

### Fiscal Estimate - 2009 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>09-4305/1</b>	<b>Introduction Number</b> <b>AB-0863</b>				
<b>Description</b> eliminating the requirement to pay a conversion fee for having land rezoned out of a farmland preservation zoning district					
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs					
<b>Local:</b> <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue                  5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts					
<table style="width: 100%;"> <tr> <td style="width: 50%;"><b>Fund Sources Affected</b></td> <td style="width: 50%;"><b>Affected Ch. 20 Appropriations</b></td> </tr> <tr> <td> <input type="checkbox"/> GPR    <input type="checkbox"/> FED    <input type="checkbox"/> PRO    <input type="checkbox"/> PRS    <input checked="" type="checkbox"/> SEG    <input type="checkbox"/> SEGS         </td> <td>Ss. 20.115 (7) (tb), (tg), (tm) and (ts), Stats.</td> </tr> </table>		<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>	<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	Ss. 20.115 (7) (tb), (tg), (tm) and (ts), Stats.
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<b>Date</b> 3/23/2010					

**Fiscal Estimate Narratives**  
**DATCP 3/23/2010**

LRB Number	<b>09-4305/1</b>	Introduction Number	<b>AB-0863</b>	Estimate Type	<b>Original</b>
<b>Description</b> eliminating the requirement to pay a conversion fee for having land rezoned out of a farmland preservation zoning district					

**Assumptions Used in Arriving at Fiscal Estimate**

This bill eliminates the rezone conversion fee that must be paid in order to have land rezoned out of a farmland preservation zoning district after January 1, 2010.

Conversion fees are intended to both reduce rezoning of agricultural land overall and to reduce the size of areas that are rezoned, to encourage more efficient use of land for development, especially for residential use. Fees are deposited into the Working Lands Trust Fund and are used to fund farmland preservation planning grants to local governments and purchase of agricultural conservation easements.

Under the bill, state revenues would decrease by between \$4 million and \$10 million per year. The department estimates that the amount of land rezoned from farmland preservation zoning, given rates of agricultural land conversion in the mid-1990s, would result in between 6,000 and 10,000 acres rezoned each year. The use value assessment for Grade 1 cropland under farmland preservation zoning averages approximately \$270 per acre. The average conversion fee would be three times that amount, or \$810 per acre. Conversion fees would total between \$4.8 million and \$8.1 million per year. Given the considerable uncertainty in predicting farmland values and rezoning requests, the range could be between \$4 million and \$10 million per year.

The bill would have a minimal impact on local government costs. However, it would eliminate the local government option to institute a local conversion fee to support the preservation of farmland in their jurisdiction. (At least two counties have already implemented this provision.) Political subdivisions with certified farmland preservation ordinances would still have to follow the rezoning process as before. Eliminating conversion fees would only remove the requirement for political subdivisions to collect and submit conversions fees to the department.

However, the bill would remove all revenues to the Working Lands Trust Fund, and thereby severely impede the department's ability to implement the Working Land Initiative and the goals to preserve farmland and other working lands. The proposed bill would eliminate the conversion fees that the legislature could otherwise appropriate for planning grants to local governments and for purchases of agricultural conservation easements. Under current law, no funds are appropriated for those purposes in fiscal year 2009-10 and 2010-11, because working lands fund revenues have not yet been collected. (Planning grants are funded from GPR in fiscal year 2010-11.)

**Long-Range Fiscal Implications**

Under the bill, collection of conversion fees (the Working Lands Trust Fund revenues) would be eliminated, which would remove the ability of the legislature to make future segregated fund appropriations for local governments to use for planning grants and easement funds.