



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1785/08
MES&RCT:kmg:hmh

RMR

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

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 *Don't Gen Cat.* 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

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.

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. 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 for a taxable year that begins after December 31, 2002.

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:

1 20.835 (2) (dp) *Farmland preservation acreage credit*. A sum sufficient to pay
2 the aggregate claims of the farmland preservation acreage credit approved under ss.
3 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.

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 of the statutes is repealed.

5 **SECTION 4.** 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
8 plan, to authorize the town, city or village to adopt a zoning ordinance under s. 60.61,
9 61.35 or 62.23 for all or a portion of the town territory covered by the plan. The
10 exercise of zoning authority by a town under this subsection is not subject to s. 60.61
11 (3) or 60.62 (3). If a county zoning ordinance applies to the town territory covered
12 by the plan, that ordinance and amendments to it continue until a zoning ordinance
13 is adopted under this subsection. If a zoning ordinance is adopted under this
14 subsection, that zoning ordinance continues in effect after the planning period ceases
15 until a different zoning ordinance for the territory is adopted under other applicable
16 law. This subsection does not affect zoning ordinances adopted under ss. 59.692,
17 87.30 or ~~91.71 to 91.78~~ 91.73 to 91.77.

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

19 71.07 (3) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
20 CREDIT. The farmland preservation credit and the farmland preservation acreage
21 credit under subch. IX may be claimed against taxes otherwise due.

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

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

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

8 71.28 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
9 CREDIT. The farmland preservation credit and the farmland preservation acreage
10 credit under subch. IX may be claimed against taxes otherwise due subject to the
11 provisions, requirements and conditions of that subchapter.

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

13 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
14 (1fd), farmland preservation credit and farmland preservation acreage credit under
15 subch. IX, farmland tax relief credit under s. 71.28 (2m) and estimated tax payments
16 under s. 71.29.

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

18 71.47 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
19 CREDIT. The farmland preservation credit and the farmland preservation acreage
20 credit under subch. IX may be claimed against taxes otherwise due.

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

22 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
23 (1fd), farmland preservation credit and farmland preservation acreage credit under
24 subch. IX, farmland tax relief credit under s. 71.47 (2m) and estimated tax payments
25 under s. 71.48.

1 **SECTION 11.** 71.58 (8) of the statutes is amended to read:

2 71.58 (8) "Property taxes accrued" means property taxes, exclusive of special
3 assessments, delinquent interest and charges for service, levied on the farmland and
4 improvements owned by the claimant or any member of the claimant's household in
5 any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the
6 property by s. 79.10. "Property taxes accrued" shall not exceed \$6,000 the amount
7 described as the maximum excessive property tax in s. 71.60 (1) (a). If farmland is
8 owned by a tax-option corporation, a limited liability company or by 2 or more
9 persons or entities as joint tenants, tenants in common or partners or is marital
10 property or survivorship marital property and one or more such persons, entities or
11 owners is not a member of the claimant's household, "property taxes accrued" is that
12 part of property taxes levied on the farmland, reduced by the tax credit under s.
13 79.10, that reflects the ownership percentage of the claimant and the claimant's
14 household. For purposes of this subsection, property taxes are "levied" when the tax
15 roll is delivered to the local treasurer for collection. If farmland is sold during the
16 calendar year of the levy the "property taxes accrued" for the seller is the amount of
17 the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing
18 agreement pertaining to the sale of the farmland, except that if the seller does not
19 reimburse the buyer for any part of those property taxes there are no "property taxes
20 accrued" for the seller, and the "property taxes accrued" for the buyer is the property
21 taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the
22 seller reimburses the buyer for part of the property taxes, the amount prorated to the
23 seller in the closing agreement. With the claim for credit under this subchapter, the
24 seller shall submit a copy of the closing agreement and the buyer shall submit a copy
25 of the closing agreement and a copy of the property tax bill.

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

2 71.59 (1) (a) Subject to the limitations provided in this subchapter and s. 71.80
3 (3) and (3m), a claimant may claim as a credit against Wisconsin income or franchise
4 taxes otherwise due, the amount derived under s. 71.60 or the amount derived under
5 s. 71.605, or both. If the allowable amount of claim exceeds the income or franchise
6 taxes otherwise due on or measured by the claimant's income or if there are no
7 Wisconsin income or franchise taxes due on or measured by the claimant's income,
8 the amount of the claim not used as an offset against income or franchise taxes shall
9 be certified to the department of administration for payment to the claimant by
10 check, share draft or other draft drawn on the general fund.

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

12 71.59 (1) (b) (intro.) Every claimant under this ~~subchapter~~ section and s. 71.60
13 shall supply, at the request of the department, in support of the claim, all of the
14 following:

15 **SECTION 14.** 71.59 (1) (b) 5. of the statutes is created to read:

16 71.59 (1) (b) 5. A copy of a certificate of compliance, issued by the land
17 conservation committee of each of the counties that have jurisdiction over the
18 farmland, that certifies that the soil and water standards that apply to the farmland
19 under s. 92.105 (1), (2) and (3) are being met.

20 **SECTION 15.** 71.59 (1) (c) of the statutes is amended to read:

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

1 requiring farming operations to be conducted in compliance with reasonable soil and
2 water conservation standards established under s. 92.105.

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

4 71.59 (1) (d) (intro.) The certificate of ~~the zoning authority~~ submitted under
5 par. (b) ~~3~~ 5, shall certify:

6 **SECTION 17.** 71.59 (1) (d) 1. of the statutes is amended to read:

7 71.59 (1) (d) 1. That the lands are within the boundaries of an agricultural
8 zoning district which is part of an adopted ordinance meeting the standards of subch.
9 V of ch. 91 and certified under s. 91.06, 1997 stats.

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

11 71.59 (2) **INELIGIBLE CLAIMS.** (intro.) No credit shall be allowed under this
12 ~~subchapter section~~ and s. 71.60:

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

14 71.59 (2) (b) If a notice of noncompliance with an applicable soil and water
15 conservation plan under s. 92.104, 1997 stats., is in effect with respect to the
16 claimant at the time the claim is filed.

17 **SECTION 20.** 71.59 (2) (d) of the statutes is amended to read:

18 71.59 (2) (d) For property taxes accrued on farmland zoned for exclusive
19 agricultural use under an ordinance certified under ~~subch. V of ch. 91~~ s. 91.06, 1997
20 stats., which is granted a special exception or conditional use permit for a use which
21 is not an agricultural use, as defined in s. 91.01 (1).

22 **SECTION 21.** 71.60 (1) (a) of the statutes is amended to read:

23 71.60 (1) (a) The amount of excessive property taxes shall be computed by
24 subtracting from property taxes accrued the amount of 7% of the 2nd \$5,000 of
25 household income plus 9% of the 3rd \$5,000 of household income plus 11% of the 4th

1 \$5,000 of household income plus 17% of the 5th \$5,000 of household income plus 27%
2 of the 6th \$5,000 of household income plus 37% of household income in excess of
3 \$30,000. The maximum excessive property tax which can be utilized is \$6,000 for
4 claims that are calculated under par. (b) and the maximum excessive property tax
5 which can be utilized is \$4,000 for claims that are calculated under par. (bm).

6 **SECTION 22.** 71.60 (1) (b) of the statutes is amended to read:

7 71.60 (1) (b) The Except as provided in par. (bm), the credit allowed under s.
8 71.59 and this subchapter section shall be limited to 90% of the first \$2,000 of
9 excessive property taxes plus 70% of the 2nd \$2,000 of excessive property taxes plus
10 50% of the 3rd \$2,000 of excessive property taxes. The maximum credit shall not
11 exceed \$4,200 for any claimant. The credit for any claimant shall be the greater of
12 either the credit as calculated under this subchapter as it exists at the end of the year
13 for which the claim is filed or as it existed on the date on which the farmland became
14 subject to a current agreement under subch. II ~~or~~ III of ch. 91 or under subch. III of
15 ch. 91, 1997 stats., using for such calculations household income and property taxes
16 accrued of the year for which the claim is filed.

17 **SECTION 23.** 71.60 (1) (bm) of the statutes is created to read:

18 71.60 (1) (bm) For new claims that are filed under s. 71.59 and this section that
19 relate to taxable years beginning after December 31, 2000, the credit allowed shall
20 be limited to 40% of the first \$2,000 of excessive property taxes plus 60% of the next
21 \$1,000 of excessive property taxes plus 70% of the next \$1,000 of excessive property
22 taxes. The maximum credit shall not exceed \$2,100 for any claimant who files a claim
23 to which this paragraph applies. The credit for any claimant shall be the greater of
24 either the credit as calculated under this subchapter as it exists at the end of the year
25 for which the claim is filed or as it existed on the date on which the farmland became

1 subject to a current certificate that is described in s. 71.59 (1) (b) 5., using for such
2 calculations household income and property taxes accrued of the year for which the
3 claim is filed.

4 **SECTION 24.** 71.60 (1) (c) 1. to 3. of the statutes are amended to read:

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

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

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

1 stats., is first possible for conversion of the agreement to a transition area agreement
2 under subch. II of ch. 91, and the transition area agreement has subsequently been
3 executed, and the farmland is located in a city or village which has ~~a certified~~ an
4 exclusive agricultural use zoning ordinance certified under ~~subch. V of ch. 91 s.~~ 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

10 **SECTION 25.** 71.60 (1) (c) 5. to 8. of the statutes are amended to read:

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

21 6. If the farmland is located in an agricultural district under a ~~certified~~ county
22 agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06, 1997 stats.~~
23 at the close of the year for which credit is claimed, and is located in an area zoned for
24 exclusive agricultural use under a ~~certified~~ town ordinance certified under ~~subch. V~~

1 of ~~ch. 91 s. 91.06, 1997 stats.~~, at the close of such year, the amount of the claim shall
2 be the amount specified in par. (b).

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

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

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

24 **SECTION 26.** 71.60 (2) of the statutes is renumbered 71.60 (2) (a) and amended
25 to read:

1 71.60 (2) (a) ~~If~~ For taxable years beginning before January 1, 2001, if the
2 farmland is subject to ~~a certified~~ an ordinance certified under ~~subch. V of ch. 91 s.~~
3 91.06, 1997 stats., or an agreement under subch. II of ch. 91, in effect at the close of
4 the year for which the credit is claimed, the amount of the claim is 10% of the property
5 taxes accrued or the amount determined under sub. (1), whichever is greater.

6 **SECTION 27.** 71.60 (2) (b) of the statutes is created to read:

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

12 **SECTION 28.** 71.605 of the statutes is created to read:

13 **71.605 Farmland preservation acreage credit. (1) DEFINITIONS.** In this
14 section:

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

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

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

24 **(2) CALCULATION.** If the claimant sells, donates or otherwise transfers the
25 development rights to farmland for which a credit is claimed under this section to the

1 state or to a political subdivision, or to a nonprofit entity, the credit may be calculated
2 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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P. 17

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

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

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

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

12 **SECTION 29.** 71.61 (6) of the statutes is created to read:

13 71.61 (6) SUNSET. (a) For claims that are filed under s. 71.59 and computed
14 under s. 71.60 for taxable years that begin after December 31, 2000, based on
15 property taxes that are accrued in the previous calendar year, ss. 71.59 (1) (b) 3. and
16 (d) 1. to 4. and 71.60 (1) (c) do not apply.

17 (b) No new claims may be filed under s. 71.59 and computed under s. 71.60 for
18 taxable years that begin after December 31, 2002.

19 **SECTION 30.** 91.01 (8) of the statutes is amended to read:

20 91.01 (8) "Local governing body having jurisdiction" means the city council,
21 village board or town board if that body has adopted ~~a certified~~ an ordinance under
22 subch. V that is certified under s. 91.06, 1997 stats.; or the county board where such
23 a city, village or town zoning ordinance is not in effect.

24 **SECTION 31.** 91.04 of the statutes is created to read:

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P. 16

1 **91.04 Acquisition of development rights agreements.** The department
2 shall maintain a list of nonprofit entities with which the department has entered into
3 agreements under s. 71.605 (3). The department shall make the list available to
4 owners who are interested in transferring their development rights and to the
5 department of revenue.

6 **SECTION 32.** 91.06 of the statutes is repealed.

7 **SECTION 33.** 91.11 (1) (a) of the statutes is amended to read:

8 91.11 (1) (a) The county in which the land is located has ~~a certified in effect an~~
9 agricultural preservation plan ~~in effect~~ certified under s. 91.06, 1997 stats.; or

10 **SECTION 34.** 91.11 (1) (b) of the statutes is amended to read:

11 91.11 (1) (b) The land is in an area zoned for exclusive agricultural use under
12 an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~

13 **SECTION 35.** 91.11 (2) of the statutes is amended to read:

14 91.11 (2) An owner of land located in a county with a population density of less
15 than 100 persons per square mile which has adopted ~~a certified an~~ exclusive
16 agricultural use zoning ordinance certified under s. 91.06, 1997 stats., may apply
17 under this subchapter even if the town in which the land is located has not approved
18 the ordinance.

19 **SECTION 36.** 91.11 (3) of the statutes is amended to read:

20 91.11 (3) In any county with a population density of 100 or more persons per
21 square mile, an owner may apply for a farmland preservation agreement under this
22 subchapter only if the county in which the land is located has ~~a certified an~~ exclusive
23 agricultural use zoning ordinance certified under subch. V s. 91.06, 1997 stats., and
24 the town in which the land is located has approved the ordinance.

25 **SECTION 37.** 91.11 (4) of the statutes is amended to read:

1 91.11 (4) In any city, town or village that has adopted a ~~certified~~ an exclusive
2 agricultural use zoning ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~, or
3 in any town that has approved a ~~certified~~ an exclusive agricultural use zoning
4 ordinance adopted by the county and certified under ~~subch. V s. 91.06, 1997 stats.~~,
5 an owner may apply for a farmland preservation agreement only if the land is in an
6 area zoned for exclusive agricultural use.

7 **SECTION 38.** 91.13 (4) (a) of the statutes is amended to read:

8 91.13 (4) (a) Whether the farmland is designated an agricultural preservation
9 area in a ~~certified~~ an agricultural preservation plan ~~established~~ certified under
10 ~~subch. IV s. 91.06, 1997 stats.~~, or is an area zoned for exclusive agricultural use under
11 an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~

12 **SECTION 39.** 91.13 (8) (d) of the statutes is repealed.

13 **SECTION 40.** 91.14 of the statutes is amended to read:

14 **91.14 Transition area agreements.** An owner may apply for a transition
15 area agreement under this subchapter if the farmland is located in an area identified
16 as a transition area under a ~~certified~~ county agricultural preservation plan certified
17 under ~~subch. IV s. 91.06, 1997 stats.~~ The provisions of this subchapter, except ss.
18 91.11 (1) (b) and (4), 91.13 (4) (a) and (10) and 91.15, apply to agreements under this
19 section. Agreements under this section shall be for not less than 5 nor more than 20
20 years, consistent with the county agricultural preservation plan.

21 **SECTION 41.** 91.19 (2) (c) 1. e. of the statutes is amended to read:

22 91.19 (2) (c) 1. e. The proposed development or use is consistent with the
23 county's ~~certified~~ agricultural preservation plan certified under s. 91.06, 1997 stats.,
24 if a plan is in effect.

25 **SECTION 42.** 91.19 (6t) of the statutes is amended to read:

1 91.19 (6t) ~~The~~ After the effective date of this subsection [revisor inserts
2 date], the department shall relinquish land from a farmland preservation agreement
3 ~~land that has been subject to a farmland preservation agreement for at least 10 years~~
4 if the owner of the land so requests.

5 **SECTION 43.** 91.19 (7) of the statutes is amended to read:

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

22 **SECTION 44.** 91.19 (8) of the statutes is amended to read:

23 91.19 (8) Subject to subs. (12) and (13), upon the relinquishment of a farmland
24 preservation agreement under sub. (1) or (1m), the department shall cause to be
25 prepared and recorded a lien against the property formerly subject to the farmland

1 preservation agreement for the total amount of the credits received by all owners
2 thereof under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~ during the last 10 years that the
3 land was eligible for such credit, plus 6% interest per year compounded from the time
4 of relinquishment. No interest shall be compounded for any period during which the
5 farmland is subject to a subsequent farmland preservation agreement or transition
6 area agreement or is zoned for exclusive agricultural use under an ordinance
7 certified under ~~subch. V s. 91.06, 1997 stats.~~

8 **SECTION 45.** 91.19 (10) of the statutes is amended to read:

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

18 **SECTION 46.** 91.19 (12) of the statutes is amended to read:

19 91.19 (12) No lien may be filed under sub. (7) or (8), on the date of
20 relinquishment, release or termination, for tax credits paid on lands or any portion
21 of them which are zoned for exclusively agricultural use under an ordinance certified
22 under ~~subch. V s. 91.06, 1997 stats.~~

23 **SECTION 47.** 91.19 (13) of the statutes is amended to read:

24 91.19 (13) No lien may be filed under sub. (7) or (8) for any amount of tax credits
25 paid under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~ to any owner of farmland if, up to

1 the date of relinquishment under sub. (1) or (1m) of the applicable farmland
2 preservation agreement or transition area agreement, all of the requirements under
3 this subchapter that relate to the agreement have been satisfied by the owner.

4 **SECTION 48.** 91.21 (3) of the statutes is amended to read:

5 91.21 (3) If the owner or a successor in title of the land upon which a farmland
6 preservation agreement has been recorded under this chapter fails to comply with
7 s. 91.13 (8) ~~(d)~~ or (dm), such person shall be given one year to restore compliance
8 before the remedies of sub. (1) shall be applicable.

9 **SECTION 49.** 91.25 of the statutes is created to read:

10 **91.25 Phaseout of agreements.** The department may not enter into, or
11 extend, an agreement under this subchapter after the effective date of this section
12 [revisor inserts date].

13 **SECTION 50.** Subchapter III of chapter 91 [precedes 91.31] of the statutes is
14 repealed.

15 **SECTION 51.** Subchapter IV of chapter 91 [precedes 91.51] of the statutes is
16 repealed.

17 **SECTION 52.** 91.71 of the statutes is repealed.

18 **SECTION 53.** 91.73 (2) of the statutes is repealed.

19 **SECTION 54.** 91.75 (intro.) of the statutes is amended to read:

20 **91.75 Ordinance standards.** (intro.) A zoning ordinance shall be deemed an
21 “exclusive agricultural use ordinance” if it includes those jurisdictional,
22 organizational or enforcement provisions necessary for its proper administration, if
23 the land in exclusive agricultural use districts is limited to agricultural use and is
24 identified as an agricultural preservation area under any agricultural preservation
25 plans adopted under subch. IV and if the regulations on the use of agricultural lands

1 in such districts meet the following standards which, except for sub. (4), are
2 minimum standards:

3 **SECTION 55.** 91.75 (1) of the statutes is repealed and recreated to read:

4 91.75 (1) A minimum lot size is specified.

5 **SECTION 56.** 91.75 (6) of the statutes is amended to read:

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

12 **SECTION 57.** 91.77 (2) of the statutes is repealed.

13 **SECTION 58.** 91.78 of the statutes is repealed.

14 **SECTION 59.** 91.79 of the statutes is repealed.

15 **SECTION 60.** 91.80 (1) of the statutes is amended to read:

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

21 **SECTION 61.** 92.08 (1) of the statutes is amended to read:

22 92.08 (1) Every land conservation committee shall prepare annually for its
23 county a plan which describes the soil and water resource activities to be undertaken
24 by that county and the dollar amounts required for personnel to administer and
25 implement activities in that county related to soil conservation activities required

1 under ~~ss. 92.104 and s. 92.105~~ to claim a farmland preservation credit under ~~subch.~~
2 ~~IX of ch. 71 ss. 71.59 and 71.60~~, activities required under s. 92.17 related to shoreland
3 management or activities required under s. 281.65 (8m) related to the development
4 or implementation of animal waste or construction site erosion ordinances. The land
5 conservation committee shall submit that plan to the county board of that county and
6 to the department.

7 **SECTION 62.** 92.104 of the statutes is repealed.

8 **SECTION 63.** 92.105 (1) of the statutes is amended to read:

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

20 **SECTION 64.** 92.105 (2) of the statutes is amended to read:

21 92.105 (2) GUIDELINES; REVIEW. The board shall develop guidelines to be used
22 for the establishment and administration of soil and water conservation standards.
23 The board shall review and shall approve or disapprove submitted soil and water
24 conservation standards based on the guidelines it develops. If the board approves

1 soil and water conservation standards, it shall notify ~~any appropriate zoning~~
2 ~~authority~~ the land conservation committee of its approval.

3 **SECTION 65.** 92.105 (3) of the statutes is amended to read:

4 **92.105 (3) APPROVED STANDARDS REQUIRED FOR FARMLAND PRESERVATION CREDIT.**
5 A farmland preservation credit may not be allowed under ~~subch. IX of ch. 71 ss. 71.59~~
6 ~~and 71.60~~ for claims relating to any land to which this section applies unless the land
7 conservation committee for the county where the property is located establishes soil
8 and water conservation standards which are approved by the board.

9 **SECTION 66.** 92.105 (5) of the statutes is amended to read:

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

22 **SECTION 67.** 92.105 (6) of the statutes is amended to read:

23 **92.105 (6) ELIGIBILITY FOR FARMLAND PRESERVATION CREDIT.** A farmland
24 preservation credit may not be allowed under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~

1 if a notice of noncompliance is in effect with respect to a claimant to which this section
2 applies at the time the claim is filed.

3 **SECTION 68.** 92.105 (7) (a) (title) of the statutes is repealed.

4 **SECTION 69.** 92.105 (7) (a) of the statutes is renumbered 92.105 (7) and
5 amended to read:

6 92.105 (7) **APPLICABILITY.** This section and soil and water conservation
7 standards established under this section apply only to a person claiming a farmland
8 preservation credit under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~, land related to that
9 claim and farming operations on that land ~~and apply only as provided under pars.~~
10 ~~(b) to (d).~~

11 **SECTION 70.** 92.105 (7) (b) to (d) of the statutes are repealed.

12 **SECTION 71.** 92.14 (2) (e) of the statutes is amended to read:

13 92.14 (2) (e) Promoting compliance with the requirements under ~~ss. 92.104 and~~
14 ~~s. 92.105~~ by persons claiming a farmland preservation credit under ~~subch. IX of ch.~~
15 ~~71 ss. 71.59 and 71.60.~~

16 **SECTION 72.** 92.14 (3) (a) of the statutes is amended to read:

17 92.14 (3) (a) Compliance with 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 73.** 92.14 (4) (b) of the statutes is amended to read:

21 92.14 (4) (b) Implementing land and water resource management projects
22 undertaken to comply with the requirements under ~~ss. 92.104 and s. 92.105~~ by
23 persons claiming a farmland preservation credit under ~~subch. IX of ch. 71 ss. 71.59~~
24 ~~and 71.60.~~

25 **SECTION 74.** 92.14 (6) (c) 1. of the statutes is amended to read:

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

5 **SECTION 75.** 281.65 (5) (b) of the statutes is amended to read:

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

16 **SECTION 76.** 281.65 (5) (d) of the statutes is amended to read:

17 281.65 (5) (d) Develop a grant disbursement and project management schedule
18 for agriculturally related best management practices to be included in a plan
19 established under sub. (4) (g) and identify recommendations for implementing
20 activities or projects under ~~ss. 92.10, 92.104 and 92.105~~.

21 **SECTION 77.** 281.65 (5) (e) of the statutes is amended to read:

22 281.65 (5) (e) Identify areas within a priority watershed or priority lake area
23 that are subject to activities required under ~~ss. 92.104 and s. 92.105~~.

24 **SECTION 9104. Nonstatutory provisions; agriculture, trade and**
25 **consumer protection.**

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

5 (2) FARMLAND PRESERVATION RULES. Using the procedure under section 227.24
6 of the statutes, the department of agriculture, trade and consumer protection may
7 promulgate a rule under section 91.04 of the statutes, as created by this act, or under
8 any other provision of the statutes if the rule is necessary to implement the changes
9 related to the farmland preservation credit made by this act for the period before the
10 effective date of any permanent rule promulgated under section 91.04 of the statutes,
11 as created by this act, or promulgated to implement those changes, but not to exceed
12 the period authorized under section 227.24 (1) (c) and (2) of the statutes.
13 Notwithstanding section 227.24 (1) (a), (2) (b) and (3) of the statutes, the department
14 is not required to provide evidence that promulgating a rule under this subsection
15 as an emergency rule is necessary for the preservation of the public peace, health,
16 safety or welfare and is not required to provide a finding of emergency for a rule
17 promulgated under this subsection.

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

19 (1) FARMLAND PRESERVATION CREDIT.

20 (a) The treatment of sections 20.835 (2) (dm), 71.07 (3), 71.10 (4) (i), 71.28 (2),
21 71.30 (3) (f), 71.47 (2), 71.49 (1) (f), ^{71.58 (8)} 71.59 (1) (a) and (b) (intro.) and (2) (intro.) and ^{71.60 (1) (a) and (b)} and
22 71.605 of the statutes first applies to taxable years beginning after December 31,
23 1998.

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

1 **SECTION 9404. Effective dates; agriculture, trade and consumer**
2 **protection.**

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

13

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1785/2
MES&RCT:kmg:jf

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

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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

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.

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. 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 for a taxable year that begins after December 31, 2002.

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:

1 20.835 (2) (dp) *Farmland preservation acreage credit*. A sum sufficient to pay
2 the aggregate claims of the farmland preservation acreage credit approved under ss.
3 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.

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

5 **SECTION 4.** 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
8 plan, to authorize the town, city or village to adopt a zoning ordinance under s. 60.61,
9 61.35 or 62.23 for all or a portion of the town territory covered by the plan. The
10 exercise of zoning authority by a town under this subsection is not subject to s. 60.61
11 (3) or 60.62 (3). If a county zoning ordinance applies to the town territory covered
12 by the plan, that ordinance and amendments to it continue until a zoning ordinance
13 is adopted under this subsection. If a zoning ordinance is adopted under this
14 subsection, that zoning ordinance continues in effect after the planning period ceases
15 until a different zoning ordinance for the territory is adopted under other applicable
16 law. This subsection does not affect zoning ordinances adopted under ss. 59.692,
17 87.30 or ~~91.71 to 91.78~~ 91.73 to 91.77.

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

19 **71.07 (3) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE**
20 **CREDIT** The farmland preservation credit and the farmland preservation acreage
21 **credit** under subch. IX may be claimed against taxes otherwise due.

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

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

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

8 71.28 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
9 CREDIT. The farmland preservation credit and the farmland preservation acreage
10 credit under subch. IX may be claimed against taxes otherwise due subject to the
11 provisions, requirements and conditions of that subchapter.

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

13 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28
14 (1fd), farmland preservation credit and farmland preservation acreage credit under
15 subch. IX, farmland tax relief credit under s. 71.28 (2m) and estimated tax payments
16 under s. 71.29.

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

18 71.47 (2) FARMLAND PRESERVATION CREDIT, FARMLAND PRESERVATION ACREAGE
19 CREDIT. The farmland preservation credit and the farmland preservation acreage
20 credit under subch. IX may be claimed against taxes otherwise due.

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

22 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47
23 (1fd), farmland preservation credit and farmland preservation acreage credit under
24 subch. IX, farmland tax relief credit under s. 71.47 (2m) and estimated tax payments
25 under s. 71.48.

1 **SECTION 11.** 71.58 (8) of the statutes is amended to read:

2 71.58 (8) "Property taxes accrued" means property taxes, exclusive of special
3 assessments, delinquent interest and charges for service, levied on the farmland and
4 improvements owned by the claimant or any member of the claimant's household in
5 any calendar year under ch. 70, less the tax credit, if any, afforded in respect of the
6 property by s. 79.10. "Property taxes accrued" shall not exceed ~~\$6,000~~ the amount
7 described as the maximum excessive property tax in s. 71.60 (1) (a). If farmland is
8 owned by a tax-option corporation, a limited liability company or by 2 or more
9 persons or entities as joint tenants, tenants in common or partners or is marital
10 property or survivorship marital property and one or more such persons, entities or
11 owners is not a member of the claimant's household, "property taxes accrued" is that
12 part of property taxes levied on the farmland, reduced by the tax credit under s.
13 79.10, that reflects the ownership percentage of the claimant and the claimant's
14 household. For purposes of this subsection, property taxes are "levied" when the tax
15 roll is delivered to the local treasurer for collection. If farmland is sold during the
16 calendar year of the levy the "property taxes accrued" for the seller is the amount of
17 the tax levy, reduced by the tax credit under s. 79.10, prorated to each in the closing
18 agreement pertaining to the sale of the farmland, except that if the seller does not
19 reimburse the buyer for any part of those property taxes there are no "property taxes
20 accrued" for the seller, and the "property taxes accrued" for the buyer is the property
21 taxes levied on the farmland, reduced by the tax credit under s. 79.10, minus, if the
22 seller reimburses the buyer for part of the property taxes, the amount prorated to the
23 seller in the closing agreement. With the claim for credit under this subchapter, the
24 seller shall submit a copy of the closing agreement and the buyer shall submit a copy
25 of the closing agreement and a copy of the property tax bill.

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

2 71.59 (1) (a) Subject to the limitations provided in this subchapter and s. 71.80
3 (3) and (3m), a claimant may claim as a credit against Wisconsin income or franchise
4 taxes otherwise due, the amount derived under s. 71.60 or the amount derived under
5 s. 71.605, or both. If the allowable amount of claim exceeds the income or franchise
6 taxes otherwise due on or measured by the claimant's income or if there are no
7 Wisconsin income or franchise taxes due on or measured by the claimant's income,
8 the amount of the claim not used as an offset against income or franchise taxes shall
9 be certified to the department of administration for payment to the claimant by
10 check, share draft or other draft drawn on the general fund.

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

12 71.59 (1) (b) (intro.) Every claimant under this ~~subchapter~~ section and s. 71.60
13 shall supply, at the request of the department, in support of the claim, all of the
14 following:

15 **SECTION 14.** 71.59 (1) (b) 5. of the statutes is created to read:

16 71.59 (1) (b) 5. A copy of a certificate of compliance, issued by the land
17 conservation committee of each of the counties that have jurisdiction over the
18 farmland, that certifies that the soil and water standards that apply to the farmland
19 under s. 92.105 (1), (2) and (3) are being met.

20 **SECTION 15.** 71.59 (1) (c) of the statutes is amended to read:

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

1 requiring farming operations to be conducted in compliance with reasonable soil and
2 water conservation standards established under s. 92.105.

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

4 71.59 (1) (d) (intro.) The certificate of the zoning authority submitted under
5 par. (b) ~~3~~ 5, shall certify:

6 **SECTION 17.** 71.59 (1) (d) 1. of the statutes is amended to read:

7 71.59 (1) (d) 1. That the lands are within the boundaries of an agricultural
8 zoning district which is part of an adopted ordinance meeting the standards of subch.
9 V of ch. 91 and certified under s. 91.06, 1997 stats.

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

11 71.59 (2) INELIGIBLE CLAIMS. (intro.) No credit shall be allowed under this
12 subchapter section and s. 71.60:

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

14 71.59 (2) (b) If a notice of noncompliance with an applicable soil and water
15 conservation plan under s. 92.104, 1997 stats., is in effect with respect to the
16 claimant at the time the claim is filed.

17 **SECTION 20.** 71.59 (2) (d) of the statutes is amended to read:

18 71.59 (2) (d) For property taxes accrued on farmland zoned for exclusive
19 agricultural use under an ordinance certified under subch. V of ch. 91 s. 91.06, 1997
20 stats., which is granted a special exception or conditional use permit for a use which
21 is not an agricultural use, as defined in s. 91.01 (1).

22 **SECTION 21.** 71.60 (1) (a) of the statutes is amended to read:

23 71.60 (1) (a) The amount of excessive property taxes shall be computed by
24 subtracting from property taxes accrued the amount of 7% of the 2nd \$5,000 of
25 household income plus 9% of the 3rd \$5,000 of household income plus 11% of the 4th

SECTION 21

1 \$5,000 of household income plus 17% of the 5th \$5,000 of household income plus 27%
2 of the 6th \$5,000 of household income plus 37% of household income in excess of
3 \$30,000. The maximum excessive property tax which can be utilized is \$6,000 for
4 claims that are calculated under par. (b) and the maximum excessive property tax
5 which can be utilized is \$4,000 for claims that are calculated under par. (bm).

6 **SECTION 22.** 71.60 (1) (b) of the statutes is amended to read:

7 71.60 (1) (b) The Except as provided in par. (bm), the credit allowed under s.
8 71.59 and this subchapter section shall be limited to 90% of the first \$2,000 of
9 excessive property taxes plus 70% of the 2nd \$2,000 of excessive property taxes plus
10 50% of the 3rd \$2,000 of excessive property taxes. The maximum credit shall not
11 exceed \$4,200 for any claimant. The credit for any claimant shall be the greater of
12 either the credit as calculated under this subchapter as it exists at the end of the year
13 for which the claim is filed or as it existed on the date on which the farmland became
14 subject to a current agreement under subch. II ~~or~~ III of ch. 91 or under subch. III of
15 ch. 91, 1997 stats., using for such calculations household income and property taxes
16 accrued of the year for which the claim is filed.

17 **SECTION 23.** 71.60 (1) (bm) of the statutes is created to read:

18 71.60 (1) (bm) For new claims that are filed under s. 71.59 and this section that
19 relate to taxable years beginning after December 31, 2000, the credit allowed shall
20 be limited to 40% of the first \$2,000 of excessive property taxes plus 60% of the next
21 \$1,000 of excessive property taxes plus 70% of the next \$1,000 of excessive property
22 taxes. The maximum credit shall not exceed \$2,100 for any claimant who files a claim
23 to which this paragraph applies. The credit for any claimant shall be the greater of
24 either the credit as calculated under this subchapter as it exists at the end of the year
25 for which the claim is filed or as it existed on the date on which the farmland became

1 subject to a current certificate that is described in s. 71.59 (1) (b) 5., using for such
2 calculations household income and property taxes accrued of the year for which the
3 claim is filed.

4 **SECTION 24.** 71.60 (1) (c) 1. to 3. of the statutes are amended to read:

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

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

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

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

10 **SECTION 25.** 71.60 (1) (c) 5. to 8. of the statutes are amended to read:

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

21 6. If the farmland is located in an agricultural district under a ~~certified~~ county
22 agricultural preservation plan certified under ~~subch. IV of ch. 91 s. 91.06, 1997 stats.~~,
23 at the close of the year for which credit is claimed, and is located in an area zoned for
24 exclusive agricultural use under a ~~certified~~ town ordinance certified under ~~subch. V~~

1 ~~of ch. 91 s. 91.06, 1997 stats.,~~ at the close of such year, the amount of the claim shall
2 be the amount specified in par. (b).

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

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

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

24 **SECTION 26.** 71.60 (2) of the statutes is renumbered 71.60 (2) (a) and amended
25 to read:

1 71.60 (2) (a) If For taxable years beginning before January 1, 2001, if the
2 farmland is subject to a ~~certified~~ an ordinance certified under subch. V of ch. 91 s.
3 91.06, 1997 stats., or an agreement under subch. II of ch. 91, in effect at the close of
4 the year for which the credit is claimed, the amount of the claim is 10% of the property
5 taxes accrued or the amount determined under sub. (1), whichever is greater.

6 **SECTION 27.** 71.60 (2) (b) of the statutes is created to read:

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

12 **SECTION 28.** 71.605 of the statutes is created to read:

13 **71.605 Farmland preservation acreage credit. (1) DEFINITIONS.** In this
14 section:

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

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

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

24 **(2) CALCULATION.** If the claimant sells, donates or otherwise transfers the
25 development rights to farmland for which a credit is claimed under this section to the

1 state or to a political subdivision, or to a nonprofit entity, the credit may be calculated
2 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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) and (e), to the extent that it applies to the credit under
4 ss. 71.59 and 71.60, applies to the credit under this section.

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

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

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

10 **SECTION 29.** 71.61 (6) of the statutes is created to read:

11 71.61 (6) SUNSET. (a) For claims that are filed under s. 71.59 and computed
12 under s. 71.60 for taxable years that begin after December 31, 2000, based on
13 property taxes that are accrued in the previous calendar year, ss. 71.59 (1) (b) 3. and
14 (d) 1. to 4. and 71.60 (1) (c) do not apply.

15 (b) No new claims may be filed under s. 71.59 and computed under s. 71.60 for
16 taxable years that begin after December 31, 2002.

17 **SECTION 30.** 91.01 (8) of the statutes is amended to read:

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

22 **SECTION 31.** 91.04 of the statutes is created to read:

23 **91.04 Acquisition of development rights agreements.** The department
24 shall maintain a list of nonprofit entities with which the department has entered into

1 agreements under s. 71.605 (3). The department shall make the list available to
2 owners who are interested in transferring their development rights and to the
3 department of revenue.

4 **SECTION 32.** 91.06 of the statutes is repealed.

5 **SECTION 33.** 91.11 (1) (a) of the statutes is amended to read:

6 91.11 (1) (a) The county in which the land is located has ~~a certified in effect an~~
7 agricultural preservation plan ~~in effect~~ certified under s. 91.06, 1997 stats.; or

8 **SECTION 34.** 91.11 (1) (b) of the statutes is amended to read:

9 91.11 (1) (b) The land is in an area zoned for exclusive agricultural use under
10 an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~

11 **SECTION 35.** 91.11 (2) of the statutes is amended to read:

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

17 **SECTION 36.** 91.11 (3) of the statutes is amended to read:

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

23 **SECTION 37.** 91.11 (4) of the statutes is amended to read:

24 91.11 (4) In any city, town or village that has adopted ~~a certified an~~ exclusive
25 agricultural use zoning ordinance certified under subch. V s. 91.06, 1997 stats., or

1 in any town that has approved a ~~certified~~ an exclusive agricultural use zoning
2 ordinance adopted by the county and certified under ~~subch. V s. 91.06, 1997 stats.,~~
3 an owner may apply for a farmland preservation agreement only if the land is in an
4 area zoned for exclusive agricultural use.

5 **SECTION 38.** 91.13 (4) (a) of the statutes is amended to read:

6 91.13 (4) (a) Whether the farmland is designated an agricultural preservation
7 area in a ~~certified~~ an agricultural preservation plan ~~established~~ certified under
8 ~~subch. IV s. 91.06, 1997 stats.,~~ or is an area zoned for exclusive agricultural use under
9 an ordinance certified under ~~subch. V s. 91.06, 1997 stats.~~

10 **SECTION 39.** 91.13 (8) (d) of the statutes is repealed.

11 **SECTION 40.** 91.14 of the statutes is amended to read:

12 **91.14 Transition area agreements.** An owner may apply for a transition
13 area agreement under this subchapter if the farmland is located in an area identified
14 as a transition area under a ~~certified~~ county agricultural preservation plan certified
15 under ~~subch. IV s. 91.06, 1997 stats.~~ The provisions of this subchapter, except ss.
16 91.11 (1) (b) and (4), 91.13 (4) (a) and (10) and 91.15, apply to agreements under this
17 section. Agreements under this section shall be for not less than 5 nor more than 20
18 years, consistent with the county agricultural preservation plan.

19 **SECTION 41.** 91.19 (2) (c) 1. e. of the statutes is amended to read:

20 91.19 (2) (c) 1. e. The proposed development or use is consistent with the
21 county's ~~certified~~ agricultural preservation plan certified under s. 91.06, 1997 stats.,
22 if a plan is in effect.

23 **SECTION 42.** 91.19 (6t) of the statutes is amended to read:

24 91.19 (6t) The After the effective date of this subsection [revisor inserts
25 date], the department shall relinquish land from a farmland preservation agreement

1 land that has been subject to a farmland preservation agreement for at least 10 years
2 if the owner of the land so requests.

3 **SECTION 43.** 91.19 (7) of the statutes is amended to read:

4 91.19 (7) Whenever a farmland preservation agreement is relinquished under
5 sub. (2) or (6t) or all or part of the land is released from a farmland preservation
6 agreement under sub. (2) or (6p) or a transition area agreement is relinquished under
7 sub. (2) or, subject to subs. (12) and (13), a transition area agreement is relinquished
8 under sub. (1) or (1m), the department shall cause to be prepared and recorded a lien
9 against the property formerly subject to the agreement for the total amount of all
10 credits received by all owners of such lands under ~~subch. IX of ch. 71 ss. 71.59 and~~
11 71.60 during the last 10 years that the land was eligible for such credit, plus interest
12 at the rate of 9.3% per year compounded annually on the credits received from the
13 time the credits were received until the lien is paid for farmland preservation
14 agreements relinquished under sub. (6t) and 6% per year compounded annually on
15 the credits received from the time the credits were received until the lien is paid for
16 other agreements. 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 44.** 91.19 (8) of the statutes is amended to read:

21 91.19 (8) Subject to subs. (12) and (13), upon the relinquishment of a farmland
22 preservation agreement under sub. (1) or (1m), the department shall cause to be
23 prepared and recorded a lien against the property formerly subject to the farmland
24 preservation agreement for the total amount of the credits received by all owners
25 thereof under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~ during the last 10 years that the

1 land was eligible for such credit, plus 6% interest per year compounded from the time
2 of relinquishment. No interest shall be compounded for any period during which the
3 farmland is subject to a subsequent farmland preservation agreement or transition
4 area agreement or is zoned for exclusive agricultural use under an ordinance
5 certified under ~~subch. V s. 91.06, 1997 stats.~~

6 **SECTION 45.** 91.19 (10) of the statutes is amended to read:

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

16 **SECTION 46.** 91.19 (12) of the statutes is amended to read:

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

21 **SECTION 47.** 91.19 (13) of the statutes is amended to read:

22 91.19 (13) No lien may be filed under sub. (7) or (8) for any amount of tax credits
23 paid under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~ to any owner of farmland if, up to
24 the date of relinquishment under sub. (1) or (1m) of the applicable farmland

1 preservation agreement or transition area agreement, all of the requirements under
2 this subchapter that relate to the agreement have been satisfied by the owner.

3 **SECTION 48.** 91.21 (3) of the statutes is amended to read:

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

8 **SECTION 49.** 91.25 of the statutes is created to read:

9 **91.25 Phaseout of agreements.** The department may not enter into, or
10 extend, an agreement under this subchapter after the effective date of this section
11 [revisor inserts date].

12 **SECTION 50.** Subchapter III of chapter 91 [precedes 91.31] of the statutes is
13 repealed.

14 **SECTION 51.** Subchapter IV of chapter 91 [precedes 91.51] of the statutes is
15 repealed.

16 **SECTION 52.** 91.71 of the statutes is repealed.

17 **SECTION 53.** 91.73 (2) of the statutes is repealed.

18 **SECTION 54.** 91.75 (intro.) of the statutes is amended to read:

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

1 in such districts meet the following standards which, except for sub. (4), are
2 minimum standards:

3 **SECTION 55.** 91.75 (1) of the statutes is repealed and recreated to read:

4 91.75 (1) A minimum lot size is specified.

5 **SECTION 56.** 91.75 (6) of the statutes is amended to read:

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

12 **SECTION 57.** 91.77 (2) of the statutes is repealed.

13 **SECTION 58.** 91.78 of the statutes is repealed.

14 **SECTION 59.** 91.79 of the statutes is repealed.

15 **SECTION 60.** 91.80 (1) of the statutes is amended to read:

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

21 **SECTION 61.** 92.08 (1) of the statutes is amended to read:

22 92.08 (1) Every land conservation committee shall prepare annually for its
23 county a plan which describes the soil and water resource activities to be undertaken
24 by that county and the dollar amounts required for personnel to administer and
25 implement activities in that county related to soil conservation activities required

1 under ~~ss. 92.104 and s. 92.105~~ to claim a farmland preservation credit under ~~subch.~~
2 ~~IX of ch. 71 ss. 71.59 and 71.60~~, activities required under s. 92.17 related to shoreland
3 management or activities required under s. 281.65 (8m) related to the development
4 or implementation of animal waste or construction site erosion ordinances. The land
5 conservation committee shall submit that plan to the county board of that county and
6 to the department.

7 **SECTION 62.** 92.104 of the statutes is repealed.

8 **SECTION 63.** 92.105 (1) of the statutes is amended to read:

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

20 **SECTION 64.** 92.105 (2) of the statutes is amended to read:

21 92.105 (2) GUIDELINES; REVIEW. The board shall develop guidelines to be used
22 for the establishment and administration of soil and water conservation standards.
23 The board shall review and shall approve or disapprove submitted soil and water
24 conservation standards based on the guidelines it develops. If the board approves

1 soil and water conservation standards, it shall notify ~~any appropriate zoning~~
2 authority the land conservation committee of its approval.

3 **SECTION 65.** 92.105 (3) of the statutes is amended to read:

4 92.105 (3) APPROVED STANDARDS REQUIRED FOR FARMLAND PRESERVATION CREDIT.
5 A farmland preservation credit may not be allowed under ~~subch. IX of ch. 71 ss. 71.59~~
6 and 71.60 for claims relating to any land to which this section applies unless the land
7 conservation committee for the county where the property is located establishes soil
8 and water conservation standards which are approved by the board.

9 **SECTION 66.** 92.105 (5) of the statutes is amended to read:

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

22 **SECTION 67.** 92.105 (6) of the statutes is amended to read:

23 92.105 (6) ELIGIBILITY FOR FARMLAND PRESERVATION CREDIT. A farmland
24 preservation credit may not be allowed under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~

1 if a notice of noncompliance is in effect with respect to a claimant to which this section
2 applies at the time the claim is filed.

3 **SECTION 68.** 92.105 (7) (a) (title) of the statutes is repealed.

4 **SECTION 69.** 92.105 (7) (a) of the statutes is renumbered 92.105 (7) and
5 amended to read:

6 92.105 (7) **APPLICABILITY.** This section and soil and water conservation
7 standards established under this section apply only to a person claiming a farmland
8 preservation credit under ~~subch. IX of ch. 71 ss. 71.59 and 71.60~~, land related to that
9 claim and farming operations on that land ~~and apply only as provided under pars.~~
10 ~~(b) to (d)~~.

11 **SECTION 70.** 92.105 (7) (b) to (d) of the statutes are repealed.

12 **SECTION 71.** 92.14 (2) (e) of the statutes is amended to read:

13 92.14 (2) (e) Promoting compliance with the requirements under ~~ss. 92.104 and~~
14 ~~s. 92.105~~ by persons claiming a farmland preservation credit under ~~subch. IX of ch.~~
15 ~~71 ss. 71.59 and 71.60~~.

16 **SECTION 72.** 92.14 (3) (a) of the statutes is amended to read:

17 92.14 (3) (a) Compliance with 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 73.** 92.14 (4) (b) of the statutes is amended to read:

21 92.14 (4) (b) Implementing land and water resource management projects
22 undertaken to comply with the requirements under ~~ss. 92.104 and s. 92.105~~ by
23 persons claiming a farmland preservation credit under ~~subch. IX of ch. 71 ss. 71.59~~
24 ~~and 71.60~~.

25 **SECTION 74.** 92.14 (6) (c) 1. of the statutes is amended to read:

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

5 **SECTION 75.** 281.65 (5) (b) of the statutes is amended to read:

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

16 **SECTION 76.** 281.65 (5) (d) of the statutes is amended to read:

17 281.65 (5) (d) Develop a grant disbursement and project management schedule
18 for agriculturally related best management practices to be included in a plan
19 established under sub. (4) (g) and identify recommendations for implementing
20 activities or projects under ~~ss. 92.10, 92.104 and 92.105~~.

21 **SECTION 77.** 281.65 (5) (e) of the statutes is amended to read:

22 281.65 (5) (e) Identify areas within a priority watershed or priority lake area
23 that are subject to activities required under ~~ss. 92.104 and s. 92.105~~.

24 **SECTION 9104. Nonstatutory provisions; agriculture, trade and**
25 **consumer protection.**

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

5 (2) FARMLAND PRESERVATION RULES. Using the procedure under section 227.24
6 of the statutes, the department of agriculture, trade and consumer protection may
7 promulgate a rule under section 91.04 of the statutes, as created by this act, or under
8 any other provision of the statutes if the rule is necessary to implement the changes
9 related to the farmland preservation credit made by this act for the period before the
10 effective date of any permanent rule promulgated under section 91.04 of the statutes,
11 as created by this act, or promulgated to implement those changes, but not to exceed
12 the period authorized under section 227.24 (1) (c) and (2) of the statutes.
13 Notwithstanding section 227.24 (1) (a), (2) (b) and (3) of the statutes, the department
14 is not required to provide evidence that promulgating a rule under this subsection
15 as an emergency rule is necessary for the preservation of the public peace, health,
16 safety or welfare and is not required to provide a finding of emergency for a rule
17 promulgated under this subsection.

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

19 (1) FARMLAND PRESERVATION CREDIT.

20 (a) The treatment of sections 20.835 (2) (dm), 71.07 (3), 71.10 (4) (i), 71.28 (2),
21 71.30 (3) (f), 71.47 (2), 71.49 (1) (f), 71.58 (8), 71.59 (1) (a) and (b) (intro.) and (2)
22 (intro.), 71.60 (1) (a) and (b) and 71.605 of the statutes first applies to taxable years
23 beginning after December 31, 1998.

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

1 **SECTION 9404. Effective dates; agriculture, trade and consumer**
2 **protection.**

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

13

(END)