



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1785/P
MES&RCT:kmg:ijs

Very soon NOON, if possible RMR

DOA:.....Grinde - Farmland preservation credits, repeal farmland preservation agreements

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT** *about the Gen. Act.* relating to: modifying the farmland preservation credit, creating a
2 new refundable farmland preservation credit for certain farmland that has
3 limited development rights, *Farmland preservation, exclusive agricultural use zoning*
and making an appropriation

INSRT

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

To be provided in a future version of the bill

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 23.094 (2) (c) 3. of the statutes is repealed.

5 **SECTION 2.** 66.023 (7m) of the statutes is amended to read:

6 66.023 (7m) ZONING IN TOWN TERRITORY. If a town is a party to a cooperative plan
7 with a city or village, the town and city or village may agree, as part of the cooperative

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1 plan, to authorize the town, city or village to adopt a zoning ordinance under s. 60.61,
 2 61.35 or 62.23 for all or a portion of the town territory covered by the plan. The
 3 exercise of zoning authority by a town under this subsection is not subject to s. 60.61
 4 (3) or 60.62 (3). If a county zoning ordinance applies to the town territory covered
 5 by the plan, that ordinance and amendments to it continue until a zoning ordinance
 6 is adopted under this subsection. If a zoning ordinance is adopted under this
 7 subsection, that zoning ordinance continues in effect after the planning period ceases
 8 until a different zoning ordinance for the territory is adopted under other applicable
 9 law. This subsection does not affect zoning ordinances adopted under ss. 59.692,
 10 87.30 or ~~91.71 to 91.78~~ 91.73 to 91.77.

Handwritten note in a circle: "RMS" with an arrow pointing to the underlined text in line 10.

11 **SECTION 3.** 71.59 (1) (a) of the statutes is amended to read:

12 71.59 (1) (a) Subject to the limitations provided in this subchapter and s. 71.80
 13 (3) and (3m), a claimant may claim as a credit against Wisconsin income or franchise
 14 taxes otherwise due, the amount derived under s. 71.60 or the amount derived under
 15 s. 71.605, or both. If the allowable amount of claim exceeds the income or franchise
 16 taxes otherwise due on or measured by the claimant's income or if there are no
 17 Wisconsin income or franchise taxes due on or measured by the claimant's income,
 18 the amount of the claim not used as an offset against income or franchise taxes shall
 19 be certified to the department of administration for payment to the claimant by
 20 check, share draft or other draft drawn on the general fund.

21 **SECTION 4.** 71.59 (1) (b) (intro.) of the statutes is amended to read:

22 71.59 (1) (b) (intro.) Every claimant under this ~~subchapter~~ section and s. 71.60
 23 shall supply, at the request of the department, in support of the claim, all of the
 24 following:

25 **SECTION 5.** 71.59 (1) (b) 5. of the statutes is created to read:

1 71.59 (1) (b) 5. A copy of a certificate of compliance, issued by the land
2 conservation committee of each of the counties that have jurisdiction over the
3 farmland, that certifies that the soil and water standards that apply to the farmland
4 under s. 92.105 (1), ~~and~~ (2) ^{and (3)} are being met.

***NOTE: Is this cross-reference sufficient? Should the x-ref include s. 92.105 (3)?

5 SECTION 6. 71.59 (1) (c) of the statutes is amended to read:

6 71.59 (1) (c) A farmland preservation agreement submitted under par. (b) 3.
7 shall contain provisions specified under s. 91.13 (8) including either a provision
8 requiring farming operations to be conducted in substantial accordance with a soil
9 and water conservation plan prepared under s. 92.104, 1997 stats., or a provision
10 requiring farming operations to be conducted in compliance with reasonable soil and
11 water conservation standards established under s. 92.105.

12 SECTION 7. 71.59 (1) (d) (intro.) of the statutes is amended to read:

13 71.59 (1) (d) (intro.) The certificate of the zoning authority submitted under
14 par. (b) ~~3.~~ 5. shall certify:

15 SECTION 8. 71.59 (1) (d) 1. of the statutes is amended to read:

16 71.59 (1) (d) 1. That the lands are within the boundaries of an agricultural
17 zoning district which is part of an adopted ordinance meeting the standards of subch.
18 V of ch. 91 and certified under s. 91.06, 1997 stats.

19 SECTION 9. 71.59 (2) (intro.) of the statutes is amended to read:

20 71.59 (2) INELIGIBLE CLAIMS. (intro.) No credit shall be allowed under this
21 section ~~subchapter~~ 71.59 and 71.60: s.

plain

***NOTE: Does s. 71.59 (2) (a) to (d) need to be amended or repealed?

22 SECTION 10. 71.59 (2) (b) of the statutes is amended to read:

1 71.59 (2) (b) If a notice of noncompliance with an applicable soil and water
2 conservation plan under s. 92.104, 1997 stats., is in effect with respect to the
3 claimant at the time the claim is filed.

4 **SECTION 11.** 71.59 (2) (d) of the statutes is amended to read:

5 71.59 (2) (d) For property taxes accrued on farmland zoned for exclusive
6 agricultural use under an ordinance certified under ~~subch. V of ch. 91 s. 91.06, 1997~~
7 stats., which is granted a special exception or conditional use permit for a use which
8 is not an agricultural use, as defined in s. 91.01 (1).

9 **SECTION 12.** 71.60 (1) (b) of the statutes is amended to read:

10 71.60 (1) (b) The credit allowed under ^{As 71.59 and} this ~~subchapter~~ ^{section} shall be limited to 90%
11 of the first \$2,000 of excessive property taxes plus 70% of the 2nd \$2,000 of excessive
12 property taxes plus 50% of the 3rd \$2,000 of excessive property taxes. The maximum
13 credit shall not exceed \$4,200 for any claimant. The credit for any claimant shall be
14 the greater of either the credit as calculated under this subchapter as it exists at the
15 end of the year for which the claim is filed or as it existed on the date on which the
16 farmland became subject to a current agreement under subch. II ~~or III~~ of ch. 91 or
17 under subch. III of ch. 91, 1997 stats., using for such calculations household income
18 and property taxes accrued of the year for which the claim is filed.

19 **SECTION 13.** 71.60 (1) (c) 1. to 3. of the statutes are amended to read:

20 71.60 (1) (c) 1. If the farmland is located in a county which has a ~~certified an~~
21 agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06, 1997 stats.~~
22 at the close of the year for which credit is claimed and is in an area zoned by a county,
23 city or village for exclusive agricultural use under ch. 91 at the close of such year, the
24 amount of the claim shall be that as specified in par. (b).

1 2. If the farmland is subject to a transition area agreement under subch. II of
2 ch. 91 on July 1 of the year for which credit is claimed, or the claimant had applied
3 for such an agreement before July 1 of such year and the agreement has subsequently
4 been executed, and the farmland is located in a city or village which has a ~~certified~~
5 an exclusive agricultural use zoning ordinance certified under ~~subch. V of ch. 91 s.~~
6 91.06, 1997 stats., in effect at the close of the year for which credit is claimed, or in
7 a town which is subject to a ~~certified~~ county exclusive agricultural use zoning
8 ordinance certified under ~~subch. V of ch. 91 s. 91.06, 1997 stats.~~, in effect at the close
9 of the year for which credit is claimed, the amount of the claim shall be that as
10 specified in par. (b).

11 3. If the claimant or any member of the claimant's household owns farmland
12 which is ineligible for credit under subd. 1. or 2. but was subject to a farmland
13 preservation agreement under subch. III of ch. 91, 1997 stats., on July 1 of the year
14 for which credit is claimed, or the owner had applied for such an agreement before
15 July 1 of such year and the agreement has subsequently been executed, and if the
16 owner has applied by the end of the year in which conversion under s. 91.41, 1997
17 stats., is first possible for conversion of the agreement to a transition area agreement
18 under subch. II of ch. 91, and the transition area agreement has subsequently been
19 executed, and the farmland is located in a city or village which has a ~~certified~~ an
20 exclusive agricultural use zoning ordinance certified under ~~subch. V of ch. 91 s.~~
21 91.06, 1997 stats., in effect at the close of the year for which credit is claimed, or in
22 a town which is subject to a ~~certified~~ county exclusive agricultural use zoning
23 ordinance certified under ~~subch. V of ch. 91 s. 91.06, 1997 stats.~~, in effect at the close
24 of the year for which credit is claimed, the amount of the claim shall be that specified
25 in par. (b).

1 **SECTION 14.** 71.60 (1) (c) 5. to 8. of the statutes are amended to read:

2 71.60 (1) (c) 5. If the claimant or any member of the claimant's household owns
3 farmland which is ineligible for credit under subds. 1. to 4. but was subject to a
4 farmland preservation agreement under subch. III of ch. 91, 1997 stats., on July 1
5 of the year for which credit is claimed, or the owner had applied for such an
6 agreement before July 1 of such year and the agreement has subsequently been
7 executed, and if the owner has applied by the end of the year in which conversion
8 under s. 91.41, 1997 stats., is first possible for conversion of the agreement to an
9 agreement under subch. II of ch. 91, and the agreement under subch. II of ch. 91 has
10 subsequently been executed, the amount of the claim shall be limited to 80% of that
11 specified in par. (b).

12 6. If the farmland is located in an agricultural district under a ~~certified~~ county
13 agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06, 1997 stats.~~
14 at the close of the year for which credit is claimed, and is located in an area zoned for
15 exclusive agricultural use under a ~~certified~~ town ordinance certified under ~~subch. V~~
16 ~~of ch. 91 s. 91.06, 1997 stats.~~, at the close of such year, the amount of the claim shall
17 be the amount specified in par. (b).

18 6m. If the farmland is located in an agricultural district under a ~~certified~~
19 county agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06,~~
20 1997 stats., at the close of the year for which credit is claimed, and is located in an
21 area zoned for exclusive agricultural use under a ~~certified~~ county or town ordinance
22 certified under ~~subch. V of ch. 91 s. 91.06, 1997 stats.~~, for part of a year but not at
23 the close of that year because the farmland became subject to a city or village
24 extraterritorial zoning ordinance under s. 62.23 (7a), the amount of the claim shall
25 be equal to the amount that the claim would have been under this section if the

1 farmland were subject to a certified county or town exclusive agricultural use
2 ordinance at the close of the year.

3 7. If the farmland is located in an area zoned for exclusive agricultural use
4 under a ~~certified~~ county, city or village ordinance certified under ~~subch. V of ch. 91~~
5 s. 91.06, 1997 stats., at the close of the year for which credit is claimed, but the county
6 in which the farmland is located has not adopted an agricultural preservation plan
7 under subch. IV of ch. 91, 1997 stats., by the close of such year, the amount of the
8 claim shall be limited to 70% of that specified in par. (b).

9 8. If the farmland is subject to a farmland preservation agreement under subch.
10 III of ch. 91, 1997 stats., on July 1 of the year for which credit is claimed or the
11 claimant had applied for such an agreement before July 1 of such year and the
12 agreement has subsequently been executed, the amount of the claim shall be limited
13 to 50% of that specified in par. (b).

14 **SECTION 15.** 71.60 (2) of the statutes is renumbered 71.60 (2) (a) and amended
15 to read:

16 71.60 (2) (a) ~~If~~ For taxable years beginning before January 1, 2001, if the
17 farmland is subject to ~~a certified~~ an ordinance certified under ~~subch. V of ch. 91 s.~~
18 91.06, 1997 stats., or an agreement under subch. II of ch. 91, in effect at the close of
19 the year for which the credit is claimed, the amount of the claim is 10% of the property
20 taxes accrued or the amount determined under sub. (1), whichever is greater.

21 **SECTION 16.** 71.60 (2) (b) of the statutes is created to read:

22 71.60 (2) (b) For taxable years beginning after December 31, 2000, if the
23 farmland is subject to a certificate of compliance that is described under s. 71.59 (1)
24 (b) 5. and that is in effect at the close of the year for which the credit is claimed, the

1 amount of the claim is 10% of the property taxes accrued or the amount determined
2 under sub. (1), whichever is greater.

3 **SECTION 17.** 71.61 (6) of the statutes is created to read:

4 **71.61 (6) PARTIAL SUNSET.** For claims that are filed under s. ~~71.59~~ ^{71.59} and computed
5 under s. 71.60 for taxable years that begin after December 31, 2000, based on
6 property taxes that are accrued in the previous calendar year, ss. 71.59 (1) (b) 3. and
7 (d) 1. to 4. and 71.60 (1) (c) do not apply.

8 **SECTION 18.** 71.605 of the statutes is created to read:

9 **71.605 Farmland preservation acreage credit.** (1) DEFINITIONS. In this
10 section:

11 (a) "Development rights" means a holder's nonpossessory interest in farmland
12 that imposes a limitation or affirmative obligation the purpose of which is to retain
13 or protect natural, scenic or open space values of farmland, assuring the availability
14 of farmland for agricultural, forest, wildlife habitat or open space use, protecting
15 natural resources or maintaining or enhancing air or water quality.

~~***NOTE: This definition is based on the definition of "conservation easement" in
s. 700.40 (1) (a). Is it OK? Is "real property" better and "farmland"?~~

16 (b) "Nonprofit entity" means an entity that is described in section 501 (c) (3) of
17 the Internal Revenue Code and is exempt from federal income tax under section 501

18 (a) of the Internal Revenue Code.

19 *(c) "political subdivision" means a city, village, town or county.*
20 (2) CALCULATION. If the claimant sells, donates or otherwise transfers the

21 development rights to farmland for which a credit is claimed under this section to the
22 state or to a city, village, town or county, or to a nonprofit entity, the credit may be
calculated as follows:

1 (a) If farming rights are retained on such farmland, the credit shall be 50 cents
2 for each acre that the claimant sells, donates or otherwise transfers.

3 (b) If farming rights are not retained on such farmland, the credit shall be 30
4 cents for each acre that the claimant sells, donates or otherwise transfers.

5 (3) LIMITATIONS. (a) If a claimant sells, donates or otherwise transfers
6 development rights under sub. (2) to a nonprofit entity, the credit under this section
7 may not be claimed unless the entity enters into a signed agreement with the
8 department of agriculture, trade and consumer protection that contains all of the
9 following:

10 1. Standards for the management of the farmland, the development rights to
11 which are to be acquired.

12 2. A prohibition against using the development rights to the farmland which
13 are to be acquired as security for any debt unless the department of agriculture, trade
14 and consumer protection approves the incurring of the debt.

15 3. A clause that any subsequent sale, donation or other transfer of the
16 development rights to the farmland which are to be acquired is subject to pars. (b)
17 and (e).

18 (b) The nonprofit entity may subsequently sell, donate or otherwise transfer
19 the acquired development rights to the farmland to the state or to a city, village, town
20 or county, or to a 3rd party other than a creditor if the 3rd party is also a nonprofit
21 entity, except that a sale, donation or transfer to another nonprofit entity may occur
22 only if all of the following apply:

23 1. The department of agriculture, trade and consumer protection approves the
24 subsequent sale, donation or transfer.

1 2. The party to whom the development rights are sold, donated or transferred
2 enters into a new contract with the department of agriculture, trade and consumer
3 protection under par. (a).

4 (c) The nonprofit entity may subsequently sell, donate or transfer the acquired
5 development rights to satisfy a debt or other obligation if the department of
6 agriculture, trade and consumer protection approves the sale, donation or transfer.

7 (d) The nonprofit entity may subsequently develop the property, with the
8 written consent of the owner of the property and with the written consent of the
9 department of agriculture, trade and consumer protection.

10 (e) If the nonprofit entity violates any essential provision of the contract,
11 ~~the~~ the development rights that were acquired shall vest in the state.

****NOTE: I'm not sure if one may "obtain title" to development rights.

12 (f) The instrument conveying the development rights to the nonprofit entity
13 shall state the interest of the state under par. (e). The contract entered into under
14 par. (a) and the instrument of conveyance shall be recorded in the office of the register
15 of deeds of each county in which the farmland is located.

(g) If a claimant sells, donates or otherwise transfers development rights

~~****NOTE: Sub. (g) is based on s. 23.096, does this meet your intent?~~
~~under sub. (d) to a political subdivision, the political subdivision may~~
~~develop the farmland only in a way that is consistent with a comprehensive~~

~~****NOTE: Your instructions do not indicate that, if the development rights are~~
~~transferred to a unit of government, limitations on the uses of the land should be imposed,~~
~~as is the case for development rights that are transferred to a 501 (c) 3 IRS entity. Do you~~
~~want to impose similar restrictions on units of government?~~

plan under P. 06.0295.

16 ~~****NOTE: Par. (g) may not remain in this draft if chart 1-1256 is removed from the bill.~~
(fm) The credit under this section may be claimed only by the person who owns

17 the farmland when the development rights are initially transferred as described in
18 sub. (2).

19 (g) The credit under this section may not be claimed until the claimant files
20 with the register of deeds of each county in which the farmland is located the

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WFO: on and page of analysis insert

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1 certificate that verifies that the development rights to the farmland have been
2 transferred as described in sub. (2).

3 (h) Section 71.59 (2) (a), (c) and (e), to the extent that it applies to the credit
4 under ss. 71.59 and 71.60, applies to the credit under this section.

5 (4) SUNSET. No new claims may be filed under this section for taxable years that
6 begin after December 31, 2002.

7 **SECTION 19.** 91.01 (8) of the statutes is amended to read:

8 91.01 (8) "Local governing body having jurisdiction" means the city council,
9 village board or town board if that body has adopted ~~a certified~~ an ordinance under
10 subch. V that is certified under s. 91.06, 1997 stats.; or the county board where such
11 a city, village or town zoning ordinance is not in effect.

12 **SECTION 20.** 91.04 of the statutes is created to read:

13 **91.04** ^{Acquisition} ~~Transfer~~ of development rights agreements. The department shall ✓
14 maintain a list of nonprofit entities with which the department has entered into
15 agreements under s. 71.605 (3). The department shall make the list available to
16 owners who are interested in transferring their development rights and to the
17 department of revenue.

18 **SECTION 21.** 91.06 of the statutes is repealed.

19 **SECTION 22.** 91.11 (1) (a) of the statutes is amended to read:

20 91.11 (1) (a) The county in which the land is located has ~~a certified~~ in effect an
21 agricultural preservation plan ~~in effect~~ certified under s. 91.06, 1997 stats.; or

22 **SECTION 23.** 91.11 (1) (b) of the statutes is amended to read:

23 91.11 (1) (b) The land is in an area zoned for exclusive agricultural use under
24 an ordinance certified under subch. V s. 91.06, 1997 stats.

25 **SECTION 24.** 91.11 (2) of the statutes is amended to read:

1 91.11 (2) An owner of land located in a county with a population density of less
2 than 100 persons per square mile which has adopted a ~~certified~~ an exclusive
3 agricultural use zoning ordinance certified under s. 91.06, 1997 stats., may apply
4 under this subchapter even if the town in which the land is located has not approved
5 the ordinance.

6 **SECTION 25.** 91.11 (3) of the statutes is amended to read:

7 91.11 (3) In any county with a population density of 100 or more persons per
8 square mile, an owner may apply for a farmland preservation agreement under this
9 subchapter only if the county in which the land is located has a ~~certified~~ an exclusive
10 agricultural use zoning ordinance certified under subch. V s. 91.06, 1997 stats., and
11 the town in which the land is located has approved the ordinance.

12 **SECTION 26.** 91.11 (4) of the statutes is amended to read:

13 91.11 (4) In any city, town or village that has adopted a ~~certified~~ an exclusive
14 agricultural use zoning ordinance certified under subch. V s. 91.06, 1997 stats., or
15 in any town that has approved a ~~certified~~ an exclusive agricultural use zoning
16 ordinance adopted by the county and certified under subch. V s. 91.06, 1997 stats.,
17 an owner may apply for a farmland preservation agreement only if the land is in an
18 area zoned for exclusive agricultural use.

19 **SECTION 27.** 91.13 (4) (a) of the statutes is amended to read:

20 91.13 (4) (a) Whether the farmland is designated an agricultural preservation
21 area in a ~~certified~~ an agricultural preservation plan established certified under
22 subch. IV s. 91.06, 1997 stats., or is an area zoned for exclusive agricultural use under
23 an ordinance certified under subch. V s. 91.06, 1997 stats.

24 **SECTION 28.** 91.13 (8) (d) of the statutes is repealed.

25 **SECTION 29.** 91.14 of the statutes is amended to read:

1 **91.14 Transition area agreements.** An owner may apply for a transition
2 area agreement under this subchapter if the farmland is located in an area identified
3 as a transition area under a ~~certified~~ county agricultural preservation plan certified
4 under ~~subch. IV s. 91.06, 1997 stats.~~ The provisions of this subchapter, except ss.
5 91.11 (1) (b) and (4), 91.13 (4) (a) and (10) and 91.15, apply to agreements under this
6 section. Agreements under this section shall be for not less than 5 nor more than 20
7 years, consistent with the county agricultural preservation plan.

8 **SECTION 30.** 91.19 (2) (c) 1. e. of the statutes is amended to read:

9 91.19 (2) (c) 1. e. The proposed development or use is consistent with the
10 county's ~~certified~~ agricultural preservation plan certified under s. 91.06, 1997 stats.,
11 if a plan is in effect.

12 **SECTION 31.** 91.19 (6t) of the statutes is amended to read:

13 91.19 (6t) ~~The~~ After the effective date of this subsection ... [revisor inserts
14 date], the department shall relinquish land from a farmland preservation agreement
15 ~~land that has been subject to a farmland preservation agreement for at least 10 years~~
16 if the owner of the land so requests.

17 **SECTION 32.** 91.19 (7) of the statutes is amended to read:

18 91.19 (7) Whenever a farmland preservation agreement is relinquished under
19 sub. (2) or (6t) or all or part of the land is released from a farmland preservation
20 agreement under sub. (2) or (6p) or a transition area agreement is relinquished under
21 sub. (2) or, subject to subs. (12) and (13), a transition area agreement is relinquished
22 under sub. (1) or (1m), the department shall cause to be prepared and recorded a lien
23 against the property formerly subject to the agreement for the total amount of all
24 credits received by all owners of such lands under ~~subch. IX of ch. 71~~ ^{ss. 71.59 and 71.60} during the last
25 10 years that the land was eligible for such credit, plus interest at the rate of 9.3%

1 per year compounded annually on the credits received from the time the credits were
2 received until the lien is paid for farmland preservation agreements relinquished
3 under sub. (6t) and 6% per year compounded annually on the credits received from
4 the time the credits were received until the lien is paid for other agreements. No
5 interest shall be compounded for any period during which the farmland is subject to
6 a subsequent farmland preservation agreement or transition area agreement or is
7 zoned for exclusive agricultural use under an ordinance certified under ~~subch. V s.~~
8 91.06, 1997 stats.

9 **SECTION 33.** 91.19 (8) of the statutes is amended to read:

10 91.19 (8) Subject to subs. (12) and (13), upon the relinquishment of a farmland
11 preservation agreement under sub. (1) or (1m), the department shall cause to be
12 prepared and recorded a lien against the property formerly subject to the farmland
13 preservation agreement for the total amount of the credits received by all owners
14 thereof under ~~subch. IX of ch. 71~~ ^{ss. 71.59 and 71.60} during the last 10 years that the land was eligible ✓
15 for such credit, plus 6% interest per year compounded from the time of
16 relinquishment. No interest shall be compounded for any period during which the
17 farmland is subject to a subsequent farmland preservation agreement or transition
18 area agreement or is zoned for exclusive agricultural use under an ordinance
19 certified under ~~subch. V s.~~ 91.06, 1997 stats.

20 **SECTION 34.** 91.19 (10) of the statutes is amended to read:

21 91.19 (10) The lien may be paid and discharged at any time and shall become
22 payable to the state by the owner of record at the time the land or any portion of it
23 is sold by the owner of record to any person except the owner's child or if the land is
24 converted to a use prohibited by the former farmland preservation agreement. Upon
25 reentry in an agreement under this subchapter or upon zoning for exclusively

1 agricultural use under an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~, the
2 portion of the lien on the land reentered or so zoned shall be discharged. The
3 discharge of a lien does not affect the calculation of any subsequent lien under sub.
4 (7) or (8). The proceeds from the payment shall be paid into the general fund.

5 **SECTION 35.** 91.19 (12) of the statutes is amended to read:

6 91.19 (12) No lien may be filed under sub. (7) or (8), on the date of
7 relinquishment, release or termination, for tax credits paid on lands or any portion
8 of them which are zoned for exclusively agricultural use under an ordinance certified
9 under ~~subch. V s. 91.06, 1997 stats.~~

10 **SECTION 36.** 91.21 (3) of the statutes is amended to read:

11 91.21 (3) If the owner or a successor in title of the land upon which a farmland
12 preservation agreement has been recorded under this chapter fails to comply with
13 s. 91.13 (8) ~~(d) or~~ (dm), such person shall be given one year to restore compliance
14 before the remedies of sub. (1) shall be applicable.

15 **SECTION 37.** 91.25 of the statutes is created to read:

16 **91.25 Phaseout of agreements.** The department may not enter into, or
17 extend, an agreement under this subchapter after the effective date of this section
18 [revisor inserts date].

19 **SECTION 38.** Subchapter III of chapter 91 [precedes 91.31] of the statutes is
20 repealed.

21 **SECTION 39.** Subchapter IV of chapter 91 [precedes 91.51] of the statutes is
22 repealed.

23 **SECTION 40.** 91.71 of the statutes is repealed.

24 **SECTION 41.** 91.73 (2) of the statutes is repealed.

25 **SECTION 42.** 91.75 (intro.) of the statutes is amended to read:

Insert
15-9 ✓

1 **91.75 Ordinance standards.** (intro.) A zoning ordinance shall be deemed an
 2 “exclusive agricultural use ordinance” if it includes those jurisdictional,
 3 organizational or enforcement provisions necessary for its proper administration, if
 4 the land in exclusive agricultural use districts is limited to agricultural use and is
 5 identified as an agricultural preservation area under any agricultural preservation
 6 plans adopted under subch. IV and if the regulations on the use of agricultural lands
 7 in such districts meet the following standards which, except for sub. (4), are
 8 minimum standards:

✓
 Insert
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9 **SECTION 43.** 91.75 (6) of the statutes is amended to read:

10 **91.75 (6)** For purposes of farm consolidation and if permitted by local
 11 regulation, farm residences or structures which existed prior to the adoption of the
 12 ordinance may be separated from a larger farm parcel. ~~Farm residences or~~
 13 ~~structures with up to 5 acres of land which are separated from a larger farm parcel~~
 14 ~~under this section are not subject to the lien under s. 91.19 (8) to (10), as required in~~
 15 ~~s. 91.77 (2) or 91.79.~~

16 **SECTION 44.** 91.77 (2) of the statutes is repealed.

17 **SECTION 45.** 91.78 of the statutes is repealed.

18 **SECTION 46.** 91.79 of the statutes is repealed.

19 **SECTION 47.** 91.80 (1) of the statutes is amended to read:

20 **91.80 (1) ORDINANCE.** Any county, city, village or town may require by separate
 21 ordinance that land for which an owner receives a zoning certificate under s. 71.59
 22 (1)(b) applies for a farmland preservation credit under ss. 71.59 and 71.60 be farmed
 23 in compliance with reasonable soil and water conservation standards established by
 24 the county land conservation committee.

25 **SECTION 48.** 92.08 (1) of the statutes is amended to read:

1 92.08 (1) Every land conservation committee shall prepare annually for its
2 county a plan which describes the soil and water resource activities to be undertaken
3 by that county and the dollar amounts required for personnel to administer and
4 implement activities in that county related to soil conservation activities required
5 under ~~ss. 92.104 and s. 92.105~~ to claim a farmland preservation credit under ~~subch.~~
6 ~~of ch. 71,~~ ^{ss. 71.59 and 71.60} activities required under s. 92.17 related to shoreland management or
7 activities required under s. 281.65 (8m) related to the development or
8 implementation of animal waste or construction site erosion ordinances. The land
9 conservation committee shall submit that plan to the county board of that county and
10 to the department.

11 **SECTION 49.** 92.104 of the statutes is repealed.

12 **SECTION 50.** 92.105 (1) of the statutes is amended to read:

13 92.105 (1) ESTABLISHMENT. A land conservation committee shall establish soil
14 and water conservation standards. The standards and specifications for agricultural
15 facilities and practices that are constructed or begun on or after October 14, 1997,
16 and, if cost-sharing is available to the farmer under s. 92.14, 281.16 (5) or 281.65 or
17 from any other source, for agricultural facilities and practices that are constructed
18 or begun before that date shall be consistent with the performance standards,
19 prohibitions, conservation practices and technical standards under s. 281.16 (3). ~~It~~
20 Beginning on January 1, 2001, the standards shall be consistent with the tolerable
21 erosion level established under s. 92.04 (2) (i) and with nutrient management rules
22 promulgated under s. 92.05 (3) (k). A land conservation committee shall submit
23 these standards to the board for review.

24 **SECTION 51.** 92.105 (2) of the statutes is amended to read:

1 92.105 (2) GUIDELINES; REVIEW. The board shall develop guidelines to be used
 2 for the establishment and administration of soil and water conservation standards.
 3 The board shall review and shall approve or disapprove submitted soil and water
 4 conservation standards based on the guidelines it develops. If the board approves
 5 soil and water conservation standards, it shall notify ~~any appropriate zoning~~
 6 ~~authority~~ the land conservation committee of its approval.

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SECTION 52. 92.105 (5) of the statutes is amended to read:

8 92.105 (5) NONCOMPLIANCE. If the land conservation committee determines
 9 that farming operations on land to which this section applies do not comply with soil
 10 and water conservation standards, it shall issue a notice of noncompliance to the
 11 farmer and send a copy of the notice to ~~any appropriate zoning authority~~. If no
 12 ~~appropriate zoning authority exists, it shall send a copy to the department of~~
 13 ~~revenue. This notice of noncompliance remains in effect until canceled. If actions~~
 14 ~~are taken to comply with the soil and water conservation standards in a manner~~
 15 ~~satisfactory to the land conservation committee, it shall cancel the notice of~~
 16 ~~noncompliance by notifying the farmer and by sending a copy of the cancellation to~~
 17 ~~any appropriate zoning authority. If no appropriate zoning authority exists or if the~~
 18 ~~original notice was sent to the department of revenue, it shall send a copy of the~~
 19 ~~cancellation to the department of revenue.~~

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SECTION 53. 92.105 (7) (a) (title) of the statutes is repealed.

21 SECTION 54. 92.105 (7) (a) of the statutes is renumbered 92.105 (7) and
 22 amended to read:

23 92.105 (7) APPLICABILITY. This section and soil and water conservation
 24 standards established under this section apply only to a person claiming a farmland

ss. 71.59 and 71.60

1 preservation credit under ~~subch. IX of ch. 71~~, land related to that claim and farming
2 operations on that land ~~and apply only as provided under pars. (b) to (d).~~

3 SECTION 55. 92.105 (7) (b) to (d) of the statutes are repealed.

4 SECTION 56. 92.14 (2) (e) of the statutes is amended to read:

5 92.14 (2) (e) Promoting compliance with the requirements under ~~ss. 92.104 and~~

6 ~~s. 92.105~~ by persons claiming a farmland preservation credit under ~~subch. IX of ch.~~

7 ~~71~~ ss. 71.59 and 71.60

8 SECTION 57. 92.14 (3) (a) of the statutes is amended to read:

9 92.14 (3) (a) Compliance with requirements under ~~ss. 92.104 and s. 92.105~~ by

10 persons claiming a farmland preservation credit under ~~subch. IX of ch. 71~~ ss. 71.59 and 71.60

11 SECTION 58. 92.14 (4) (b) of the statutes is amended to read:

12 92.14 (4) (b) Implementing land and water resource management projects

13 undertaken to comply with the requirements under ~~ss. 92.104 and s. 92.105~~ by

14 persons claiming a farmland preservation credit under ~~subch. IX of ch. 71~~ ss. 71.59 and 71.60

15 SECTION 59. 92.14 (6) (c) 1. of the statutes is amended to read:

16 92.14 (6) (c) 1. Cost-effectiveness of an activity, including but not limited to

17 technical assistance, educational assistance, management practices, and satisfying

18 the requirements under ~~ss. 92.104 and s. 92.105~~ for claiming farmland preservation

19 credits under ~~subch. IX of ch. 71~~ ss. 71.59 and 71.60

20 SECTION 60. 281.65 (5) (b) of the statutes is amended to read:

21 281.65 (5) (b) Prepare sections of the priority watershed or priority lake plan

22 relating to farm-specific implementation schedules, requirements under ~~ss. 92.104~~

23 ~~and s. 92.105~~, animal waste management and selection of agriculturally related best

24 management practices and submit those sections to the department for inclusion

25 under sub. (4m) (b). The best management practices shall be cost-effective best

1 management practices, as specified under sub. (4) (e), except in situations in which
2 the use of a cost-effective best management practice will not contribute to water
3 quality improvement or will cause a water body to continue to be impaired as
4 identified to the federal environmental protection agency under 33 USC 1313 (d) (1)
5 (A).

6 **SECTION 61.** 281.65 (5) (d) of the statutes is amended to read:

7 281.65 (5) (d) Develop a grant disbursement and project management schedule
8 for agriculturally related best management practices to be included in a plan
9 established under sub. (4) (g) and identify recommendations for implementing
10 activities or projects under ss. 92.10, ~~92.104~~ and 92.105.

11 **SECTION 62.** 281.65 (5) (e) of the statutes is amended to read:

12 281.65 (5) (e) Identify areas within a priority watershed or priority lake area
13 that are subject to activities required under ss. ~~92.104~~ and s. 92.105.

14 **SECTION 9104. Nonstatutory provisions; agriculture, trade and**
15 **consumer protection.**

16 (1) SOIL AND WATER CONSERVATION STANDARDS. A county land conservation
17 committee shall submit revised soil and water conservation standards that comply
18 with section 92.105 (1) of the statutes, as affected by this act, to the land and water
19 conservation board no later than ^{September} ~~March~~ 1, 2000.

20 **SECTION 9343. Initial applicability; revenue.**

21 (1) FARMLAND PRESERVATION CREDIT.

22 (a) The treatment of sections ^{20.835(2)(dm), 71.07(3), 71.10(4)(c), 71.28(2),} 71.59 (1) (a) and (b) (intro.) and (2) (intro.) and
23 71.605 of the statutes first applies to taxable years beginning on January 1 of the
24 year in which this subsection takes effect, except that if this subsection takes effect
25 after July 31 the treatment of sections ^{71.30(3)(f), 71.47(2), 71.49(1)(f),} 71.59 (1) (a) and (b) (intro.) and (2) (intro.) and

1 71.605 of the statutes first applies to taxable years beginning on January 1 of the
2 year following the year in which this paragraph takes effect.

3 (b) The treatment of section 71.59 (1) (b) 5. and (d) (intro.) and 1. of the statutes
4 first applies to taxable years beginning on January 1, 2001.

5 **SECTION 9404. Effective dates; agriculture, trade and consumer**
6 **protection.**

7 (1) FARMLAND PRESERVATION CHANGES. The treatment of sections 23.094 (2) (c)
8 3., 66.023 (7m), 71.59 (1) (c) and (d) 1. and (2) (b) and (d), 71.60 (1) (b) and (c) 1. to
9 3. and 5. to 8., 91.01 (8), 91.06, 91.11 (1) (a) and (b), (2), (3) and (4), 91.13 (4) (a) and
10 (8) (d), 91.14, 91.19 (2) (c) 1. e., (7), (8), (10) ^{and (13)} and (12), 91.21 (3), 91.71, 91.73 (2), 91.75
11 (intro.) ⁽¹⁾ and (6), 91.77 (2), 91.78, 91.79, 91.80 (1), 92.08 (1), 92.104, 92.105 (2) ^{(3), (6)} and (7)
12 (b) to (d), 92.14 (2) (e), (3) (a), (4) (b) and (6) (c) 1. and 281.65 (5) (b), (d) and (e) and
13 subchapters III and IV of chapter 91 of the statutes, the repeal of section 92.105 (7)
14 (a) (title) of the statutes, the renumbering and amendment of sections 71.60 (2) and
15 92.105 (7) (a) of the statutes and the creation of section 71.60 (2) (b) of the statutes
16 take effect on January 1, 2001.

17

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Under current law, an eligible claimant may recover a certain amount of property taxes paid through the refundable farmland preservation credit. A refundable tax credit means that, if the amount of the credit which is otherwise due an eligible claimant exceeds the claimant's tax liability, or if there is no outstanding tax liability, the excess amount of the credit is paid to the claimant by check.

One of the current law eligibility requirements for the farmland preservation credit is that the farmland to which the claim relates be subject to either a farmland preservation agreement or to a county exclusive agricultural use zoning ordinance. A farmland preservation agreement and an exclusive agricultural use zoning ordinance requires the claimant to abide by certain soil and water conservation standards. A farmland preservation agreement is generally entered into for a term of ~~10~~ to ~~20~~ years, although the parties may agree to relinquish the agreement under certain circumstances. Also under current law, a claimant is required to supply a number of documents to the department of revenue (DOR) in support of the claimant's application. The required documents include a copy of the property tax bill relating to the farmland, certification by the claimant that all taxes owed by the claimant on the property for which the claim is made for the year before the year for which the claim is made have been paid and a copy of the farmland preservation agreement or a certificate of the appropriate zoning authority.

The current law credit is computed under a formula that is based on property taxes accrued on the claimant's farmland in the preceding calendar year, the claimant's household income and the contract, planning or zoning provisions that cover the farmland. The maximum credit a claimant could be eligible for is \$4,200, and the minimum credit that an eligible claimant could receive is \$600. The maximum credit for which the claimant would otherwise be eligible is reduced based on the zoning ordinances that are in effect in the county in which the farmland is located, although the minimum credit is never less than \$600 for an eligible claimant.

This bill retains most of the current law's formulas but, for taxable years beginning after December 31, 2000, the formulas do not include any tie to farmland preservation agreements, exclusive agricultural zoning or county preservation plans, all of which are eliminated. See Agriculture. Under the bill, the claimant must provide DOR with a number of documents that must also be provided under current law, such as a copy of the property tax bill relating to the farmland and certification by the claimant that all taxes owed by the claimant on the property for which the claim is made for the year before the year for which the claim is made have been paid. The bill also requires that the claimant provide DOR with a certificate of compliance, issued by the land conservation committee of each of the counties that have jurisdiction over the farmland, that certifies that certain soil and water standards that apply to the farmland are being met.

The bill also creates a new, refundable farmland preservation acreage credit. This credit may be claimed by any person who is an eligible claimant under the farmland preservation credit. Under the acreage credit, a claimant who sells,

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donates or otherwise transfers the development rights to the claimant's farmland to a nonprofit entity or to the state or to a political subdivision (a city, village, town or county) may claim the credit. The credit is equal to 50 cents for each acre that the claimants sells, donates or otherwise transfers if the claimant retains farming rights on the farmland, or 30 cents for each acre if farming rights are not retained. The bill defines "development rights" as a holder's nonpossessory interest in farmland that imposes a limitation or affirmative obligation, the purpose of which is to retain or protect natural, scenic or open space values of farmland, assuring the availability of farmland for agricultural, forest, wildlife habitat or open space use, protecting natural resources or maintaining or enhancing air or water quality. (S) (H)

If the claimant sells, donates or transfers the farmland development rights to a nonprofit entity, the credit may not be claimed unless the nonprofit entity enters into a written agreement with DATCP that requires certain standards for the management of the farmland be met and requires that any future sale, donation or transfer of the development rights to the farmland meet certain conditions. The conditions for such a transfer include a requirement that the nonprofit entity may sell, donate or transfer the development rights only to the state or to a political subdivision, or to another nonprofit entity that enters into another written agreement with DATCP that is similar to the agreement entered into between DATCP and the nonprofit entity that most recently held the development rights to the farmland. that (H)

the A nonprofit entity may develop the farmland with the written consent of the owner of the property and of DATCP, but only in a way that retains or protects natural, scenic or open space values of farmland, assuring the availability of farmland for agricultural, forest, wildlife habitat or open space use, protecting natural resources or maintaining or enhancing air or water quality.

If a claimant sells, donates or otherwise transfers development rights to a political subdivision, the political subdivision may develop the farmland only in way that is consistent with certain comprehensive planning requirements. a

The acreage credit may only be claimed by the claimant who owns the farmland when the development rights are initially transferred, and only after the claimant files with the register of deeds of each county in which the farmland is located a certificate that verifies that such rights have been transferred. No new claims may be filed under the acreage credit for taxable years that begin after December 31, 2002.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

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(NOR) , in a way that retains or protects natural, scenic or open space values of farmland, assuring the availability of farmland for agricultural, forest, wildlife habitat or open space use, protecting natural resources or maintaining or enhancing air or water quality.

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Under current law, one of the eligibility requirements for the farmland preservation ~~the~~ credit is that the land to which the claim relates be subject either to a farmland preservation agreement or to an exclusive agricultural use zoning ordinance that is certified by the land and water conservation board (LWCB). Land that is not subject to exclusive agricultural use zoning may only become subject to a farmland preservation agreement if the county in which the land is located has an agricultural preservation plan that is certified by LWCB. A farmland preservation agreement is between the landowner and the department of agriculture, trade and consumer protection (DATCP). The agreement commits the owner to keep the land in agricultural use for the duration of the agreement, up to 25 years, although the law allows DATCP to release land from an agreement under certain circumstances. Under current law, in some of the circumstances under which DATCP may release land from a farmland preservation agreement, or if land is rezoned from exclusive agricultural use, DATCP is required to file a lien against the land for the amount of the farmland preservation credit received by the owner during the preceding ~~ten~~ ten years.

For taxable years beginning after December 31, 2000, this bill eliminates the requirement that land be subject to a farmland preservation agreement or exclusive agricultural zoning for the owner to qualify for the farmland preservation ~~the~~ credit. *See Taxation.* The bill prohibits DATCP from entering into additional farmland preservation agreements after the bill takes effect. The bill requires DATCP to release land from an existing farmland preservation agreement at the request of the owner. DATCP is required to file a lien against the land for the amount of the farmland preservation credit received by the owner during the preceding ~~ten~~ ten years unless the land qualifies for release under one of the current circumstances under which a lien is not required. Under the bill, land that is rezoned from exclusive agricultural use zoning after December 31, 2000, is not subject to a lien. This bill also eliminates the statutory provisions concerning county agricultural preservation plans.

Under current law, an exclusive agricultural use zoning ordinance must generally provide that the minimum parcel size to establish a residence or a farm operation is 35 acres. This bill eliminates that requirement effective January 1, 2001, and requires instead that an exclusive agricultural use ordinance specify a minimum lot size.

Under current law, another eligibility requirement for the farmland preservation ~~the~~ credit is that the land be farmed in compliance with a soil and water conservation plan or with soil and water conservation standards established by the county and approved by LWCB. This bill eliminates the option of compliance with a soil and water conservation plan. Beginning on January 1, 2001, all claimants must comply with the soil and water conservation standards. The bill requires ~~that~~ the standards be consistent with the tolerable erosion established by LWCB and with nutrient management rules promulgated by DATCP.

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INS 1-4 ✓

SECTION 1. 20.835 (2) (dm) of the statutes is amended to read:

20.835 (2) (dm) *Farmland preservation credit*. A sum sufficient to pay the aggregate claims of the farmland preservation credit approved under subch. IX of ch. 71 ss. 71.59 and 71.60.

History: 1971 c. 125 ss. 192 to 195, 521; 1971 c. 215; 1973 c. 90, 158, 333; 1975 c. 39; 1975 c. 372 s. 41; 1975 c. 424; 1977 c. 29, 31, 313, 418, 447; 1979 c. 34 ss. 637m to 643m, 2102 (46) (d); 1979 c. 221; 1979 c. 329 s. 25 (1); 1979 c. 350 s. 27 (1); 1981 c. 1, 20, 93, 317; 1983 a. 2 ss. 1, 12; 1983 a. 27 ss. 489m, 490m, 2202 (45); 1985 a. 29, 41, 205; 1987 a. 27 ss. 473 to 474r, 476; 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 323, 328, 399, 411, 422; 1989 a. 31 ss. 551 to 557m, 564m; 1989 a. 56 s. 259; 1989 a. 336; 1991 a. 37; 1991 a. 39 ss. 250m, 653m to 659m; 1991 a. 225, 269; 1993 a. 16, 263; 1995 a. 27, 56, 209, 417; 1997 a. 27, 237.

SECTION 2. 20.835 (2) (dp) of the statutes is created to read:

20.835 (2) (dp) *Farmland preservation acreage credit*. A sum sufficient to pay the aggregate claims of the farmland preservation acreage credit approved under ss. 71.59 and 71.605. → NOTE: BUD

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SECTION 3. 71.07 (3) of the statutes is amended to read:

71.07 (3) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE CREDIT. The farmland preservation credit and the farmland preservation acreage credit under subch. IX may be claimed against taxes otherwise due.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299. History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299.

SECTION 4. 71.10 (4) (i) of the statutes is amended to read:

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit and ~~(d)~~ farmland preservation acreage credit under subch. IX, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s. 71.07 (2fd), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

SECTION 5. 71.28 (2) of the statutes is amended to read:

71.28 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE CREDIT. The farmland preservation credit and the farmland preservation acreage credit under subch. IX may be claimed against taxes otherwise due subject to the provisions, requirements and conditions of that subchapter.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299. History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299.

SECTION 6. 71.30 (3) (f) of the statutes is amended to read:

71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28 (1fd), farmland preservation credit and the farmland preservation acreage credit under subch. IX, farmland tax relief credit under s. 71.28 (2m) and estimated tax payments under s. 71.29.

History: 1987 a. 312; 1987 a. 411 ss. 144, 145, 182 to 185; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27. History: 1987 a. 312; 1987 a. 411 ss. 144, 145, 182 to 185; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27.

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248. History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248.

SECTION 7. 71.47 (2) of the statutes is amended to read:

71.47 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE CREDIT. The farmland preservation credit and the farmland preservation acreage credit under subch. IX may be claimed against taxes otherwise due.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299. History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299.

SECTION 8. 71.49 (1) (f) of the statutes is amended to read:

71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47 (1fd), farmland preservation credit and the farmland preservation acreage credit under subch. IX, farmland tax relief credit under s. 71.47 (2m) and estimated tax payments under s. 71.48.

History: 1987 a. 312, 411; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27. History: 1987 a. 312, 411; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27.

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Section #. 91.19 (13) of the statutes is amended to read:

91.19 (13) No lien may be filed under sub. (7) or (8) for any amount of tax credits paid under ~~subch. IX of ch. 71~~ ^{ss. 71.59 and 71.60 ✓} to any owner of farmland if, up to the date of relinquishment under sub. (1) or (1m) of the applicable farmland preservation agreement or transition area agreement, all of the requirements under this subchapter that relate to the agreement have been satisfied by the owner.

History: 1977 c. 29, 169, 418; 1979 c. 221; 1983 a. 311; 1987 a. 312 s. 17; 1987 a. 399; 1989 a. 31; 1991 a. 39, 286; 1993 a. 16; 1995 a. 27.

Insert 16-8 ✓

Section #, RC; 91.75(1)

91.75(1) A minimum lot size is specified.

Insert 18-6 ✓

Section #. 92.105 (3) of the statutes is amended to read:

92.105 (3) APPROVED STANDARDS REQUIRED FOR FARMLAND PRESERVATION CREDIT. A farmland preservation credit may not be allowed under ~~subch. IX of ch. 71~~^{ss. 71.59 and 71.60 ✓} for claims relating to any land to which this section applies unless the land conservation committee for the county where the property is located establishes soil and water conservation standards which are approved by the board.

History: 1985 a. 29, 332; 1987 a. 312 s. 17; 1997 a. 27.

Insert 18-19 ✓

Section #. 92.105 (6) of the statutes is amended to read:

92.105 (6) ELIGIBILITY FOR FARMLAND PRESERVATION CREDIT. A farmland preservation credit may not be allowed under ~~subch. IX of ch. 71~~ ^{ss. 79.59 and 79.60} if a notice of noncompliance is in effect with respect to a claimant to which this section applies at the time the claim is filed.

History: 1985 a. 29, 332; 1987 a. 312 s. 17; 1997 a. 27.

Tradewell, Becky

From: Grinde, Kirsten
Sent: Friday, January 29, 1999 11:22 PM
To: Shovers, Marc; Tradewell, Becky
Subject: LRB 1785/P2

Marc and Becky,

Please make the following changes to LRB 1785/P2. I think Becky is only affected by the last change listed (and maybe the one before it).

Modify s. 71.58 (8) to reduce the maximum property taxes accrued amount from \$6,000 to \$4,000.

Page 7, line 15, change "under s. 92.105 (1),(2) and (3) are being met." to "under s. 92.105 (1) to (3) are being met."

Modify s. 71.60 (1)(a) to reduce the maximum excessive property taxes from \$6,000 to \$4,000.

Page 8, Section 20: Modify the credit formula in the following manner: The credit allowed shall be limited to

40% of the first \$2,000
60% of the next \$1,000
70% of the next \$1,000

The maximum credit shall not exceed \$2,100 for any claimant.

Page 12, line 24, change "city, village, town or county" to "political subdivision"

Page 15, line 5, remove s. 71.59 (c) -- the preservation acreage credit claimants would not need to comply with the standards.

Page 15, lines 7-8: I assume that this sunset provision applies only to s. 71.605? Both farmland preservation credits ss. 71.60 and 71.605 should sunset December 31, 2002.

Provide emergency rule-making authority to DATCP to implement the new preservation credit -- in particular, the agreements with the nonprofit organizations.

Let me know if you have any questions.

Thanks,

Kirsten

Shovers, Marc

From: Grinde, Kirsten
Sent: Friday, January 29, 1999 11:22 PM
To: Shovers, Marc; Tradewell, Becky
Subject: LRB 1785/P2

*1/30/99
Kirsten says new
max prop. taxes accrued &
new max credit first to
apply to new claims
filed for
taxable years
beginning after
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not done*

Marc and Becky,

Please make the following changes to LRB 1785/P2. I think Becky is only affected by the last change listed (and maybe the one before it).

Modify s. 71.58 (8) to reduce the maximum property taxes accrued amount from \$6,000 to \$4,000.

Page 7, line 15, change "under s. 92.105 (1),(2) and (3) are being met." to "under s. 92.105 (1) to (3) are being met."

Modify s. 71.60 (1)(a) to reduce the maximum excessive property taxes from \$6,000 to \$4,000.

Page 8, Section 20: Modify the credit formula in the following manner: The credit allowed shall be limited to

- 40% of the first \$2,000
- 60% of the next \$1,000
- 70% of the next \$1,000

The maximum credit shall not exceed \$2,100 for any claimant.

Page 12, line 24, change "city, village, town or county" to "political subdivision"

Page 15, line 5, remove s. 71.59 (c) -- the preservation acreage credit claimants would not need to comply with the standards.

Page 15, lines 7-8: I assume that this sunset provision applies only to s. 71.605? Both farmland preservation credits ss. 71.60 and 71.605 should sunset December 31, 2002.

Provide emergency rule-making authority to DATCP to implement the new preservation credit -- in particular, the agreements with the nonprofit organizations.

Let me know if you have any questions.

Thanks,

Kirsten



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1785/P#3
MES&RCT:kmg:hmh

*redraft
make
run*

DOA:.....Grinde - Farmland preservation credits, repeal farmland preservation agreements

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

*do not
send*

1 AN ACT ... relating to: modifying the farmland preservation credit, creating a
2 new refundable farmland preservation credit for certain farmland that has
3 limited development rights, farmland preservation, exclusive agricultural use
4 zoning and soil and water conservation standards and making an
5 appropriation.

Analysis by the Legislative Reference Bureau

AGRICULTURE

Under current law, one of the eligibility requirements for the farmland preservation credit is that the land to which the claim relates must be subject either to a farmland preservation agreement or to an exclusive agricultural use zoning ordinance that is certified by the land and water conservation board (LWCB). Land that is not subject to exclusive agricultural use zoning may only become subject to a farmland preservation agreement if the county in which the land is located has an agricultural preservation plan that is certified by LWCB. A farmland preservation agreement is between the landowner and the department of agriculture, trade and consumer protection (DATCP). The agreement commits the owner to keep the land in agricultural use for the duration of the agreement, up to 25 years, although the

law allows DATCP to release land from an agreement under certain circumstances. Under current law, in some of the circumstances under which DATCP may release land from a farmland preservation agreement, or if land is rezoned from exclusive agricultural use, DATCP is required to file a lien against the land for the amount of the farmland preservation credit received by the owner during the preceding ten years.

For taxable years beginning after December 31, 2000, this bill eliminates the requirement that land must be subject to a farmland preservation agreement or exclusive agricultural use zoning for the owner to qualify for the farmland preservation credit. *See* **TAXATION**. The bill prohibits DATCP from entering into additional farmland preservation agreements after the bill takes effect. The bill requires DATCP to release land from an existing farmland preservation agreement at the request of the owner. DATCP is required to file a lien against the land for the amount of the farmland preservation credit received by the owner during the preceding ten years unless the land qualifies for release under one of the current circumstances under which a lien is not required. Under the bill, land that is rezoned from exclusive agricultural use zoning after December 31, 2000, is not subject to a lien. This bill also eliminates the statutory provisions concerning county agricultural preservation plans.

Under current law, another eligibility requirement for the farmland preservation credit is that the land must be farmed in compliance with a soil and water conservation plan or with soil and water conservation standards established by the county and approved by LWCB. Under the bill, beginning on January 1, 2001, all claimants must comply with the soil and water conservation standards. The bill requires counties to revise the standards so that they are consistent with the tolerable erosion established by LWCB and with nutrient management rules promulgated by DATCP.

Under current law, an exclusive agricultural use zoning ordinance must generally provide that the minimum parcel size to establish a residence or a farm operation is 35 acres. This bill eliminates that requirement effective January 1, 2001, and requires instead that an exclusive agricultural use ordinance must specify a minimum lot size.

TAXATION

INCOME TAXATION

Under current law, an eligible claimant may recover a certain amount of property taxes paid through the refundable farmland preservation credit. A refundable tax credit means that, if the amount of the credit which is otherwise due an eligible claimant exceeds the claimant's tax liability, or if there is no outstanding tax liability, the excess amount of the credit is paid to the claimant by check.

One of the current law eligibility requirements for the farmland preservation credit is that the farmland to which the claim relates must be subject to either a farmland preservation agreement or to a county exclusive agricultural use zoning ordinance. A farmland preservation agreement and an exclusive agricultural use zoning ordinance requires the claimant to abide by certain soil and water conservation standards. A farmland preservation agreement is generally entered

→ (NOR) For new claims that are filed for taxable years beginning after December 31, 2000, the maximum credit that a claimant could be eligible for is \$2,100. IN addition, no new claims may be filed into for a term of ten to twenty-five years, although the parties may agree to relinquish the agreement under certain circumstances. Also under current law, a claimant is required to supply a number of documents to the department of revenue (DOR) in support of the claimant's application. The required documents include a copy of the property tax bill relating to the farmland, certification by the claimant that all taxes owed by the claimant on the property for which the claim is made for the year before the year for which the claim is made have been paid and a copy of the farmland preservation agreement or a certificate of the appropriate zoning authority. *for a taxable year that begins after December 31, 2002.*

The current law credit is computed under a formula that is based on property taxes accrued on the claimant's farmland in the preceding calendar year, the claimant's household income and the contract, planning or zoning provisions that cover the farmland. The maximum credit that a claimant could be eligible for is \$4,200, and the minimum credit that an eligible claimant could receive is \$600. The maximum credit for which the claimant would otherwise be eligible is reduced based on the zoning ordinances that are in effect in the county in which the farmland is located, although the minimum credit is never less than \$600 for an eligible claimant.

This bill retains most of the current law's formulas but, for taxable years beginning after December 31, 2000, the formulas do not include any tie to farmland preservation agreements, exclusive agricultural use zoning or county preservation plans. See **AGRICULTURE**. Under the bill, the claimant must provide DOR with a number of documents that must also be provided under current law, such as a copy of the property tax bill relating to the farmland and certification by the claimant that all taxes owed by the claimant on the property for which the claim is made for the year before the year for which the claim is made have been paid. The bill also requires that the claimant provide DOR with a certificate of compliance, issued by the land conservation committee of each of the counties that have jurisdiction over the farmland, that certifies that certain soil and water conservation standards that apply to the farmland are being met. ^

The bill also creates a new, refundable farmland preservation acreage credit. This credit may be claimed by any person who is an eligible claimant under the farmland preservation credit. Under the acreage credit, a claimant who sells, donates or otherwise transfers the development rights to the claimant's farmland to a nonprofit entity or to the state or to a political subdivision (a city, village, town or county) may claim the credit. The credit is equal to 50 cents for each acre that the claimants sells, donates or otherwise transfers if the claimant retains farming rights on the farmland, or 30 cents for each acre if farming rights are not retained. The bill defines "development rights" as a holder's nonpossessory interest in farmland that imposes a limitation or affirmative obligation, the purpose of which is to retain or protect natural, scenic or open space values of farmland, assuring the availability of farmland for agricultural, forest, wildlife habitat or open space use, protecting natural resources or maintaining or enhancing air or water quality.

If the claimant sells, donates or transfers the farmland development rights to a nonprofit entity, the credit may not be claimed unless the nonprofit entity enters

into a written agreement with DATCP that requires that certain standards for the management of the farmland be met and requires that any future sale, donation or transfer of the development rights to the farmland meet certain conditions. The conditions for such a transfer include a requirement that the nonprofit entity may sell, donate or transfer the development rights only to the state or to a political subdivision, or to another nonprofit entity that enters into another written agreement with DATCP that is similar to the agreement entered into between DATCP and the nonprofit entity that most recently held the development rights to the farmland.

A nonprofit entity may develop the farmland with the written consent of the owner of the property and of DATCP, but only in a way that retains or protects natural, scenic or open space values of the farmland, assuring the availability of farmland for agricultural, forest, wildlife habitat or open space use, protecting natural resources or maintaining or enhancing air or water quality.

If a claimant sells, donates or otherwise transfers development rights to a political subdivision, the political subdivision may develop the farmland only in a way that is consistent with certain comprehensive planning requirements.

The acreage credit may only be claimed by the claimant who owns the farmland when the development rights are initially transferred, and only after the claimant files with the register of deeds of each county in which the farmland is located a certificate that verifies that such rights have been transferred. No new claims may be filed under the acreage credit for taxable years that begin after December 31, 2002.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.835 (2) (dm) of the statutes is amended to read:

2 20.835 (2) (dm) *Farmland preservation credit.* A sum sufficient to pay the
3 aggregate claims of the farmland preservation credit approved under subch. IX of ch.
4 71 ss. 71.59 and 71.60.

5 **SECTION 2.** 20.835 (2) (dp) of the statutes is created to read:

6 20.835 (2) (dp) *Farmland preservation acreage credit.* A sum sufficient to pay
7 the aggregate claims of the farmland preservation acreage credit approved under ss.
8 71.59 and 71.605.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

1 **SECTION 3.** 23.094 (2) (c) 3. of the statutes is repealed.

2 **SECTION 4.** 66.023 (7m) of the statutes is amended to read:

3 **66.023 (7m) ZONING IN TOWN TERRITORY.** If a town is a party to a cooperative plan
4 with a city or village, the town and city or village may agree, as part of the cooperative
5 plan, to authorize the town, city or village to adopt a zoning ordinance under s. 60.61,
6 61.35 or 62.23 for all or a portion of the town territory covered by the plan. The
7 exercise of zoning authority by a town under this subsection is not subject to s. 60.61
8 (3) or 60.62 (3). If a county zoning ordinance applies to the town territory covered
9 by the plan, that ordinance and amendments to it continue until a zoning ordinance
10 is adopted under this subsection. If a zoning ordinance is adopted under this
11 subsection, that zoning ordinance continues in effect after the planning period ceases
12 until a different zoning ordinance for the territory is adopted under other applicable
13 law. This subsection does not affect zoning ordinances adopted under ss. 59.692,
14 87.30 or ~~91.71 to 91.78~~ 91.73 to 91.77.

15 **SECTION 5.** 71.07 (3) of the statutes is amended to read:

16 **71.07 (3) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE**
17 **CREDIT.** The farmland preservation credit and the farmland preservation acreage
18 **credit** under subch. IX may be claimed against taxes otherwise due.

19 **SECTION 6.** 71.10 (4) (i) of the statutes is amended to read:

20 **71.10 (4) (i)** The total of claim of right credit under s. 71.07 (1), farmland
21 preservation credit and farmland preservation acreage credit under subch. IX,
22 homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m),
23 farmers' drought property tax credit under s. 71.07 (2fd), earned income tax credit

1 under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under
2 subch. X.

3 SECTION 7. 71.28 (2) of the statutes is amended to read:

4 71.28 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
5 CREDIT. The farmland preservation credit and the farmland preservation acreage
6 credit under subch. IX may be claimed against taxes otherwise due subject to the
7 provisions, requirements and conditions of that subchapter.

8 SECTION 8. 71.30 (3) (f) of the statutes is amended to read:

9 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
10 (1fd), farmland preservation credit and farmland preservation acreage credit under
11 subch. IX, farmland tax relief credit under s. 71.28 (2m) and estimated tax payments
12 under s. 71.29.

13 SECTION 9. 71.47 (2) of the statutes is amended to read:

14 71.47 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
15 CREDIT. The farmland preservation credit and the farmland preservation acreage
16 credit under subch. IX may be claimed against taxes otherwise due.

17 SECTION 10. 71.49 (1) (f) of the statutes is amended to read:

18 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
19 (1fd), farmland preservation credit and farmland preservation acreage credit under
20 subch. IX, farmland tax relief credit under s. 71.47 (2m) and estimated tax payments
21 under s. 71.48.

Handwritten note: 125. 6-21

22 SECTION 11. 71.59 (1) (a) of the statutes is amended to read:

23 71.59 (1) (a) Subject to the limitations provided in this subchapter and s. 71.80
24 (3) and (3m), a claimant may claim as a credit against Wisconsin income or franchise
25 taxes otherwise due, the amount derived under s. 71.60 or the amount derived under

1 s. 71.605, or both. If the allowable amount of claim exceeds the income or franchise
2 taxes otherwise due on or measured by the claimant's income or if there are no
3 Wisconsin income or franchise taxes due on or measured by the claimant's income,
4 the amount of the claim not used as an offset against income or franchise taxes shall
5 be certified to the department of administration for payment to the claimant by
6 check, share draft or other draft drawn on the general fund.

7 **SECTION 12.** 71.59 (1) (b) (intro.) of the statutes is amended to read:

8 71.59 (1) (b) (intro.) Every claimant under this ~~subchapter~~ section and s. 71.60
9 shall supply, at the request of the department, in support of the claim, all of the
10 following:

11 **SECTION 13.** 71.59 (1) (b) 5. of the statutes is created to read:

12 71.59 (1) (b) 5. A copy of a certificate of compliance, issued by the land
13 conservation committee of each of the counties that have jurisdiction over the
14 farmland, that certifies that the soil and water standards that apply to the farmland
15 under s. 92.105 (1), (2) and (3) are being met.

16 **SECTION 14.** 71.59 (1) (c) of the statutes is amended to read:

17 71.59 (1) (c) A farmland preservation agreement submitted under par. (b) 3.
18 shall contain provisions specified under s. 91.13 (8) including either a provision
19 requiring farming operations to be conducted in substantial accordance with a soil
20 and water conservation plan prepared under s. 92.104, 1997 stats., or a provision
21 requiring farming operations to be conducted in compliance with reasonable soil and
22 water conservation standards established under s. 92.105.

23 **SECTION 15.** 71.59 (1) (d) (intro.) of the statutes is amended to read:

24 71.59 (1) (d) (intro.) The certificate of ~~the zoning authority~~ submitted under
25 par. (b) ~~3.~~ 5. shall certify:

1 **SECTION 16.** 71.59 (1) (d) 1. of the statutes is amended to read:

2 71.59 (1) (d) 1. That the lands are within the boundaries of an agricultural
3 zoning district which is part of an adopted ordinance meeting the standards of subch.
4 V of ch. 91 and certified under s. 91.06, 1997 stats.

5 **SECTION 17.** 71.59 (2) (intro.) of the statutes is amended to read:

6 71.59 (2) INELIGIBLE CLAIMS. (intro.) No credit shall be allowed under this
7 subchapter section and s. 71.60:

8 **SECTION 18.** 71.59 (2) (b) of the statutes is amended to read:

9 71.59 (2) (b) If a notice of noncompliance with an applicable soil and water
10 conservation plan under s. 92.104, 1997 stats., is in effect with respect to the
11 claimant at the time the claim is filed.

12 **SECTION 19.** 71.59 (2) (d) of the statutes is amended to read:

13 71.59 (2) (d) For property taxes accrued on farmland zoned for exclusive
14 agricultural use under an ordinance certified under subch. V of ch. 91 s. 91.06, 1997
15 stats., which is granted a special exception or conditional use permit for a use which
16 is not an agricultural use, as defined in s. 91.01 (1).

17 **SECTION 20.** 71.60 (1) (b) of the statutes is amended to read:

18 71.60 (1) (b) *Except as provided in par. (b), the* The credit allowed under s. 71.59 and this subchapter section shall
19 be limited to 90% of the first \$2,000 of excessive property taxes plus 70% of the 2nd
20 \$2,000 of excessive property taxes plus 50% of the 3rd \$2,000 of excessive property
21 taxes. The maximum credit shall not exceed \$4,200 for any claimant. The credit for
22 any claimant shall be the greater of either the credit as calculated under this
23 subchapter as it exists at the end of the year for which the claim is filed or as it existed
24 on the date on which the farmland became subject to a current agreement under
25 subch. II ~~or III~~ of ch. 91 or under subch. III of ch. 91, 1997 stats., using for such

1 calculations household income and property taxes accrued of the year for which the
2 claim is filed.

3 **SECTION 21.** 71.60 (1) (c) 1. to 3. of the statutes are amended to read:

4 71.60 (1) (c) 1. If the farmland is located in a county which has a ~~certified~~ an
5 agricultural preservation plan certified under subch. IV of ch. 91 s. 91.06, 1997 stats.,
6 at the close of the year for which credit is claimed and is in an area zoned by a county,
7 city or village for exclusive agricultural use under ch. 91 at the close of such year, the
8 amount of the claim shall be that as specified in par. (b).

9 2. If the farmland is subject to a transition area agreement under subch. II of
10 ch. 91 on July 1 of the year for which credit is claimed, or the claimant had applied
11 for such an agreement before July 1 of such year and the agreement has subsequently
12 been executed, and the farmland is located in a city or village which has a ~~certified~~
13 an exclusive agricultural use zoning ordinance certified under subch. V of ch. 91 s.
14 91.06, 1997 stats., in effect at the close of the year for which credit is claimed, or in
15 a town which is subject to a ~~certified~~ county exclusive agricultural use zoning
16 ordinance certified under subch. V of ch. 91 s. 91.06, 1997 stats., in effect at the close
17 of the year for which credit is claimed, the amount of the claim shall be that as
18 specified in par. (b).

19 3. If the claimant or any member of the claimant's household owns farmland
20 which is ineligible for credit under subd. 1. or 2. but was subject to a farmland
21 preservation agreement under subch. III of ch. 91, 1997 stats., on July 1 of the year
22 for which credit is claimed, or the owner had applied for such an agreement before
23 July 1 of such year and the agreement has subsequently been executed, and if the
24 owner has applied by the end of the year in which conversion under s. 91.41, 1997
25 stats., is first possible for conversion of the agreement to a transition area agreement

1 under subch. II of ch. 91, and the transition area agreement has subsequently been
2 executed, and the farmland is located in a city or village which has a ~~certified~~ an
3 exclusive agricultural use zoning ordinance certified under ~~subch. V of ch. 91 s.~~
4 91.06, 1997 stats., in effect at the close of the year for which credit is claimed, or in
5 a town which is subject to a ~~certified~~ county exclusive agricultural use zoning
6 ordinance certified under ~~subch. V of ch. 91 s.~~ 91.06, 1997 stats., in effect at the close
7 of the year for which credit is claimed, the amount of the claim shall be that specified
8 in par. (b).

9 **SECTION 22.** 71.60 (1) (c) 5. to 8. of the statutes are amended to read:

10 71.60 (1) (c) 5. If the claimant or any member of the claimant's household owns
11 farmland which is ineligible for credit under subds. 1. to 4. but was subject to a
12 farmland preservation agreement under subch. III of ch. 91, 1997 stats., on July 1
13 of the year for which credit is claimed, or the owner had applied for such an
14 agreement before July 1 of such year and the agreement has subsequently been
15 executed, and if the owner has applied by the end of the year in which conversion
16 under s. 91.41, 1997 stats., is first possible for conversion of the agreement to an
17 agreement under subch. II of ch. 91, and the agreement under subch. II of ch. 91 has
18 subsequently been executed, the amount of the claim shall be limited to 80% of that
19 specified in par. (b).

20 6. If the farmland is located in an agricultural district under a ~~certified~~ county
21 agricultural preservation plan certified under ~~subch. IV of ch. 91 s.~~ 91.06, 1997 stats.,
22 at the close of the year for which credit is claimed, and is located in an area zoned for
23 exclusive agricultural use under a ~~certified~~ town ordinance certified under ~~subch. V~~
24 ~~of ch. 91 s.~~ 91.06, 1997 stats., at the close of such year, the amount of the claim shall
25 be the amount specified in par. (b).

1 6m. If the farmland is located in an agricultural district under a certified
2 county agricultural preservation plan certified under subch. IV of ch. 91 s. 91.06,
3 1997 stats., at the close of the year for which credit is claimed, and is located in an
4 area zoned for exclusive agricultural use under a certified county or town ordinance
5 certified under subch. V of ch. 91 s. 91.06, 1997 stats., for part of a year but not at
6 the close of that year because the farmland became subject to a city or village
7 extraterritorial zoning ordinance under s. 62.23 (7a), the amount of the claim shall
8 be equal to the amount that the claim would have been under this section if the
9 farmland were subject to a certified county or town exclusive agricultural use
10 ordinance at the close of the year.

11 7. If the farmland is located in an area zoned for exclusive agricultural use
12 under a certified county, city or village ordinance certified under subch. V of ch. 91
13 s. 91.06, 1997 stats., at the close of the year for which credit is claimed, but the county
14 in which the farmland is located has not adopted an agricultural preservation plan
15 under subch. IV of ch. 91, 1997 stats., by the close of such year, the amount of the
16 claim shall be limited to 70% of that specified in par. (b).

17 8. If the farmland is subject to a farmland preservation agreement under subch.
18 III of ch. 91, 1997 stats., on July 1 of the year for which credit is claimed or the
19 claimant had applied for such an agreement before July 1 of such year and the
20 agreement has subsequently been executed, the amount of the claim shall be limited
21 to 50% of that specified in par. (b).

22 **SECTION 23.** 71.60 (2) of the statutes is renumbered 71.60 (2) (a) and amended
23 to read:

24 71.60 (2) (a) If For taxable years beginning before January 1, 2001, if the
25 farmland is subject to a certified an ordinance certified under subch. V of ch. 91 s.

1 91.06, 1997 stats., or an agreement under subch. II of ch. 91, in effect at the close of
2 the year for which the credit is claimed, the amount of the claim is 10% of the property
3 taxes accrued or the amount determined under sub. (1), whichever is greater.

4 **SECTION 24.** 71.60 (2) (b) of the statutes is created to read:

5 71.60 (2) (b) For taxable years beginning after December 31, 2000, if the
6 farmland is subject to a certificate of compliance that is described under s. 71.59 (1)
7 (b) 5. and that is in effect at the close of the year for which the credit is claimed, the
8 amount of the claim is 10% of the property taxes accrued or the amount determined
9 under sub. (1), whichever is greater.


10 **SECTION 25.** 71.605 of the statutes is created to read:

11 **71.605 Farmland preservation acreage credit. (1) DEFINITIONS.** In this
12 section:

13 (a) "Development rights" means a holder's nonpossessory interest in farmland
14 that imposes a limitation or affirmative obligation the purpose of which is to retain
15 or protect natural, scenic or open space values of farmland, assuring the availability
16 of farmland for agricultural, forest, wildlife habitat or open space use, protecting
17 natural resources or maintaining or enhancing air or water quality.

18 (b) "Nonprofit entity" means an entity that is described in section 501 (c) (3) of
19 the Internal Revenue Code and is exempt from federal income tax under section 501
20 (a) of the Internal Revenue Code.

21 (c) "Political subdivision" means a city, village, town or county.

22 (2) CALCULATION. If the claimant sells, donates or otherwise transfers the
23 development rights to farmland for which a credit is claimed under this section to the
24 state or to a ^{political subdivision} ~~city, village, town or county~~, or to a nonprofit entity, the credit may be
25 calculated as follows: 

1 (a) If farming rights are retained on such farmland, the credit shall be 50 cents
2 for each acre that the claimant sells, donates or otherwise transfers.

3 (b) If farming rights are not retained on such farmland, the credit shall be 30
4 cents for each acre that the claimant sells, donates or otherwise transfers.

5 (3) LIMITATIONS. (a) If a claimant sells, donates or otherwise transfers
6 development rights under sub. (2) to a nonprofit entity, the credit under this section
7 may not be claimed unless the entity enters into a signed agreement with the
8 department of agriculture, trade and consumer protection that contains all of the
9 following:

10 1. Standards for the management of the farmland, the development rights to
11 which are to be acquired.

12 2. A prohibition against using the development rights to the farmland which
13 are to be acquired as security for any debt unless the department of agriculture, trade
14 and consumer protection approves the incurring of the debt.

15 3. A clause that any subsequent sale, donation or other transfer of the
16 development rights to the farmland which are to be acquired is subject to pars. (b)
17 and (e).

18 (b) The nonprofit entity may subsequently sell, donate or otherwise transfer
19 the acquired development rights to the farmland to the state or to a city, village, town
20 or county, or to a 3rd party other than a creditor if the 3rd party is also a nonprofit
21 entity, except that a sale, donation or transfer to another nonprofit entity may occur
22 only if all of the following apply:

23 1. The department of agriculture, trade and consumer protection approves the
24 subsequent sale, donation or transfer.

1 2. The party to whom the development rights are sold, donated or transferred
2 enters into a new contract with the department of agriculture, trade and consumer
3 protection under par. (a).

4 (c) The nonprofit entity may subsequently sell, donate or transfer the acquired
5 development rights to satisfy a debt or other obligation if the department of
6 agriculture, trade and consumer protection approves the sale, donation or transfer.

7 (d) The nonprofit entity may subsequently develop the property, with the
8 written consent of the owner of the property and with the written consent of the
9 department of agriculture, trade and consumer protection, in a way that retains or
10 protects natural, scenic or open space values of farmland, assuring the availability
11 of farmland for agricultural, forest, wildlife habitat or open space use, protecting
12 natural resources or maintaining or enhancing air or water quality.

13 (e) If the nonprofit entity violates any essential provision of the contract, the
14 development rights that were acquired shall vest in the state.

15 (f) The instrument conveying the development rights to the nonprofit entity
16 shall state the interest of the state under par. (e). The contract entered into under
17 par. (a) and the instrument of conveyance shall be recorded in the office of the register
18 of deeds of each county in which the farmland is located.

19 (g) If a claimant sells, donates or otherwise transfers development rights under
20 sub. (2) to a political subdivision, the political subdivision may develop the farmland
21 only in a way that is consistent with a comprehensive plan under s. 66.0295.

****NOTE: Par. (g) may not remain in this draft if LRB-1256 is removed from the bill.

22 (fm) The credit under this section may be claimed only by the person who owns
23 the farmland when the development rights are initially transferred as described in
24 sub. (2).

1 (g) The credit under this section may not be claimed until the claimant files
2 with the register of deeds of each county in which the farmland is located the
3 certificate that verifies that the development rights to the farmland have been
4 transferred as described in sub. (2).

5 (h) Section 71.59 (2) (a) ~~and~~ and (e), to the extent that it applies to the credit
6 under ss. 71.59 and 71.60, applies to the credit under this section.

7 (4) SUNSET. No new claims may be filed under this section for taxable years that
8 begin after December 31, 2002.

9 SECTION 26. 71.61 (6) of the statutes is created to read:

10 71.61 (6) ~~PAVVA~~ SUNSET. For claims that are filed under s. 71.59 and computed
11 under s. 71.60 for taxable years that begin after December 31, 2000, based on
12 property taxes that are accrued in the previous calendar year, ss. 71.59 (1) (b) 3. and
13 (d) 1. to 4. and 71.60 (1) (c) do not apply. # (b) No new claims may be filed
under s. 71.60 for taxable years that begin after December 31, 2002.

14 SECTION 27. 91.01 (8) of the statutes is amended to read:

15 91.01 (8) "Local governing body having jurisdiction" means the city council,
16 village board or town board if that body has adopted a certified an ordinance under
17 subch. V that is certified under s. 91.06, 1997 stats.; or the county board where such
18 a city, village or town zoning ordinance is not in effect.

19 SECTION 28. 91.04 of the statutes is created to read:

20 91.04 Acquisition of development rights agreements. The department
21 shall maintain a list of nonprofit entities with which the department has entered into
22 agreements under s. 71.605 (3). The department shall make the list available to
23 owners who are interested in transferring their development rights and to the
24 department of revenue.

25 SECTION 29. 91.06 of the statutes is repealed.

1 **SECTION 30.** 91.11 (1) (a) of the statutes is amended to read:

2 91.11 (1) (a) The county in which the land is located has a ~~certified in effect an~~
3 agricultural preservation plan ~~in effect~~ certified under s. 91.06, 1997 stats.; or

4 **SECTION 31.** 91.11 (1) (b) of the statutes is amended to read:

5 91.11 (1) (b) The land is in an area zoned for exclusive agricultural use under
6 an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~

7 **SECTION 32.** 91.11 (2) of the statutes is amended to read:

8 91.11 (2) An owner of land located in a county with a population density of less
9 than 100 persons per square mile which has adopted a ~~certified an~~ exclusive
10 agricultural use zoning ordinance certified under s. 91.06, 1997 stats., may apply
11 under this subchapter even if the town in which the land is located has not approved
12 the ordinance.

13 **SECTION 33.** 91.11 (3) of the statutes is amended to read:

14 91.11 (3) In any county with a population density of 100 or more persons per
15 square mile, an owner may apply for a farmland preservation agreement under this
16 subchapter only if the county in which the land is located has a certified an exclusive
17 agricultural use zoning ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~, and
18 the town in which the land is located has approved the ordinance.

19 **SECTION 34.** 91.11 (4) of the statutes is amended to read:

20 91.11 (4) In any city, town or village that has adopted a ~~certified an~~ exclusive
21 agricultural use zoning ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~, or
22 in any town that has approved a ~~certified an~~ exclusive agricultural use zoning
23 ordinance adopted by the county and certified under ~~subch. V s. 91.06, 1997 stats.~~,
24 an owner may apply for a farmland preservation agreement only if the land is in an
25 area zoned for exclusive agricultural use.

1 **SECTION 35.** 91.13 (4) (a) of the statutes is amended to read:

2 91.13 (4) (a) Whether the farmland is designated an agricultural preservation
3 area in a ~~certified~~ an agricultural preservation plan ~~established~~ certified under
4 ~~subch. IV s. 91.06, 1997 stats.,~~ or is an area zoned for exclusive agricultural use under
5 an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~

6 **SECTION 36.** 91.13 (8) (d) of the statutes is repealed.

7 **SECTION 37.** 91.14 of the statutes is amended to read:

8 **91.14 Transition area agreements.** An owner may apply for a transition
9 area agreement under this subchapter if the farmland is located in an area identified
10 as a transition area under a ~~certified~~ county agricultural preservation plan certified
11 under ~~subch. IV s. 91.06, 1997 stats.~~ The provisions of this subchapter, except ss.
12 91.11 (1) (b) and (4), 91.13 (4) (a) and (10) and 91.15, apply to agreements under this
13 section. Agreements under this section shall be for not less than 5 nor more than 20
14 years, consistent with the county agricultural preservation plan.

15 **SECTION 38.** 91.19 (2) (c) 1. e. of the statutes is amended to read:

16 91.19 (2) (c) 1. e. The proposed development or use is consistent with the
17 county's ~~certified~~ agricultural preservation plan certified under s. 91.06, 1997 stats.,
18 if a plan is in effect.

19 **SECTION 39.** 91.19 (6t) of the statutes is amended to read:

20 91.19 (6t) The After the effective date of this subsection [revisor inserts
21 date], the department shall relinquish land from a farmland preservation agreement
22 land that has been subject to a farmland preservation agreement for at least 10 years
23 if the owner of the land so requests.

24 **SECTION 40.** 91.19 (7) of the statutes is amended to read:

1 91.19 (7) Whenever a farmland preservation agreement is relinquished under
2 sub. (2) or (6t) or all or part of the land is released from a farmland preservation
3 agreement under sub. (2) or (6p) or a transition area agreement is relinquished under
4 sub. (2) or, subject to subs. (12) and (13), a transition area agreement is relinquished
5 under sub. (1) or (1m), the department shall cause to be prepared and recorded a lien
6 against the property formerly subject to the agreement for the total amount of all
7 credits received by all owners of such lands under ~~subch. IX of ch. 71~~ ss. 71.59 and
8 71.60 during the last 10 years that the land was eligible for such credit, plus interest
9 at the rate of 9.3% per year compounded annually on the credits received from the
10 time the credits were received until the lien is paid for farmland preservation
11 agreements relinquished under sub. (6t) and 6% per year compounded annually on
12 the credits received from the time the credits were received until the lien is paid for
13 other agreements. No interest shall be compounded for any period during which the
14 farmland is subject to a subsequent farmland preservation agreement or transition
15 area agreement or is zoned for exclusive agricultural use under an ordinance
16 certified under ~~subch. V s. 91.06, 1997 stats.~~

17 **SECTION 41.** 91.19 (8) of the statutes is amended to read:

18 91.19 (8) Subject to subs. (12) and (13), upon the relinquishment of a farmland
19 preservation agreement under sub. (1) or (1m), the department shall cause to be
20 prepared and recorded a lien against the property formerly subject to the farmland
21 preservation agreement for the total amount of the credits received by all owners
22 thereof under ~~subch. IX of ch. 71~~ ss. 71.59 and 71.60 during the last 10 years that the
23 land was eligible for such credit, plus 6% interest per year compounded from the time
24 of relinquishment. No interest shall be compounded for any period during which the
25 farmland is subject to a subsequent farmland preservation agreement or transition

1 area agreement or is zoned for exclusive agricultural use under an ordinance
2 certified under ~~subch. V s. 91.06, 1997 stats.~~

3 **SECTION 42.** 91.19 (10) of the statutes is amended to read:

4 91.19 (10) The lien may be paid and discharged at any time and shall become
5 payable to the state by the owner of record at the time the land or any portion of it
6 is sold by the owner of record to any person except the owner's child or if the land is
7 converted to a use prohibited by the former farmland preservation agreement. Upon
8 reentry in an agreement under this subchapter or upon zoning for exclusively
9 agricultural use under an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~, the
10 portion of the lien on the land reentered or so zoned shall be discharged. The
11 discharge of a lien does not affect the calculation of any subsequent lien under sub.
12 (7) or (8). The proceeds from the payment shall be paid into the general fund.

13 **SECTION 43.** 91.19 (12) of the statutes is amended to read:

14 91.19 (12) No lien may be filed under sub. (7) or (8), on the date of
15 relinquishment, release or termination, for tax credits paid on lands or any portion
16 of them which are zoned for exclusively agricultural use under an ordinance certified
17 under ~~subch. V s. 91.06, 1997 stats.~~

18 **SECTION 44.** 91.19 (13) of the statutes is amended to read:

19 91.19 (13) No lien may be filed under sub. (7) or (8) for any amount of tax credits
20 paid under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~ to any owner of farmland if, up to
21 the date of relinquishment under sub. (1) or (1m) of the applicable farmland
22 preservation agreement or transition area agreement, all of the requirements under
23 this subchapter that relate to the agreement have been satisfied by the owner.

24 **SECTION 45.** 91.21 (3) of the statutes is amended to read:

1 91.21 (3) If the owner or a successor in title of the land upon which a farmland
2 preservation agreement has been recorded under this chapter fails to comply with
3 s. 91.13 (8) ~~(d)~~ or (dm), such person shall be given one year to restore compliance
4 before the remedies of sub. (1) shall be applicable.

5 **SECTION 46.** 91.25 of the statutes is created to read:

6 **91.25 Phaseout of agreements.** The department may not enter into, or
7 extend, an agreement under this subchapter after the effective date of this section
8 [revisor inserts date].

9 **SECTION 47.** Subchapter III of chapter 91 [precedes 91.31] of the statutes is
10 repealed.

11 **SECTION 48.** Subchapter IV of chapter 91 [precedes 91.51] of the statutes is
12 repealed.

13 **SECTION 49.** 91.71 of the statutes is repealed.

14 **SECTION 50.** 91.73 (2) of the statutes is repealed.

15 **SECTION 51.** 91.75 (intro.) of the statutes is amended to read:

16 **91.75 Ordinance standards.** (intro.) A zoning ordinance shall be deemed an
17 “exclusive agricultural use ordinance” if it includes those jurisdictional,
18 organizational or enforcement provisions necessary for its proper administration, if
19 the land in exclusive agricultural use districts is limited to agricultural use ~~and is~~
20 ~~identified as an agricultural preservation area under any agricultural preservation~~
21 ~~plans adopted under subch. IV~~ and if the regulations on the use of agricultural lands
22 in such districts meet the following standards which, except for sub. (4), are
23 minimum standards:

24 **SECTION 52.** 91.75 (1) of the statutes is repealed and recreated to read:

25 **91.75 (1)** A minimum lot size is specified.

1 **SECTION 53.** 91.75 (6) of the statutes is amended to read:

2 91.75 (6) For purposes of farm consolidation and if permitted by local
3 regulation, farm residences or structures which existed prior to the adoption of the
4 ordinance may be separated from a larger farm parcel. ~~Farm residences or~~
5 ~~structures with up to 5 acres of land which are separated from a larger farm parcel~~
6 ~~under this section are not subject to the lien under s. 91.19 (8) to (10), as required in~~
7 ~~s. 91.77 (2) or 91.79.~~

8 **SECTION 54.** 91.77 (2) of the statutes is repealed.

9 **SECTION 55.** 91.78 of the statutes is repealed.

10 **SECTION 56.** 91.79 of the statutes is repealed.

11 **SECTION 57.** 91.80 (1) of the statutes is amended to read:

12 91.80 (1) ORDINANCE. Any county, city, village or town may require by separate
13 ordinance that land for which an owner ~~receives a zoning certificate under s. 71.59~~
14 ~~(1)(b) applies for a farmland preservation credit under ss. 71.59 and 71.60~~ be farmed
15 in compliance with reasonable soil and water conservation standards established by
16 the county land conservation committee.

17 **SECTION 58.** 92.08 (1) of the statutes is amended to read:

18 92.08 (1) Every land conservation committee shall prepare annually for its
19 county a plan which describes the soil and water resource activities to be undertaken
20 by that county and the dollar amounts required for personnel to administer and
21 implement activities in that county related to soil conservation activities required
22 under ~~ss. 92.104 and s. 92.105~~ to claim a farmland preservation credit under ~~subch.~~
23 ~~IX of ch. 71 ss. 71.59 and 71.60~~, activities required under s. 92.17 related to shoreland
24 management or activities required under s. 281.65 (8m) related to the development
25 or implementation of animal waste or construction site erosion ordinances. The land

1 conservation committee shall submit that plan to the county board of that county and
2 to the department.

3 **SECTION 59.** 92.104 of the statutes is repealed.

4 **SECTION 60.** 92.105 (1) of the statutes is amended to read:

5 92.105 (1) ESTABLISHMENT. A land conservation committee shall establish soil
6 and water conservation standards. The standards and specifications for agricultural
7 facilities and practices that are constructed or begun on or after October 14, 1997,
8 and, if cost-sharing is available to the farmer under s. 92.14, 281.16 (5) or 281.65 or
9 from any other source, for agricultural facilities and practices that are constructed
10 or begun before that date shall be consistent with the performance standards,
11 prohibitions, conservation practices and technical standards under s. 281.16 (3). It
12 Beginning on January 1, 2001, the standards shall be consistent with the tolerable
13 erosion level established under s. 92.04 (2) (i) and with nutrient management rules
14 promulgated under s. 92.05 (3) (k). A land conservation committee shall submit
15 these standards to the board for review.

16 **SECTION 61.** 92.105 (2) of the statutes is amended to read:

17 92.105 (2) GUIDELINES; REVIEW. The board shall develop guidelines to be used
18 for the establishment and administration of soil and water conservation standards.
19 The board shall review and shall approve or disapprove submitted soil and water
20 conservation standards based on the guidelines it develops. If the board approves
21 soil and water conservation standards, it shall notify ~~any appropriate zoning~~
22 authority the land conservation committee of its approval.

23 **SECTION 62.** 92.105 (3) of the statutes is amended to read:

24 92.105 (3) APPROVED STANDARDS REQUIRED FOR FARMLAND PRESERVATION CREDIT.
25 A farmland preservation credit may not be allowed under ~~subch. IX of ch. 71 ss. 71.59~~

1 and 71.60 for claims relating to any land to which this section applies unless the land
2 conservation committee for the county where the property is located establishes soil
3 and water conservation standards which are approved by the board.

4 **SECTION 63.** 92.105 (5) of the statutes is amended to read:

5 92.105 (5) NONCOMPLIANCE. If the land conservation committee determines
6 that farming operations on land to which this section applies do not comply with soil
7 and water conservation standards, it shall issue a notice of noncompliance to the
8 farmer and send a copy of the notice to ~~any appropriate zoning authority. If no~~
9 ~~appropriate zoning authority exists, it shall send a copy to~~ the department of
10 revenue. This notice of noncompliance remains in effect until canceled. If actions
11 are taken to comply with the soil and water conservation standards in a manner
12 satisfactory to the land conservation committee, it shall cancel the notice of
13 noncompliance by notifying the farmer and by sending a copy of the cancellation to
14 ~~any appropriate zoning authority. If no appropriate zoning authority exists or if the~~
15 ~~original notice was sent to the department of revenue, it shall send a copy of the~~
16 ~~cancellation to~~ the department of revenue.

17 **SECTION 64.** 92.105 (6) of the statutes is amended to read:

18 92.105 (6) ELIGIBILITY FOR FARMLAND PRESERVATION CREDIT. A farmland
19 preservation credit may not be allowed under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~
20 if a notice of noncompliance is in effect with respect to a claimant to which this section
21 applies at the time the claim is filed.

22 **SECTION 65.** 92.105 (7) (a) (title) of the statutes is repealed.

23 **SECTION 66.** 92.105 (7) (a) of the statutes is renumbered 92.105 (7) and
24 amended to read:

1 92.105 (7) APPLICABILITY. This section and soil and water conservation
2 standards established under this section apply only to a person claiming a farmland
3 preservation credit under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~, land related to that
4 claim and farming operations on that land ~~and apply only as provided under pars.~~
5 ~~(b) to (d)~~.

6 **SECTION 67.** 92.105 (7) (b) to (d) of the statutes are repealed.

7 **SECTION 68.** 92.14 (2) (e) of the statutes is amended to read:

8 92.14 (2) (e) Promoting compliance with the requirements under ~~ss. 92.104 and~~
9 ~~s. 92.105~~ by persons claiming a farmland preservation credit under ~~subch. IX of ch.~~
10 ~~71 ss. 71.59 and 71.60~~.

11 **SECTION 69.** 92.14 (3) (a) of the statutes is amended to read:

12 92.14 (3) (a) Compliance with requirements under ~~ss. 92.104 and s. 92.105~~ by
13 persons claiming a farmland preservation credit under ~~subch. IX of ch. 71 ss. 71.59~~
14 ~~and 71.60~~.

15 **SECTION 70.** 92.14 (4) (b) of the statutes is amended to read:

16 92.14 (4) (b) Implementing land and water resource management projects
17 undertaken to comply with the requirements under ~~ss. 92.104 and s. 92.105~~ by
18 persons claiming a farmland preservation credit under ~~subch. IX of ch. 71 ss. 71.59~~
19 ~~and 71.60~~.

20 **SECTION 71.** 92.14 (6) (c) 1. of the statutes is amended to read:

21 92.14 (6) (c) 1. Cost-effectiveness of an activity, including but not limited to
22 technical assistance, educational assistance, management practices, and satisfying
23 the requirements under ~~ss. 92.104 and s. 92.105~~ for claiming farmland preservation
24 credits under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~.

25 **SECTION 72.** 281.65 (5) (b) of the statutes is amended to read:

1 281.65 (5) (b) Prepare sections of the priority watershed or priority lake plan
 2 relating to farm-specific implementation schedules, requirements under ~~ss. 92.104~~
 3 ~~and s. 92.105~~, animal waste management and selection of agriculturally related best
 4 management practices and submit those sections to the department for inclusion
 5 under sub. (4m) (b). The best management practices shall be cost-effective best
 6 management practices, as specified under sub. (4) (e), except in situations in which
 7 the use of a cost-effective best management practice will not contribute to water
 8 quality improvement or will cause a water body to continue to be impaired as
 9 identified to the federal environmental protection agency under 33 USC 1313 (d) (1)
 10 (A).

11 **SECTION 73.** 281.65 (5) (d) of the statutes is amended to read:

12 281.65 (5) (d) Develop a grant disbursement and project management schedule
 13 for agriculturally related best management practices to be included in a plan
 14 established under sub. (4) (g) and identify recommendations for implementing
 15 activities or projects under ~~ss. 92.10, 92.104~~ and 92.105.

16 **SECTION 74.** 281.65 (5) (e) of the statutes is amended to read:

17 281.65 (5) (e) Identify areas within a priority watershed or priority lake area
 18 that are subject to activities required under ~~ss. 92.104~~ and s. 92.105.

19 **SECTION 9104. Nonstatutory provisions; agriculture, trade and**
 20 **consumer protection.**

21 (1) SOIL AND WATER CONSERVATION STANDARDS. A county land conservation
 22 committee shall submit revised soil and water conservation standards that comply
 23 with section 92.105 (1) of the statutes, as affected by this act, to the land and water
 24 conservation board no later than September 1, 2000.

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 25-24
 →

SECTION 9343. Initial applicability; revenue.

1 (1) FARMLAND PRESERVATION CREDIT.

2 (a) The treatment of sections 20.835 (2) (dm), 71.07 (3), 71.10 (4) (i), 71.28 (2),
3 71.30 (3) (f), 71.47 (2), 71.49 (1) (f), 71.59 (1) (a) and (b) (intro.) and (2) (intro.) and
4 71.605 of the statutes first applies to taxable years beginning ^{after December 31, 1998} on January 1 of the
5 ~~year in which this subsection takes effect, except that if this subsection takes effect~~
6 ~~after July 31 the treatment of sections 20.835 (2) (dm), 71.07 (3), 71.10 (4) (i), 71.28~~
7 ~~(2), 71.30 (3) (f), 71.47 (2), 71.49 (1) (f), 71.59 (1) (a) and (b) (intro.) and (2) (intro.) and~~
8 ~~71.605 of the statutes first applies to taxable years beginning on January 1 of the~~
9 ~~year following the year in which this paragraph takes effect.~~ (←)

10 (b) The treatment of section 71.59 (1) (b) 5. and (d) (intro.) and 1. of the statutes
11 first applies to taxable years beginning on January 1, 2001.

12 **SECTION 9404. Effective dates; agriculture, trade and consumer**
13 **protection.**

14 (1) FARMLAND PRESERVATION CHANGES. The treatment of sections 23.094 (2) (c)
15 3., 66.023 (7m), 71.59 (1) (c) and (d) 1. and (2) (b) and (d), 71.60 (1) (b) and (c) 1. to
16 3. and 5. to 8., 91.01 (8), 91.06, 91.11 (1) (a) and (b), (2), (3) and (4), 91.13 (4) (a) and
17 (8) (d), 91.14, 91.19 (2) (c) 1. e., (7), (8), (10), (12) and (13), 91.21 (3), 91.71, 91.73 (2),
18 91.75 (intro.), (1) and (6), 91.77 (2), 91.78, 91.79, 91.80 (1), 92.08 (1), 92.104, 92.105
19 (2), (3), (6) and (7) (b) to (d), 92.14 (2) (e), (3) (a), (4) (b) and (6) (c) 1. and 281.65 (5)
20 (b), (d) and (e) and subchapters III and IV of chapter 91 of the statutes, the repeal
21 of section 92.105 (7) (a) (title) of the statutes, the renumbering and amendment of
22 sections 71.60 (2) and 92.105 (7) (a) of the statutes and the creation of section 71.60
23 (2) (b) of the statutes take effect on January 1, 2001.

24 (END)

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1785/P3ins
MES&RCT:kmg:hmh

MES

Ins 6-21 ✓

SECTION 1. 71.58 (8) of the statutes is amended to read:

71.58 (8) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on the farmland and improvements owned by the claimant or any member of the claimant's household in any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the property by s. 79.10. "Property taxes accrued" shall not exceed \$6,000 the amount described as the maximum excessive property tax in s. 71.60 (1) (a). If farmland is owned by a tax-option corporation, a limited liability company or by 2 or more persons or entities as joint tenants, tenants in common or partners or is marital property or survivorship marital property and one or more such persons, entities or owners is not a member of the claimant's household, "property taxes accrued" is that part of property taxes levied on the farmland, reduced by the tax credit under s. 79.10, that reflects the ownership percentage of the claimant and the claimant's household. For purposes of this subsection, property taxes are "levied" when the tax roll is delivered to the local treasurer for collection. If farmland is sold during the calendar year of the levy the "property taxes accrued" for the seller is the amount of the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing agreement pertaining to the sale of the farmland, except that if the seller does not reimburse the buyer for any part of those property taxes there are no "property taxes accrued" for the seller, and the "property taxes accrued" for the buyer is the property taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the seller reimburses the buyer for part of the property taxes, the amount prorated to the

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seller in the closing agreement. With the claim for credit under this subchapter, the seller shall submit a copy of the closing agreement and the buyer shall submit a copy of the closing agreement and a copy of the property tax bill.

History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112. History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112.

Ins 8-16 ✓

SECTION 2. 71.60 (1) (a) of the statutes is amended to read:

71.60 (1) (a) The amount of excessive property taxes shall be computed by subtracting from property taxes accrued the amount of 7% of the 2nd \$5,000 of household income plus 9% of the 3rd \$5,000 of household income plus 11% of the 4th \$5,000 of household income plus 17% of the 5th \$5,000 of household income plus 27% of the 6th \$5,000 of household income plus 37% of household income in excess of \$30,000. The maximum excessive property tax which can be utilized is \$6,000 for claims that are calculated under par. (b) and the maximum excessive property tax which can be utilized is \$4,000 for claims that are calculated under par. (bm).

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1993 a. 246, 420. History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1993 a. 246, 420.

Ins 9-2 ✓

SECTION 3. 71.60 (1) (bm) of the statutes is created to read:

71.60 (1) (bm) For new claims that are filed under s. 71.59 and this section that relate to taxable years beginning after December 31, 2000, the credit allowed shall be limited to 40% of the first \$2,000 of excessive property taxes plus 60% of the next \$1,000 of excessive property taxes plus 70% of the next \$1,000 of excessive property taxes. The maximum credit shall not exceed \$2,100 for any claimant who files a claim to which this paragraph applies. The credit for any claimant shall be the greater of either the credit as calculated under this subchapter as it exists at the end of the year for which the claim is filed or as it existed on the date on which the farmland became subject to a current certificate that is described in s. 71.59 (1) (b) 5., using for such

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calculations household income and property taxes accrued of the year for which the
claim is filed.

Insert 25-24

1 standard, as defined in s. 160.01 (2), or a preventive action limit, as defined in s.
2 160.01 (6).

3 ~~(2) (a) The department may promulgate a rule specifying a fee for placing~~
4 ~~information concerning a property on which a groundwater standard is exceeded into~~
5 ~~a database.~~

6 (b) Any moneys collected under this subsection shall be credited to the
7 appropriation account under s. ~~20.370 (2) (mi).~~ *(CS) Farmland preservation rules.*

8 **SECTION 9136. Nonstatutory provisions; natural resources.**

9 ~~(b) DATABASE OF PROPERTIES ON WHICH GROUNDWATER STANDARDS ARE EXCEEDED.~~

10 Using the procedure under section 227.24 of the statutes, the department of ~~natural~~
agriculture, trade and consumer protection *91.04 ✓*

11 ~~resources~~ may promulgate a rule under section ~~292.57 (2)~~ *91.04 ✓* of the statutes, as created *promulgated*

12 by this act, for the period before the effective date of ~~the rule promulgated under~~ *any permanent*

13 section ~~292.57 (2)~~ *91.04* of the statutes, as created by this act, *or to implement those changes,* but not to exceed the period

14 authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding
15 section 227.24 (1) (a), (2) (b) and (3) of the statutes, the department is not required
16 to provide evidence that promulgating a rule under this subsection as an emergency
17 rule is necessary for the preservation of the public peace, health, safety or welfare
18 and is not required to provide a finding of emergency for a rule promulgated under
19 this subsection.

20 *related to*
under or any other provision of the statutes if the rule is necessary to
ES implement the changes of the farmland preservation credit made
by this act

NOTE TO DRAFTING FILE for LRB-1785:

Per the drafter, this draft has been redrafted to a “/1” as no problems remain in the draft that require resolution before introduction of the budget bill. There are no changes between the “/PX” and the “/1.”