

Fiscal Estimate Narratives

DATCP 10/12/2023

LRB Number	23-2291/1	Introduction Number	AB-0480	Estimate Type	Original
Description eligibility for farmland preservation tax credits					

Assumptions Used in Arriving at Fiscal Estimate

SB 468 creates s. 71.613(3)(am), Stats.. No credit may be allowed under this section [s. 71.613 Stats. for farmland preservation tax credits after 2009] for any part of a claimant's qualifying acres on which a photovoltaic solar energy system as defined in s. 13.48(2)(h) 1. D., Stats., that is not an accessory use as defined in s. 91.01(1) Stats. is located during any part of the taxable year. This act first applies to taxable years beginning after December 31, 2022.

DATCP would have to coordinate with DOR, county conservation staff, and planning and zoning offices of counties. DATCP would have to develop and deliver a robust outreach program since this bill would go into effect immediately. This would include creating contact lists, having individual conversations with a variety of stakeholders (i.e., tax preparers, county land conservation department staff, etc.), developing and publishing outreach materials, and attending and hosting informational sessions in coordination with partners. DATCP program staff would have to work with the agency's communications team on means of distribution for outreach materials.

DATCP program staff and attorneys would have to review ATCP 50.16, Wis. Admin. Code to identify any conflicts with the rule. Under ATCP 50.16(4), Wis. Admin. Code, a county shall issue a certificate of compliance to a landowner claiming tax credits under s. 71.613, Stats. if the landowner meets the soil and water conservation standards as required by s. 91.80, Stats. and ATCP 50.16, Wis. Admin. Code. The certificate shall be issued on the form provided by the department. Under ATCP 50.16(4)(b), Wis. Admin. Code states, "A certificate establishing a landowner's compliance with s. 91.80, Stats. and this section remains in effect and valid until the county land conservation committee issues a notice of noncompliance under sub. (6) or the ownership of the covered land is transferred." The administrative code governing compliance does not consider exemptions that are not related to land ownership. Certificates of compliance are currently required to list all acres covered by a farmland preservation agreement, that are located in a certified farmland preservation zoning district or both. "Eligible acres" do not necessarily include all acres on the farm, though the entire farm must be in compliance with soil and water conservation standards.

Qualifying acres are historically identified on a landowner's certificate of compliance which is issued by a County Land Conservation Department. This bill does not change the definition of qualifying acres [under 71.613(1)(h), Stats.], but instead applies the limitation that a credit may not be awarded for any part of a claimant's qualifying acres on which a photovoltaic solar energy system as defined in s. 13.48(2)(h)1.D., Stats., that is not an accessory use under s. 91.01(1), Stats. is located during the taxable year. Under current construction of the bill, landowners would be responsible for claiming only qualifying acres on which there are no photovoltaic solar energy system.

This bill does change the current application for landowners who claim the tax credit under farmland preservation zoning. This bill does not change the current application for landowners who have qualifying acres under farmland preservation agreements only.

Extensive outreach would be imperative to ensure that farmers are aware of the law and do not break the law unknowingly.

A minimum outreach strategy would require at least 240 hours of staff time. If changes to the certificate of compliance are required, staff time required would increase substantially.

Long-Range Fiscal Implications

DATCP and the counties may require additional staff resources to absorb the workload related to outreach,

legal work, and implementation of this change; fiscal impact and staffing resource needs would vary significantly depending on the how agency and collaborators are required to implement this bill.