

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **06/04/2003**

Received By: **btradewe**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Runde (FA)**

This file may be shown to any legislator: **NO**

Drafter: **btradewe**

May Contact:

Addl. Drafters: **mshovers**

Subject: **Agriculture - miscellaneous
Tax Credits (inc) - home/farm**

Extra Copies:

Submit via email: **NO**

Pre Topic:

LFB:.....Runde (FA) -

Topic:

Sunset farmland preservation claims

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	btradewe 06/04/2003	kgilfoy 06/04/2003		_____			
/1			jfrantze 06/04/2003	_____	mbarman 06/04/2003		
/2	btradewe 06/06/2003	kgilfoy 06/06/2003	rschluet 06/06/2003	_____	lemery 06/06/2003		
/3	btradewe 06/08/2003	kgilfoy 06/09/2003	rschluet 06/09/2003	_____	mbarman 06/09/2003		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 06/04/2003

Received By: btradewe

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Runde (FA)

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters: mshovers

Subject: Agriculture - miscellaneous
Tax Credits (inc) - home/farm

Extra Copies:

Submit via email: NO

Pre Topic:

LFB:.....Runde (FA) -

Topic:

Sunset farmland preservation claims

Instructions:

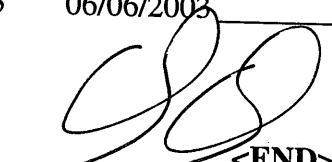
See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	btradewe 06/04/2003	kgilfoy 06/04/2003		_____			
/1			jfrantze 06/04/2003	_____	mbarman 06/04/2003		
/2	btradewe 06/06/2003	kgilfoy 06/06/2003	rschluet 06/06/2003	_____	lemery 06/06/2003		

FE Sent For:

13-6/9
Kmg


<END>
6-9-3

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 06/04/2003

Received By: btradewe

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Runde (FA)

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters: mshovers

Subject: Agriculture - miscellaneous
Tax Credits (inc) - home/farm

Extra Copies:

Submit via email: NO

Pre Topic:

LFB:.....Runde (FA) -

Topic:

Sunset farmland preservation claims

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	btradewe 06/04/2003	kgilfoy 06/04/2003					
/1		12-6/6 Kmg	jfrantze 06/04/2003		mbarman 06/04/2003		

FE Sent For:

6-8-3
-END>

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 06/04/2003

Received By: btradewe

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Runde

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters: mshovers

Subject: Agriculture - miscellaneous
Tax Credits (inc) - home/farm

Extra Copies:

Submit via email: NO

Pre Topic:

(FA)

LFB:.....Runde

Topic:

Sunset farmland preservation claims

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/?	btradewe	1-6/4 Kmg	J 6/4	J ps 6/4			

FE Sent For:

<END>

SHARED REVENUE AND TAX RELIEF -- PROPERTY TAXATION
DEPARTMENT OF AGRICULTURE, TRADE, AND CONSUMER PROTECTION
DEPARTMENT OF TOURISM

Assessment of Property Classified as Swamp or Waste or Productive Forest Land
[LFB Paper #686]

Grants for Ethanol Producers
[LFB Paper #135]

Motion:

Move to change the name of the "swamp or waste" classification of real property to "undeveloped land" for purposes of property taxation. Create a new classification of property called "agricultural forest," defined to include land that is producing or is capable of producing commercial forest products and is included on a parcel where part of the parcel is classified as agricultural or is contiguous to a parcel where part of the parcel is classified as agricultural, if the contiguous parcel is owned by the same person. Define contiguous to include a parcel that is separated only by a road from a parcel containing agricultural land, so long as both parcels are owned by the same person. Provide for the assessment of property classified as undeveloped land and agricultural forest land at 50% of the full value for which the property could be sold. Extend similar treatment to the Department of Revenue's determination of equalized values. Change cross-references in other sections of the statutes pertaining to requirements regarding the assessment level of major classes of property, penalties on agricultural land converted to other uses, and decennial adjustments to the per acre tax under the forest crop land program to reflect undeveloped land, rather than swamp or waste, and to include property classified as agricultural forest. Modify the current law requirement relating to assessing each major class of property at no less than 90% of its full value by specifying that undeveloped land, agricultural forests, productive forest land, and other property be considered separate classes of property, rather than as a single class of property, as provided under current law. Modify current law provisions related to trespassing on land by changing the term "undeveloped land" to "open land." Extend these provisions to property assessed as of January 1, 2004.

Sunset claims and penalties under the farmland preservation program, effective with claims related to taxes after the 2002 tax year. Allow landowners who have entered into farmland preservation agreements with the state to continue to receive credits as long as their agreements are in effect. Specify that DATCP could not enter into any new farmland preservation agreements after the effective date of the bill. Reduce costs related to the program by an estimated \$11,100,000 GPR in 2003-04 and \$11,600,000 GPR in 2004-05.

Specify that any modifications to the use value formula be approved through the administrative rule process before they take effect.

Provide \$1,000,000 GPR annually to DATCP for grants to ethanol producers.

Delete \$500,000 GPR annually from DATCP's soil and water resource management program.

Provide Tourism an additional \$500,000 GPR annually for tourism marketing.

Note:

The motion includes Alternatives #3 and #5 from Paper #686, although Alternative #5 has been modified to reflect earlier actions of the Committee affecting the amount of the farmland preservation credit.

For purposes of property taxation, real estate is grouped under seven property classifications. Current law includes property that is a bog, marsh, lowland brush, uncultivated land zoned as shoreland and mapped as wetland, or other nonproductive land in the "swamp or waste" classification. This motion would change the name of this classification to "undeveloped land." In addition, certain property classified as productive forest land would be classified under a new category called "agricultural forest." To qualify for this classification, the property would have to be on a parcel that contains agricultural land or be contiguous to a parcel containing agricultural land, provided both parcels are owned by the same person. Property that is classified as undeveloped land or as agricultural forest would be assessed at 50% of its fair market value, as opposed to 100% of its fair market value under current law. Similar treatment would be extended to DOR's determination of equalized values.

The two new classifications would necessitate changes to cross-references in other sections of the statutes pertaining to requirements regarding the assessment level of major classes of property, penalties on agricultural land converted to other uses, and decennial adjustments to the per acre tax under the forest crop land program. In addition to the cross reference change, the motion would modify current law provisions pertaining to the assessment level of major classes of property in a more substantive way. Currently, municipalities must achieve a ratio of assessed value to equalized value of 90%, or higher, for each locally assessed major class of property, except agricultural land, at least once every four years. Municipalities not meeting the requirement must do so in the succeeding year or participate in a Department of Revenue training program. Major class of property is defined as any class that includes 5% or more of the municipality's equalized value. For purposes of this requirement, property under the swamp or waste, productive forest land, and other classifications are considered a single class. The motion would modify this provision so that each of these types of property, as well as the two new

classifications, would be considered a separate class of property. This modification and the change in the procedure for valuing undeveloped land and productive forest land would cause fewer classes of property to meet the 5% threshold, thereby making it easier for municipalities to comply with the requirement.

Finally, the motion would modify current law provisions related to trespassing on land by changing the term "undeveloped land" to "open land." This change would avoid confusion that could result from having the statutes utilize identical terms with different meanings.

Although the motion would first apply to property assessed as of January 1, 2004, changes in values and taxes for the 2004(05) property tax year are speculative at this point in time, so the following analysis relies on data from the 2002(03) property tax year. The Department of Revenue set the statewide equalized value of taxable property for 2002 at \$335,326.5 million, of which \$1,546.9 million was classified as swamp or waste and \$8,742.8 million was classified as productive forest land. Under the motion, land classified as undeveloped land and agricultural forest would be assessed at 50% of fair market value, reducing equalized values by an estimated \$1,918.4 million. This represents a 0.5% reduction in statewide taxable values.

A statewide property tax is the primary source of funding for the state's forestry account in the conservation fund. Forestry account revenues are used to fund several state forestry programs and related administrative activities. The tax is frequently referred to as the "forestry mill tax." The Wisconsin Constitution limits the rate of taxation to no more than 0.2 mills, or 20 cents per \$1,000 of property value, and the state statutes have authorized a tax at that rate since 1937. In 2002-03, the tax is estimated to generate \$67.1 million in revenues. The loss of \$1,918.4 million in value would reduce state forestry taxes by an estimated \$384,000, effective in 2004-05.

Lower property values would also cause the taxes on property classified as undeveloped land and agricultural forest to decline. Currently, taxes on that property are estimated at \$65.2 million. Under the motion, estimated taxes on the affected property would decrease by \$30.1 million to \$35.1 million. This represents a 46.2% reduction.

Reductions in taxable value do not result in an overall reduction in property tax levies, except for state forestry taxes. Instead, value reductions cause property taxes to be shifted from property with decreasing property values to other property. Reductions in property values cause property tax rates to increase. This explains why the reduction in taxes on the affected property (-46.2%) is not equal to the reduction in that property's taxable value (-50.0%). Under the motion, the statewide average property tax rate would increase by an estimated \$0.13 per \$1,000 of value, from \$21.95 to \$22.08. This would cause the taxes on a median-valued home in the state, which is taxed at the statewide average tax rate, to increase by an estimated \$15 (0.6%). The motion would have different effects relative to individual property owners depending on the amount of undeveloped land and agricultural forest lands in the same taxing jurisdictions, as well as other factors relating to the property's level of taxation. In municipalities where property classified as swamp or waste and agricultural forest land is concentrated, residential tax bill increases, particularly in the first year after values decline, would be likely to exceed 0.6%.

The motion would also have a number of secondary effects relative to property taxation. These include the distribution of tax base-sensitive state aids, the level of allowable debt, and the repayment of tax increment district costs. The redistribution of tax base sensitive aids would mitigate some of the estimated tax shifts in municipalities where property classified as swamp or waste and agricultural forest land is concentrated. However, some of these mitigating effects would not occur until the proposal's second year because the general school aid formula uses prior year data, rather than data from the current year. Some of the other secondary impacts would be minor.

Under the motion and Committee action to date, a total of \$3,900,000 annually would be available for ethanol producer grants (\$2,900,000 in tribal gaming PR and \$1,000,000 GPR). This represents a 32% increase to the \$2,945,000 in base level funding available in 2002-03. The ethanol producer grant program provides ethanol producers who produce more than 10 million gallons of ethanol in a year with a 20¢ per gallon grant for every gallon of ethanol produced (for a maximum of 15 million gallons, or a \$3 million annual grant). If funds are insufficient to provide grants for all eligible producers, DATCP pro-rates available funds according to total ethanol produced. This program sunsets on June 30, 2006.

DATCP's soil and water management program GPR appropriation would be reduced by \$500,000 annually. This would represent a 5% reduction and leave DATCP with \$5,081,900 GPR and \$3,725,100 SEG in funding for local staffing grants and for grants to landowners for the installation of nonpoint source water pollution abatement best management practices (for a total of \$8,807,000 annually).

Tourism would be provided \$9,655,900 annually (\$5,686,400 GPR and \$3,969,500 tribal gaming PR) for tourism marketing. This would reflect a 10% base reduction in tourism marketing funding, but an increase of 2% to actual funds available in 2002-03.

[Change to Bill: -\$384,000 SEG-REV and -\$20,700,000 GPR]

2003

Date (time)
needed

SOON (in 6/4)

LRB b 0345 11

**LFB BUDGET AMENDMENT
[ONLY FOR LFB]**

MESSAGE: King

See form AMENDMENTS — COMPONENTS & ITEMS.

**LFB AMENDMENT
TO 2003 SENATE BILL 44**

Fix Request Sheet

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

[A long diagonal line with a small mark at the bottom right end.]



State of Wisconsin
2001 - 2002 LEGISLATURE

60345/1
LRB-4454/1
MES&RCT:kmg:kjf

1 AN ACT ...; relating to: prohibiting new claims under the farmland preservation
2 tax credit.

Analysis by the Legislative Reference Bureau

AGRICULTURE

Under current law, a person who owns farmland that is 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 may be eligible for the farmland preservation tax credit. A farmland preservation agreement is between the landowner and DATCP and commits the landowner to keeping 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. This bill eliminates the farmland preservation tax credit, except that persons who have a farmland preservation agreement in effect on January 1, 2002, may continue to claim the credit. *See TAXATION.* The bill also prohibits DATCP from entering into additional farmland preservation agreements.

TAXATION

INCOME TAXATION

Under current law, an eligible claimant may recover a certain amount of property taxes paid through the refundable farmland preservation tax 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 tax credit is that the farmland to which the claim relates be subject either to a farmland preservation agreement or to a county exclusive agricultural use zoning ordinance. A farmland preservation agreement and an exclusive agricultural use zoning ordinance require the claimant to abide by certain soil and water conservation standards. A farmland preservation agreement is generally entered into for a term of 10 to 25 years, although the parties may agree to relinquish the agreement under certain circumstances.

The 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 is eligible for is \$4,200, and the minimum credit that an eligible claimant may receive is \$600. The maximum credit for which the claimant is otherwise 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.

Under this bill, no new claims may be filed for taxable years beginning after December 31, 2001, but an otherwise eligible claimant who is subject to a farmland preservation agreement that is in effect on January 1, 2002, may continue to file a claim for the credit until the agreement expires.

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:

✓ #. Page 665, line 12; after that line insert:

① SECTION 1. 66.0307 (7m) of the statutes is amended to read:

2 66.0307 (7m) ZONING IN TOWN TERRITORY. If a town is a party to a cooperative
3 plan with a city or village, the town and city or village may agree, as part of the
4 cooperative plan, to authorize the town, city, or village to adopt a zoning ordinance
5 under s. 60.61, 61.35, or 62.23 for all or a portion of the town territory covered by the
6 plan. The exercise of zoning authority by a town under this subsection is not subject
7 to s. 60.61 (3) or 60.62 (3). If a county zoning ordinance applies to the town territory
8 covered by the plan, that ordinance and amendments to it continue until a zoning
9 ordinance is adopted under this subsection. If a zoning ordinance is adopted under

1 this subsection, that zoning ordinance continues in effect after the planning period
2 ceases until a different zoning ordinance for the territory is adopted under other
3 applicable law. This subsection does not affect zoning ordinances adopted under ss.

686

4 59.692, 87.30, or ~~91.71~~ 91.73 to 91.78. "
#. Page 686, line 8; after that line insert:

5 SECTION ~~2~~ 71.61 (6) of the statutes is created to read:
1583p

6 71.61 (6) PROHIBITION OF NEW CLAIMS. For taxable years beginning after
7 December 31, 200², no new claims for a credit may be filed under this subchapter,

8 but if an otherwise eligible claimant is subject to a farmland preservation agreement

9 that is in effect on January 1, 200³, the claimant may continue to file a claim for the
10 credit under this subchapter until the farmland preservation agreement expires. "

✓ #. Page 754, line 8; after that line insert:

11 SECTION ~~3~~ 91.25 of the statutes is created to read:
1731e

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

15 SECTION ~~4~~ 91.71 of the statutes is repealed. "
1731j

16 (END)

6/5/03 Per Al Rundle - There should be no penalties/fees imposed after effective date of bill: 9/1/77(2) + 9/1/79



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb03451/2
MES&RCT:kmg:jf YMY

m6/6

LFB:.....Runde (FA) – Sunset farmland preservation claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 1. Page 665, line 12: after that line insert:

3 “SECTION 1531k. 66.0307 (7m) of the statutes is amended to read:

4 66.0307 (7m) ZONING IN TOWN TERRITORY. If a town is a party to a cooperative
5 plan with a city or village, the town and city or village may agree, as part of the
6 cooperative plan, to authorize the town, city, or village to adopt a zoning ordinance
7 under s. 60.61, 61.35, or 62.23 for all or a portion of the town territory covered by the
8 plan. The exercise of zoning authority by a town under this subsection is not subject
9 to s. 60.61 (3) or 60.62 (3). If a county zoning ordinance applies to the town territory
10 covered by the plan, that ordinance and amendments to it continue until a zoning
11 ordinance is adopted under this subsection. If a zoning ordinance is adopted under
12 this subsection, that zoning ordinance continues in effect after the planning period

1 ceases until a different zoning ordinance for the territory is adopted under other
2 applicable law. This subsection does not affect zoning ordinances adopted under ss.
3 59.692, 87.30, or ~~91.71~~ 91.73 to 91.78.”.

4 **2.** Page 686, line 8: after that line insert:

5 “SECTION 1583p. 71.61 (6) of the statutes is created to read:

6 71.61 (6) PROHIBITION OF NEW CLAIMS. For taxable years beginning after
7 December 31, 2002, no new claims for a credit may be filed under this subchapter,
8 but if an otherwise eligible claimant is subject to a farmland preservation agreement
9 that is in effect on January 1, 2003, the claimant may continue to file a claim for the
10 credit under this subchapter until the farmland preservation agreement expires.”.

11 **3.** Page 754, line 8: after that line insert:

12 “SECTION 1731e. 91.25 of the statutes is created to read:

13 **91.25 Phaseout of agreements.** The department may not enter into, or
14 extend, an agreement under this subchapter after the effective date of this section
15 [revisor inserts date].

SECTION 1731j. 91.71 of the statutes is repealed.

(END)

16
Insert
17

1731L

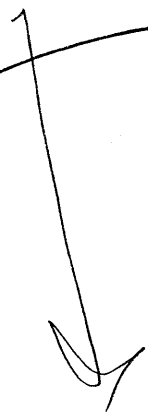
Section 91.77 (2) of the statutes is amended to read:

91.77 (2) Land which is rezoned under this section shall be subject to the lien provided under s. 91.19 (8) to (10) for the amount of tax credits paid on the land rezoned. If the rezoning occurs solely as a result of action initiated by a governmental unit, any lien required under s. 91.19 (8) to (10) shall be paid by the governmental unit initiating the action.

History: 1977 c. 29, 169; 1983 a. 311.

, except that no lien may
under this
subsection, after the effective
date of this subsection.... [revisor
inserts date]

may be recorded



1731n Insert, p. 2

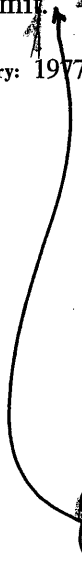
b0345/2

Section 91.79 of the statutes is amended to read:

91.79 Conditional uses; lien. Any land zoned under this subchapter which is granted a special exception or conditional use permit for a use which is not an agricultural use shall be subject to the lien provided under s. 91.19 (8) to (10) for the amount of tax credits paid on the land granted such a permit.

History: 1977 c. 169.

except that no lien under this section may be recorded after the effective date of this section
... [revisor inserts date]



))

end of insert

6/7/03 Per Al Kunde:

1. Page 2, line 9 - make that effective date of bill.
2. Page 2, line 16 - instead of repealing, just strike language beginning with "allowing owners".
3. DATCP should not have authority to impose liens at all - even for agreement-holders (who decide to opt out. keep getting credits but then)

Net

relinquish upon request? 01-1757/1



State of Wisconsin
2003 - 2004 LEGISLATURE

SOON (in 6/8)

LRBb03453
MES&RCT:kmg:rs

rnr

LFB:.....Runde (FA) – Sunset farmland preservation claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

Note

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 665, line 12: after that line insert:

3 “SECTION 1531k. 66.0307 (7m) of the statutes is amended to read:

4 66.0307 (7m) ZONING IN TOWN TERRITORY. If a town is a party to a cooperative
5 plan with a city or village, the town and city or village may agree, as part of the
6 cooperative plan, to authorize the town, city, or village to adopt a zoning ordinance
7 under s. 60.61, 61.35, or 62.23 for all or a portion of the town territory covered by the
8 plan. The exercise of zoning authority by a town under this subsection is not subject
9 to s. 60.61 (3) or 60.62 (3). If a county zoning ordinance applies to the town territory
10 covered by the plan, that ordinance and amendments to it continue until a zoning
11 ordinance is adopted under this subsection. If a zoning ordinance is adopted under
12 this subsection, that zoning ordinance continues in effect after the planning period

1 ceases until a different zoning ordinance for the territory is adopted under other
 2 applicable law. This subsection does not affect zoning ordinances adopted under ss.
 3 59.692, 87.30, or ~~91.71~~ 91.73 to 91.78.”

4 **2.** Page 686, line 8: after that line insert:

5 “SECTION 1583p. 71.61 (6) of the statutes is created to read:

6 71.61 (6) PROHIBITION OF NEW CLAIMS. For taxable years beginning after
 7 December 31, 2002, no new claims for a credit may be filed under this subchapter,
 8 but if an otherwise eligible claimant is subject to a farmland preservation agreement
 9 that is in effect on ^{the effective date of this subsection.... [revisor inserts date]} ~~January 1, 2003~~, the claimant may continue to file a claim for the
 10 credit under this subchapter until the farmland preservation agreement expires.”

11 **3.** Page 754, line 8: after that line insert:

12 ^{Insert} ~~SECTION 1731e.~~ ^m 91.25 of the statutes is created to read:

13 **91.25 Phaseout of agreements.** The department may not enter into, or
 14 extend, an agreement under this subchapter after the effective date of this section
 15 [revisor inserts date].

16 ^{Insert} ~~SECTION 1731j.~~ ^{Insert 2-16} ~~91.71 of the statutes is repealed,~~

17 **SECTION 1731L.** 91.77 (2) of the statutes is amended to read:

18 91.77 (2) Land which is rezoned under this section shall be subject to the lien
 19 provided under s. 91.19 (8) to (10) for the amount of tax credits paid on the land
 20 rezoned, except that no lien under this subsection may be recorded after the effective
 21 date of this subsection [revisor inserts date]. If the rezoning occurs solely as a
 22 result of action initiated by a governmental unit, any lien required under s. 91.19 (8)
 23 to (10) shall be paid by the governmental unit initiating the action.

24 **SECTION 1731n.** 91.79 of the statutes is amended to read:

cc
em

1 **91.79 Conditional uses; lien.** Any land zoned under this subchapter which
2 is granted a special exception or conditional use permit for a use which is not an
3 agricultural use shall be subject to the lien provided under s. 91.19 (8) to (10) for the
4 amount of tax credits paid on the land granted such a permit, except that no lien
5 under this section may be recorded after the effective date of this section [revisor
6 inserts date].”

7

(END)

Note

173lec

Section # 91.19 (7) of the statutes is amended to read:

subject to sub. (14), whenever

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

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



Insert 2-11, p. 2

173leg

Section # 91.19 (8) of the statutes is amended to read:

91.19 (8) Subject to subs. (12) and ³~~(13)~~ ^{and (14)} upon the relinquishment of a farmland preservation agreement under sub. (1) or (1m), the department shall cause to be prepared and recorded a lien against the property formerly subject to the farmland preservation agreement for the total amount of the credits received by all owners thereof under subch. IX of ch. 71 during the last 10 years that the land was eligible for such credit, plus 6% interest per year compounded from the time of relinquishment. No interest shall be compounded for any period during which the farmland is subject to a subsequent farmland preservation agreement or transition area agreement or is zoned for exclusive agricultural use under an ordinance certified under subch. V.

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

Section 1731 ^{ek} CR; 91.19 (14)

91.19(14) No lien under this section may be recorded after the effective date of this subsection [reviser inserts date]

end of insert 2-11

173/g

Insert 2-15, p. 1

60345/3

Section # 91.37 (1) to (5) of the statutes are amended to read:

subject to sub. (7), if

91.37 (1) ~~If~~ the owner withdraws during the term of an agreement under this subchapter, the lien shall apply to the amount of all credit under subch. IX of ch. 71 received for the period the land was subject to the agreement plus 6% interest per year compounded annually from the time the credit was received until it is paid.

subject to sub. (7), if

(2) ~~If~~ at the end of an agreement under this subchapter, [✓] the owner does not apply for a renewal under s. 91.39 or an agreement under subch. II, the lien shall apply, without interest, to the credit received under subch. IX of ch. 71 for the last 2 years the land was eligible for such credit if the land is not subject to a certified exclusive agricultural use zoning ordinance under subch. V and either the county in which the land is located has not adopted a certified agricultural preservation plan, or, if such a plan is adopted, the farmland would not be eligible for an agreement under the terms of the plan.

subject to sub. (7), if

(3) ~~If~~ at the end of an agreement under this subchapter, [✓] the owner does not apply for a renewal under s. 91.39 or an agreement under subch. II, although the land is eligible for an agreement under subch. II and is not subject to a certified exclusive agricultural use zoning ordinance under subch. V, the lien shall apply to all credit received during the period the land was subject to an agreement under this subchapter, plus 6% interest per year compounded from the time of expiration.

subject to sub. (7), if

(4) ~~If~~ at the end of an agreement under this subchapter, [✓] the farmland is not eligible for an agreement under subch. II because s. 91.11 (2), (3) or (4) is applicable, the lien shall apply, without interest, to the credit received under subch. IX of ch. 71 for the last 2 years the land was eligible for such credit. If after the expiration of an agreement the land or any portion of the land is zoned for exclusive agricultural use under an ordinance certified under subch. V, all or any portion of a lien filed under this subsection against such land shall be discharged. The discharge of a lien under this subsection does not affect the calculation of any subsequent lien under s. 91.77 (2).



Insert 2-15, p. 2

Subject to sub. (7), if

(5) ~~If~~^V at the end of an agreement under this subchapter, the owner does not apply for a renewal under s. 91.39 or an agreement under subch. II and only a portion of the land subject to the agreement is eligible for an agreement under subch. II, the lien shall be calculated under sub. (2) or (4) on that part of the land which is ineligible and under sub. (3) on that part which is eligible.

History: 1977 c. 29, 169, 418; 1983 a. 27; 1987 a. 312 s. 17; 1987 a. 399; 1991 a. 286.

Section 1731 gm. CR; 91.37(7)

91.37(7) No lien under this section may be recorded after the effective date of this subsection.... (revisor inserts date) X

end of insert 2-15

Insert 2-16

60345/3

Section #. 91.71 of the statutes is amended to read:

91.71 Purpose. The purpose of this subchapter is to specify the minimum requirements for zoning ordinances designating certain lands for exclusively agricultural use, ~~allowing the owners of such lands to claim the farmland preservation credit permitted under subch. IX of ch. 71.~~

History: 1977 c. 29, 418; 1987 a. 312 s. 17.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0345/3dn

RCT: /...

kmg

Al Runde:

Should the draft require DATCP to relinquish a farmland preservation agreement upon request so that owners may get out of the agreements whenever they want to?

Becky Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0345/3dn
RCT:kmg:rs

June 9, 2003

Al Runde:

Should the draft require DATCP to relinquish a farmland preservation agreement upon request so that owners may get out of the agreements whenever they want to?

Becky Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0345/3
MES&RCT:kmg:rs

LFB:.....Runde (FA) – Sunset farmland preservation claims

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,
TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 686, line 8: after that line insert:

3 “**SECTION 1583p.** 71.61 (6) of the statutes is created to read:

4 71.61 (6) PROHIBITION OF NEW CLAIMS. For taxable years beginning after
5 December 31, 2002, no new claims for a credit may be filed under this subchapter,
6 but if an otherwise eligible claimant is subject to a farmland preservation agreement
7 that is in effect on the effective date of this subsection [revisor inserts date], the
8 claimant may continue to file a claim for the credit under this subchapter until the
9 farmland preservation agreement expires.”.

10 **2.** Page 754, line 8: after that line insert:

11 “**SECTION 1731ec.** 91.19 (7) of the statutes is amended to read:

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

17 **SECTION 1731eg.** 91.19 (8) of the statutes is amended to read:

18 91.19 (8) Subject to subs. (12) ~~and~~, (13), and (14), upon the relinquishment of
19 a farmland preservation agreement under sub. (1) or (1m), the department shall
20 cause to be prepared and recorded a lien against the property formerly subject to the
21 farmland preservation agreement for the total amount of the credits received by all
22 owners thereof under subch. IX of ch. 71 during the last 10 years that the land was
23 eligible for such credit, plus 6% interest per year compounded from the time of
24 relinquishment. No interest shall be compounded for any period during which the
25 farmland is subject to a subsequent farmland preservation agreement or transition

1 area agreement or is zoned for exclusive agricultural use under an ordinance
2 certified under subch. V.

3 **SECTION 1731ek.** 91.19 (14) of the statutes is created to read:

4 91.19 (14) No lien under this section may be recorded after the effective date
5 of this subsection [revisor inserts date].

6 **SECTION 1731em.** 91.25 of the statutes is created to read:

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

10 **SECTION 1731g.** 91.37 (1) to (5) of the statutes are amended to read:

11 91.37 (1) If Subject to sub. (7), if the owner withdraws during the term of an
12 agreement under this subchapter, the lien shall apply to the amount of all credit
13 under subch. IX of ch. 71 received for the period the land was subject to the
14 agreement plus 6% interest per year compounded annually from the time the credit
15 was received until it is paid.

16 (2) If Subject to sub. (7), if at the end of an agreement under this subchapter,
17 the owner does not apply for a renewal under s. 91.39 or an agreement under subch.
18 II, the lien shall apply, without interest, to the credit received under subch. IX of ch.
19 71 for the last 2 years the land was eligible for such credit if the land is not subject
20 to a certified exclusive agricultural use zoning ordinance under subch. V and either
21 the county in which the land is located has not adopted a certified agricultural
22 preservation plan, or, if such a plan is adopted, the farmland would not be eligible
23 for an agreement under the terms of the plan.

24 (3) If Subject to sub. (7), if at the end of an agreement under this subchapter,
25 the owner does not apply for a renewal under s. 91.39 or an agreement under subch.

1 II, although the land is eligible for an agreement under subch. II and is not subject
2 to a certified exclusive agricultural use zoning ordinance under subch. V, the lien
3 shall apply to all credit received during the period the land was subject to an
4 agreement under this subchapter, plus 6% interest per year compounded from the
5 time of expiration.

6 (4) If Subject to sub. (7), if at the end of an agreement under this subchapter,
7 the farmland is not eligible for an agreement under subch. II because s. 91.11 (2), (3)
8 or (4) is applicable, the lien shall apply, without interest, to the credit received under
9 subch. IX of ch. 71 for the last 2 years the land was eligible for such credit. If after
10 the expiration of an agreement the land or any portion of the land is zoned for
11 exclusive agricultural use under an ordinance certified under subch. V, all or any
12 portion of a lien filed under this subsection against such land shall be discharged.
13 The discharge of a lien under this subsection does not affect the calculation of any
14 subsequent lien under s. 91.77 (2).

15 (5) If Subject to sub. (7), if at the end of an agreement under this subchapter,
16 the owner does not apply for a renewal under s. 91.39 or an agreement under subch.
17 II and only a portion of the land subject to the agreement is eligible for an agreement
18 under subch. II, the lien shall be calculated under sub. (2) or (4) on that part of the
19 land which is ineligible and under sub. (3) on that part which is eligible.

20 **SECTION 1731gm.** 91.37 (7) of the statutes is created to read:

21 91.37 (7) No lien under this section may be recorded after the effective date of
22 this subsection [revisor inserts date].

23 **SECTION 1731j.** 91.71 of the statutes is amended to read:

24 **91.71 Purpose.** The purpose of this subchapter is to specify the minimum
25 requirements for zoning ordinances designating certain lands for exclusively

1 agricultural use, ~~allowing the owners of such lands to claim the farmland~~
2 ~~preservation credit permitted under subch. IX of ch. 71.~~

3 **SECTION 1731L.** 91.77 (2) of the statutes is amended to read:

4 91.77 (2) Land which is rezoned under this section shall be subject to the lien
5 provided under s. 91.19 (8) to (10) for the amount of tax credits paid on the land
6 rezoned, except that no lien under this subsection may be recorded after the effective
7 date of this subsection [revisor inserts date]. If the rezoning occurs solely as a
8 result of action initiated by a governmental unit, any lien required under s. 91.19 (8)
9 to (10) shall be paid by the governmental unit initiating the action.

10 **SECTION 1731n.** 91.79 of the statutes is amended to read:

11 **91.79 Conditional uses; lien.** Any land zoned under this subchapter which
12 is granted a special exception or conditional use permit for a use which is not an
13 agricultural use shall be subject to the lien provided under s. 91.19 (8) to (10) for the
14 amount of tax credits paid on the land granted such a permit, except that no lien
15 under this section may be recorded after the effective date of this section [revisor
16 inserts date].”.

17 (END)