

Property values drop near large CAFOs, state says

- [STEVEN VERBURG sverburg@madison.com](mailto:sverburg@madison.com)
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The Wisconsin Department of Revenue has found that homes near large dairy operations have been selling for as much as 13 percent below their assessed value in Kewaunee County, where odor, noise and water pollution from the sprawling feedlots have been a big problem.

A department study concluded that assessments could be reduced by 8 percent to 13 percent for homes within a mile of the county's six largest Concentrated Animal Feeding Operations (CAFOs), and that reductions may also be appropriate in nearby counties with similar conditions.

The study was conducted after a town of Pierce couple appealed their assessment. It was the first time a homeowner has appealed to the state with the argument that a CAFO had lowered a property's value, department spokesman Patty Mayers said Thursday.

The Kewaunee County homeowners said they were glad their taxes would be reduced, but they were stuck with a far worse problem — the CAFO across the road.

"We would much prefer to have our home value back, be able to breathe the air and drink the water without wondering what contaminants they contain," Scott and Deb Kliment said in a statement. "We would like to be able to enjoy our beautiful property without the sometimes unbearable stench (and) sleep with the windows open without constant 24-7 noise (from) 80,000 pound manure trucks."

A Wisconsin Dairy Business Association spokesman said he wouldn't comment because he hadn't seen the Department of Revenue report.

Kewaunee County, south of Green Bay, is home to 14 of the state's nearly 300 CAFOs, which are defined as having at least 715 cows. Many dairy CAFOs have more cows than that, and the animals generate millions of gallons of manure.

The manure, which is spread on farm fields, has been a particular problem in places like Kewaunee County, where shallow, fractured bedrock allows contaminants to slip quickly into the aquifer people use for drinking water.

Other northeastern Wisconsin counties — Brown, Door, Calumet and Manitowoc — also have large dairy operations built atop vulnerable groundwater. And like Kewaunee County, they are seeing increasing problems with contaminated well water.

To the west, the aquifer below Wisconsin's Central Sands region is also vulnerable, so it's not unlikely studies would find homes there, too, are selling for less around large dairies, said Paul Kent, an attorney representing the town of Saratoga in its challenge to a CAFO proposal.

"It's inevitable that property values would be affected," Kent said. "While it may not be applicable statewide, it may be applicable in areas of the state where you have pathways for groundwater to be affected or for odors to impact residents where they haven't been in contact with that before."

The Department of Revenue study is an indication of the way CAFOs affect nearby residents, and why local government authority to regulate CAFOs should be restored, Kent said. A series of state laws have placed most of that authority with the state.

The study examined 184 sales of properties that took place over the past three years near Kewaunee County's six largest CAFOs and one other CAFO just over the county line in Brown County. Each CAFO was permitted for at least 2,860 cows.

The department said an initial review of residential sales in all Kewaunee County towns was inconclusive.

The sales took place around Kinnard Farms, Pagels Ponderosa Dairy, Dairy Dreams, Ebert Dairy Enterprises and Wakker Dairy Farm in Kewaunee County and Dairyland Farm in Brown County. The Kliments live across from Ebert, which has a 2015 Department of Natural Resources permit for 4,881 cows. The owners have projected an increase to 6,179 cows.

Nancy Utesch, who operates a small beef farm and is active in the advocacy group Kewaunee Cares, said the study's results don't capture the reality of life in a county where more than 30 percent of tested wells have been tainted by pathogens associated with animal waste.

Smaller CAFOs are also having harmful impacts, the harm extends beyond a mile from each operation, and other home values have probably been reduced even more than the study estimated, Utesch said.

"The Kliments did not have a contaminated well or any other extenuating circumstances," Utesch said. "All you have to do is exist in this radius and you are losing property values ... Industrial agribusiness is externalizing its costs on to the taxpayers."

Mayers, the revenue department spokeswoman, said the study was tailored to resolve the Kliments' appeal, and other challenges could yield different results.

Tax assessment lowered due to proximity to hog farm

ARGYLE — A Green County landowner who lives adjacent to a confinement hog operation has successfully petitioned the Wisconsin Department of Revenue to lower his property tax assessment because of the land's proximity to the hog farm.

Todd Knutson, who owns 22 acres in the town of Adams on the border of Green and Lafayette counties, has been tussling with the owner of the adjacent land, Evan Lemenager; the developer of the hog facility, Stately Investments of Strawberry Point, Iowa; and the facility's manager, Badger Pork of Reedsburg, since the facility was populated with pigs in June of 2014.

Knutson claims the hog building was built closer to his home than the farm's development plan prescribed, and that a "constant plume of foul air" has resulted in health problems for the occupants of his home. He also says the manure spread from the hog farm on nearby rocky ground has the potential to pollute his groundwater.

"The smell is so bad that I can smell it on the hair on my arms when I come in from outside," Knutson said.

Knutson began action to contest his property value after he received a notice that his tax assessment had been increased because of a garage he built on his house. He first contested the assessment at an open book session in the town of Adams but was told the assessment would not be adjusted. His second step was to plead his case with the board of review, consisting of town officials and the assessor, but his request was denied there, too.

As a final recourse, Knutson took his case to the Wisconsin Department of Revenue, where he presented data and had a conference with DOR officials and the town's assessor, Craig Galhouse. Knutson received a DOR order on Oct. 26 indicating that his appeal was successful and his assessment had been lowered from \$220,700 to \$161,800, or about 27 percent.

Mary Gawryleski, director of the DOR's Equalization Bureau who signed the order, said property owners who are unsatisfied with the findings of their assessment appeal to the local board of review have two options: circuit court or the DOR.

For appeals determined to be valid, the DOR holds an informal conference where the property owner and assessor provide information. Property owners must bring evidence to show their assessment should be changed, which often consists of appraisals of their property or sales of comparable properties as evidence for their arguments.

Gawryleski said it was unique that an appeal regarding the impact of a large livestock farm on a neighbor's assessed value reached the DOR level.

Scott Dye, field coordinator for a group known as the Socially Responsible Agricultural Project, said there have been dozens of cases in other states where a landowner's property tax assessment had been lowered because of the proximity to a large livestock operation, but it was the "first case we are aware of" in Wisconsin.

Gawryleski said it is possible that property assessments have been lowered in the past by assessors at the local level, as it is a standard practice for assessors to account for the impacts that neighboring properties — farms or otherwise — have on a property's assessment.

But to have the DOR lower an assessment due to a property's proximity to a large livestock facility is "not a common occurrence," Gawryleski said.

The Argyle farm is self-monitored by Badger Pork because it is under the 2,500 hog limit that would require DNR approval and regular review as a concentrated animal feeding operation.

Knutson said that's part of the problem, as livestock facilities just under the CAFO limit have virtually no oversight.

Mark Beisbier, manager of the hog operation for Badger Pork, said Badger Pork is a family-owned farrow-to-finish operation that has 2,400 hogs in the facility. He said Lemenager, the landowner, is responsible for spreading the manure on his 148 acres that surround the 2.8-acre hog building.

"I don't know what his expectations were when he moved out here," Beisbier said of Knutson. "Things change, everywhere you live things are changing. Production on various things changes."

Beisbier said he didn't know if Knutson's proximity to the hog facility had anything to do with the tax assessment being lowered.

Repeated calls to Lemenager went unanswered.

Dye said the Socially Responsible Agricultural Project, or SRAP, "doesn't go looking for fights," but only goes where it is asked for help.

"We respond to people's requests for help, to stop a CAFO or get better regulation or enforcement of one that's already in the community," Dye said. The organization has active cases in "probably 30 to 35 states" across the country, he said.

Dye said to get a case to the state level as Knutson did "takes a tremendous amount of determination."

"It shows how dedicated Todd is to rectify the situation," Dye said. "It takes a lot of work and you have to know what you're talking about. It's not for everybody, but we do believe that for people in situations like Todd's it's an appropriate action to take."