

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-1671/1	Introduction Number SB-0348
Description limitations on ownership of agricultural or forestry land in this state by foreign persons	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input 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	
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Agency/Prepared By DATCP/ Waylon Hurlburt (608) 224-4857	Authorized Signature Waylon Hurlburt (608) 224-4857
Date 10/13/2023	

Fiscal Estimate Narratives

DATCP 10/13/2023

LRB Number	23-1671/1	Introduction Number	SB-0348	Estimate Type	Original
Description limitations on ownership of agricultural or forestry land in this state by foreign persons					

Assumptions Used in Arriving at Fiscal Estimate

The bill would prohibit certain foreign persons from acquiring more than 50 acres of agricultural or forestry land in the state. The bill would also repeal the ability of certain foreign persons from exceeding the limit if the land was leased to non-foreign persons for agricultural or forestry use. The 50-acre limitation applies only to land classified as agricultural, agricultural forest, or productive forest land for property tax purposes. The bill changes enforcement authority of this limitation from the Attorney General to the Department of Agriculture, Trade and Consumer Protection (DATCP). The bill adds a foreign government to those subject to the 50-acre limit. The bill reduces the time a foreign person must divest itself from an interest in agricultural or forestry land that exceeds the limit, from four years to two years. This bill applies to interests in land acquired on or after the first day of the first month beginning after the effective date of the bill.

Under current law, the limitation of foreign ownership of agricultural or forestry land is not more than 640 acres. Also under current law, foreign entities are required to report to the United States Department of Agriculture (USDA) any acquisition or transfer of interest in agricultural land under the federal Agricultural Foreign Investment Disclosure Act. This information is reported to the state DATCP Secretary annually. State law requires these foreign entities to report to the DATCP as well as the USDA. In calendar year 2019 and 2021, there were no submissions to DATCP. In calendar year 2020 there was one submission and in 2022 there were two submissions listing six different foreign entities acquiring an interest in state land. Recent reported land acquisitions and transfers were for wind or solar energy entities.

According to a 2021 USDA report, 536,511 acres of agricultural land in Wisconsin were held by foreign entities as of December of 2021. This is compared to 25,855,696 privately held agricultural land acres. The proportion of private to foreign held agricultural acreage was 2.1%. The country with the most foreign investors with land holdings in Wisconsin was Canada. Most acres held by foreign interests were acres designated as forest.

Since the bill applies to acquisitions after the effective date of the bill and since there have been no known prior enforcement actions taken, DATCP estimates that it can absorb the costs to administer the bill with existing resources.

Long-Range Fiscal Implications

Unknown.