be determined by whether the farmland is located within a farmland preservation agreement, farmland preservation zoning district or both.

Beginning Farmer Tax Credit Creation. This new tax credit would allow an owner of agricultural assets who agrees to lease assets to a beginning farmer for a minimum of three years to claim an income tax credit up to 15 percent of the amount of the lease. It also allows a beginning farmer to claim a one-time maximum \$500 tax credit to offset the cost of enrolling in a farm financial management education program. This tax credit would first take effect in tax year 2011.

Buy Local, Buy Wisconsin Grants Continued. This budget bill continues to fund the "Buy Local, Buy Wisconsin" program, which awards grants to projects designed to increase the local sales of agricultural products grown in Wisconsin.

New Animal Health & Meat Inspector Positions Created. The Governor's budget creates eleven new positions to control animal disease, ensure food safety, and support the growth of Wisconsin's meat industry and agricultural exports.

Slaughter Assessment Imposed. Funding for the new animal health/meat inspector positions (described above) is provided by establishing a per animal slaughter fee on cattle, hogs and poultry slaughtered in Wisconsin. The assessment per animal is currently proposed to be one cent for poultry, ten cents for calves, and 14 cents for older cattle and for swine.

Working Lands Initiative / Purchase of Agricultural Conservation Easements. This proposed initiative would restructure existing farmland property tax credits and bond funding toward preservation and protection of farmland resources. Grant funding of \$420,000 annually will be provided to counties to update farmland preservation plans. Also, establishes a Purchase of Agricultural Conservation Easements program funded by \$12 million in reallocated bonding revenues to award grants to local governments and nonprofit organizations to acquire easements in order to preserve working farmland in perpetuity.

Soil and Water Conservation Changes. The Governor proposes the following soil and water conservation changes:

- Eliminates the requirement that each county establish soil and water conservation standards. Under the bill, a farmer must comply with land and water conservation standards that DATCP has promulgated under other current laws.
- Continues the requirement that a county monitor compliance with the standards and specifically requires a county to inspect each farm for which the owner claims farmland preservation tax credits at least once every four years.
- Requires a county to issue a notice of noncompliance if it determines that a farmer violates the standards. As long as a farmer is out of compliance with DATCP's standards, the farmer is ineligible for the farmland preservation tax credit.
 - DATCP directed to establish tolerable soil erosion level.
 - DATCP required to consult with DNR on land and water resource management planning program.

LWCB Eliminated – DATCP Council Created. The Governor's budget eliminates the Land and Water Conservation Board (LWCB), which currently has responsibilities related to farmland preservation, soil and water resource management, and the reduction of water pollution from nonpoint sources. The bill eliminates some LWCB responsibilities and transfers others to DATCP. The bill also creates the Land and Water Resource Council to advise DATCP and DNR about matters related to land and water resources.

DATCP Reinspection Fee Allowed. The bill authorizes DATCP to charge a reinspection fee if DATCP conducts a reinspection of a fish farm, animal market, animal dealer operation, an animal trucker operation, or premises at which farm-raised deer are kept because the department has found that the premises, facility, or operation violates state law or administrative rules.

Seed Labeling Requirements Repealed. This budget repeals current requirements concerning the labeling of agricultural and vegetable seed, prohibitions on the sale of seed containing more than specified amounts of certain noxious weed seeds, and the designation of certain weeds as noxious weeds. Instead, the Governor proposes requiring DATCP to promulgate rules on the subjects of seed labeling, the amount of noxious weed seeds in agricultural and vegetable seed, and the designation of weeds as noxious weeds.

Ag Chem Clean-up Funding Lapsed to General Fund. The Governor transfers a total of \$1,000,000 from the agricultural chemical cleanup fund to the general fund and a total of \$1,500,000 from the agrichemical management fund to the general fund.

Nonpoint Source Water Pollution Grant Program Funding. This bill provides \$7 million in new general obligation bonding for targeted run-off management grants; expands allowable funding requests from projects that have received an NOD to also those that have been issued a "notice of intent to issue" an NOD; allows grants to be issued if needed to "protect waters of the state" as opposed to current law, to protect "fish and aquatic life"; allows cost-share grants directly to landowners.

Wildlife Damage Program Reductions. This proposal increases the deductible for wildlife damage claims from \$250 to \$500, and lowers the maximum damage payment from \$15,000 to \$10,000.

Water Conservation & Great Lakes Compact Implementation. The Governor's budget provides funding and positions through a new water use fee system to implement the provisions of the Great Lakes Compact in Wisconsin and establish a statewide water conservation and efficiency program. This proposal includes:

- Annual fee of \$125 paid by person with capacity to withdraw 100,000 gallons or more per day.
- Fee determined by rule for person who withdraws more than 50,000,000 gallons of water from the GL Basin in a year.
- \$5,000 for application to get GL Basin diversion approval.

Wisconsin History Trivia:

Question: Who brought the first dairy cows to America?

Answer: Christopher Columbus – he brought the first dairy cow to America on his second voyage.

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