



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #136

Working Lands Initiative -- Repeal Purchase of Agricultural Conservation Easements (PACE) Program and Repeal Farmland Preservation Conversion Fee (Agriculture, Trade and Consumer Protection)

[LFB 2011-13 Budget Summary: Pages 52-54, #6 and 7]

CURRENT LAW

The farmland preservation program allows owners of certain lands designated for long-term agricultural production to claim tax credits for maintaining the land in agricultural or closely related uses and complying with state standards for soil and water conservation. Lands in farmland preservation zoning districts or under farmland preservation agreements, which is a restrictive covenant on the land lasting at least 15 years, are eligible for tax credits. As of the 2010 tax year, credits are \$7.50 per acre for lands under farmland preservation zoning districts certified by DATCP. Lands under a farmland preservation agreement may be eligible for one of two credits: (a) the pre-2010 tax credit, which is based on a landowner's property tax liability and income; or (b) \$5 for each acre under the agreement, if the agreement was begun after July 1, 2009, or if the agreement has been modified to allow claiming of the per-acre credit. Lands under both farmland preservation zoning and agreements are eligible for a credit of \$10 per acre. In 2010-11, \$27.4 million GPR is available for per-acre farmland preservation tax credits, and \$400,000 is available for pre-2010 credits.

Also, beginning January 1, 2010, for lands in a certified farmland preservation zoning district, any person requesting a rezoning must pay a conversion fee for most acreage removed from farmland preservation zoning. The minimum fee is three times the highest-value category of tillable cropland in the town, village or city in which the land is located. This is often referred to as the Grade 1 use value as determined by the Department of Revenue (DOR) for use value assessment. The statewide average Grade 1 use value in 2011 is \$227. Under such a circumstance, an average conversion fee would be \$681 per acre. However, the Department of Agriculture, Trade and Consumer Protection (DATCP) has estimated the Grade 1 use value in most areas under farmland preservation zoning is higher than average, and may be about \$270

per acre. This would result in an average conversion fee of \$810. This fee is to be remitted to DATCP each March 1, along with a report of the number of acres converted. Revenues to DATCP are deposited in the segregated working lands fund, which was created under 2009 Act 28, for administration of the Department's farmland preservation programs and the purchase of agricultural conservation easements (PACE) program. Municipalities with farmland preservation zoning may also impose higher conversion fees, provided any proceeds are used for that local government's farmland preservation planning, zoning or enforcement activities. Further, a termination of a farmland preservation agreement is subject to the same minimum conversion fee, provided the agreement was created or modified under the statutory provisions in effect on July 1, 2009.

In addition to provisions for farmland preservation planning, zoning and agreements, current law includes: (a) agricultural enterprise areas, which are created upon the petition of land owners and local governments, and which are intended to be areas containing lands engaged in agricultural production or in agriculture-related activities such as food processing and farm implement sales; and (b) the PACE program, which authorizes DATCP to purchase perpetual agreements entered into voluntarily by landowners and under which lands subject to an easement are restricted from development for nonagricultural uses. The PACE program is funded by: (a) general obligation bonding authority of \$12 million; and (b) the segregated working lands fund. DATCP administers the PACE program with the advice of the PACE Council, which is created by statute and appointed by the DATCP Secretary.

GOVERNOR

Repeal the conversion fee on persons requesting lands to be rezoned from certified farmland preservation zoning districts to other designations. Further, repeal requirements that political subdivisions submit to DATCP by each March 1: (a) a conversion fee for acreage rezoned from farmland preservation zoning districts in that jurisdiction in the previous calendar year; and (b) reports stating the total conversion fees collected by the local government for the previous year's conversions. Also, repeal provisions specifying for which purposes a political subdivision can use conversion fee revenues if a political subdivision has collected an amount greater than that remitted to DATCP.

Delete statutory authorization for the PACE program, and repeal general obligation bonding authority of \$12 million for the PACE program. Further, repeal the following appropriations: (a) a GPR sum-sufficient appropriation for debt service on PACE bonding authority; (b) a working lands SEG annual appropriation for debt service on PACE bonding authority; (c) a PR continuing appropriation for gifts and grants received by DATCP for purchases of agricultural conservation easements; and (d) an annual appropriation from the segregated working lands fund for the purchase of agricultural conservation easements. (These appropriations do not have any expenditure authority in the 2009-11 biennium.) Amend an annual working lands fund SEG appropriation for administration of working lands programs to delete references to administration of the PACE program. Amend the statutory authorization for the working lands fund to delete reference to penalties or other proceeds from for the sale, modification or termination of an agricultural conservation easement.

DISCUSSION POINTS

1. The Working Lands Initiative (WLI) was enacted under 2009 Act 28 with the intention of modifying and adding to the state's programs for preservation of farmland. Between 1950 and 2009, the most recent year for which statistics are available, the Wisconsin Agricultural Statistics Service reports land in farms has decreased from 23.6 million acres to 15.2 million acres. This is an average of 142,400 acres leaving farming each year. However, the acreage diverted from farms in 2008 and 2009 was estimated to be virtually zero, and the acreage diverted between 2000 and 2009 has been an average of 100,000 acres annually.

2. The administration reports the repeal of the conversion fee is intended to remove barriers to economic development in rural areas. The administration reports the repeal of the PACE program is to reduce programs relying on bonding authority. Further, the administration contends the PACE program is not as cost-effective at preserving land for agricultural uses as other policy instruments contained in the WLI.

Conversion Fees

3. As of May, 2011, DATCP has received approximately \$590,500 from conversion fees. Total conversions reported were 779 acres, and the average conversion fee was approximately \$758 per acre, meaning the average Grade 1 use value applied was approximately \$253 per acre. A list of the municipalities submitting fees and reports on acreage converted from farmland preservation zoning districts is included in Attachment 1.

4. The farmland preservation conversion fee is intended to be a disincentive to converting land from agricultural to nonagricultural purposes if the land has been identified in a certified local zoning ordinance and farmland preservation plan as preserved for long-term agricultural use. The fee may be viewed as a disincentive to the conversion of high-quality agricultural lands and, if conversion does occur, as a partial recoupment of state tax credits paid on farmland. The current fee is intended to be more enforceable than the previous fee for converting lands from farmland preservation zoning districts, which was on the basis of tax credits received in the 10 years prior to conversion. DATCP reports fees owed under the previous structure were difficult to determine as DOR and DATCP were not easily able to identify if or on what basis previous tax credits were made. Reporting by local governments of acreage rezoned was also often incomplete. It was, therefore, difficult to tie past tax credits to lands converted.

5. Opponents of the conversion fee argue that the fee may create additional costs for persons seeking to develop land for nonagricultural activities that may be desirable uses for the land. Opponents further argue such a fee discourages development in certain areas, and such discouragement may put landowners in farmland preservation zoning districts at a disadvantage relative to other landowners in the area or in the state. The administration has also stated that other farmland preservation policy instruments, particularly the required county farmland preservation planning and agricultural enterprise areas, are likely to be more important to preserving agricultural land in Wisconsin. Further, opponents have argued that land diversions from agricultural use over the long term are more likely to be dictated by farm profitability, and particularly commodities prices and use value assessment for property taxation, as opposed to policies in the WLI.

6. Opponents have also argued that because the conversion fee took effect beginning with lands converted on January 1, 2010, many lands that will be subject to the fee in the near term may be lands that are no longer intended or feasible for long-term agricultural preservation, due to past development trends and many municipalities having outdated farmland preservation plans and zoning ordinances. It has been argued that a conversion fee would be more appropriate to impose after a zoning authority has had its farmland preservation zoning ordinance recertified by DATCP. For most areas, this would occur by December 31, 2016, or generally one year after updated farmland preservation plans are due under provisions of Act 28.

7. Although the conversion fee is no longer directly correlated with previous tax credits received, it could be argued the conversion fee remains a means of recapturing a financial benefit conferred to a landowner if the person no longer engages in the activity the benefit encourages. For example, many federal and state tax credits require repayment if a certain activity is discontinued prior to a specified period. Such repayment is also part of the conversion of property subject to use value assessment for agricultural lands.

8. Under current law, a zoning authority may impose a conversion fee exceeding three times the Grade 1 use value, with any proceeds retained by the local government to be used for its farmland preservation planning, zoning and enforcement activities. DATCP reports the counties of Calumet, Dane, and Green Lake have established additional conversion fees. Calumet County assesses a fee of 15% of the state-imposed conversion fee, which would be about \$90 per acre, based on the 2011 use value assessments in that county, Dane County charges an additional fee of \$55 per acre, and Green Lake County charges an amount equal to the state conversion fee, or a total of six times the Grade 1 use value, which averages about \$211 per acre for 2011 and would yield an additional local fee of approximately \$634 on average. Under the bill, this local authority would be repealed. The statutes generally do not contain any other allowances that would permit a local government to impose its own conversion fee, as state law requires any local fee to be substantially associated with any direct costs the municipality may otherwise incur in providing a service. The closest analog to a conversion fee allowed under current law is an impact fee, which may be established by a municipality to offset costs of development such as establishing sewer service or roads.

9. Agricultural lands assessed on their use value for property tax purposes must pay a conversion charge if those lands are removed from a qualifying agricultural classification. Like the farmland preservation conversion fee, the use value conversion fee serves as a disincentive to remove land from agricultural use if the landowner has realized the benefit of use value assessment, as well as to allow municipalities to recoup property tax considerations previously given to landowners. In most cases, both these fees would apply to land converted from farmland preservation zoning districts. The use value conversion charge is determined annually by DOR and is a percentage of the difference in the average fair market value of agricultural land in the county and the average use value. The percentage applied varies with the acreage converted as follows: (a) 5% for conversions of more than 30 acres; (b) 7.5% for conversions of 10 acres or more but not exceeding 30 acres; and (c) 10% for conversions up to 10 acres. For conversions up to 10 acres, the category that incurs the highest charge per acre, charges range from \$100 per acre (Iron County) to \$1,068 per acre (Milwaukee County).

10. If the Committee wished to restore the conversion fee, it could remain a multiple of the highest value category of tillable cropland in the city, village or town in which the land to be rezoned is located. For example, the Committee could consider a multiple of equal to one time, two times or three times the Grade 1 use value. (Three times the Grade 1 use value is current law.)

11. Alternatively, it could be argued that the per-acre tax credit available under current law for farmland preservation zoning districts is a more suitable basis on which to require repayment than under previous law. Prior to 2009 Act 28, landowners converting lands from farmland preservation zoning districts, which were known at the time as exclusive agricultural zones, were required to repay an amount equal to the farmland preservation tax credits received in the previous 10 years in which credits were claimed. DATCP considered this repayment, known as a rollback, to be difficult to enforce, due both to inadequate reporting of rezonings by local governments and to the difficulty in determining past credits received for parcels that were rezoned. As a result, DATCP typically only collected credit rollbacks on farmland preservation agreements, as DATCP has centralized oversight over agreements, and a property's acreage under an agreement seldom changes.

12. If the Committee wished to base conversion fees on tax credit eligibility, it could establish the fee at a multiple of the per acre credit available to a property. For acreage under farmland preservation zoning, the credit is \$7.50 per acre. The Committee could establish a fee of one of the following multiples of the annual \$7.50 credit available for each acre of the property: (a) equal to the per-acre credit for which the property is eligible; (b) five times the eligible credit, or \$37.50 per acre; or (c) 10 times the eligible credit, or \$75 per acre.

13. The bill would not change the conversion fee as it applies to farmland preservation agreements; terminated agreements would continue to pay the conversion fee in place at the time of their creation. This is on the basis of credits received for agreements in effect prior to 2009 Act 28. For agreements that have taken effect after Act 28, or that have been modified at the landowner's request to claim the per-acre tax credit, the credit is \$5 per acre if only under an agreement or \$10 for acreage under both zoning and an agreement. DATCP reports there are currently five new applications pending under the provisions enacted in Act 28, which require the agreement to be located in an agricultural enterprise area, and 29 agreements in effect prior to Act 28 that are seeking modifications to claim the per-acre tax credit.

14. It could be argued that if the Committee were to retain the conversion fee but alter it from current law, the conversion requirements should be consistent between farmland preservation agreements and farmland preservation zoning districts, as they are under current law. Conversely, it could be argued that because landowners under farmland preservation agreements voluntarily sought the benefit of the restrictive covenant, the current fee for terminating an agreement should remain.

15. There are many variables that would likely affect the annual acreage converted in 2011 and 2012, which would be the calendar years for which conversions are reported March 1, 2012, and 2013, respectively. Reported conversions to DATCP prior to 2009 were frequently between 6,000 and 12,000 acres, although these were years during which economic activity, and particularly demand for residential building, was much higher than at present. DATCP has

previously estimated conversions in the near term could be about 2,000 to 4,000 acres, but the Department did not expect fewer than 2,000 acres annually. It could be argued that current economic and agricultural trends indicate an environment that would tend to minimize diversion of agricultural lands in the near term. Table 1 shows the estimated revenue effect of several alternative fee levels that could be considered. The table assumes acreage converted in each of the next two years remains relatively constant in 2011 and increases slightly in 2012. For the alternatives that would maintain the Grade 1 use value as a basis, the current average of \$250 per acre is assumed. A rezoning conversion fee on the basis of tax credit eligibility assumes one, five or 10 times the \$7.50 annual per-acre credit available for farmland preservation zoning districts. No conversions are assumed for farmland preservation agreements, as they have historically not been a significant source of conversions. While estimating the number of acres being rezoned from certified farmland preservation zoning districts is difficult, the figures in the table are likely to be realized, but could be significantly higher based on both the level of the conversion fee, if any, and broader levels of economic activity through 2012.

TABLE 1

2011-13 Estimated Conversion Fee Revenues

2011			
<u>Fee Basis</u>	<u>Fee Per Acre</u>	<u>Acres</u>	<u>2011-12 Fee Revenues</u>
1x Grade 1 Use Value	\$250	750	\$187,500
1.5x Grade 1 Use Value	375	750	281,200
2x Grade 1 Use Value	500	750	375,000
3x Grade 1 Use Value	750	750	562,500
1x Zoning Tax Credit	\$7.50	750	5,600
5x Zoning Tax Credit	37.50	750	28,100
10x Zoning Tax Credit	75.00	750	56,300
2012			
<u>Fee Basis</u>	<u>Fee Per Acre</u>	<u>Acres</u>	<u>2012-13 Fee Revenues</u>
1x Grade 1 Use Value	\$250	800	\$200,000
1.5x Grade 1 Use Value	375	800	300,000
2x Grade 1 Use Value	500	800	400,000
3x Grade 1 Use Value	750	800	600,000
1x Zoning Tax Credit	\$7.50	800	6,000
5x Zoning Tax Credit	37.50	800	30,000
10x Zoning Tax Credit	75.00	800	60,000

16. Currently, the fee applies to all acreage rezoned from a certified farmland preservation zoning district, except in the following cases: (a) the acreage is rezoned as part of the recertification of a farmland preservation zoning ordinance, which is required under the statutes in general at least every 10 years, but may occur more frequently; (b) the land to be rezoned is in a

certified farmland preservation zoning district but has not been identified for agricultural use under the certified county farmland preservation plan, in which case the rezoning is making the zoning ordinance conform to the certified plan; or (c) the land is annexed by an adjoining municipality that does not have a certified farmland preservation zoning ordinance, as the rezoning is technically conducted by the annexing zoning authority. The fee took effect on all other farmland preservation rezoning activity on January 1, 2010.

17. It has been argued by some that the effective date of a conversion fee should better align with the date each zoning authority is required to have its new farmland preservation zoning ordinance in effect. One goal of the WLI was to require municipalities to re-examine their farmland preservation plans and zoning ordinances, as DATCP reports some areas have not updated farmland preservation plans or zoning ordinances in many years. With the conversion fee now in effect, however, opponents have argued that certain lands designated for agricultural use in either a plan or zoning ordinance may no longer be suitable for long-term agricultural preservation, and that the full conversion fee should not be assessed prior to these municipalities having an opportunity to establish appropriate designations for their lands. It could also be argued, however, that a rollback tax was in effect prior to the conversion fee, and although it was difficult to enforce, municipalities should not be exempt from the current conversion fee because it is more readily enforced or because certain areas were not diligent in revising their land-use policies. Further, under 2009 Act 28, local governments were given until December 31, 2009, to make any needed changes without incurring a conversion fee. DATCP is not able to determine whether this delayed effective date resulted in a short-term increase in rezoning activity prior to the fee's effective date.

18. Chapter 91 of the statutes establishes dates by which a farmland preservation zoning ordinance would expire if the ordinance did not otherwise include an expiration date. These statutory dates, shown in Table 2, are determined by the change in population for the county in which the zoning authority is located. Attachment 2 also shows each jurisdiction in Wisconsin that engages in farmland preservation zoning, with the expiration date of each municipality's ordinance certification. In general, farmland preservation plan updates are due one year prior to the zoning ordinance updates.

TABLE 2

Population-Based Expirations of County Farmland Preservation Ordinances

<u>Expiration Date</u>	<u>Population Increase Per Square Mile, 2000-2007</u>
December 31, 2012	More than 9 persons
December 31, 2013	3.76 persons to 9 persons
December 31, 2014	1.76 persons to 3.75 persons
December 31, 2015	0.81 persons to 1.75 persons
December 31, 2016	Up to 0.8 persons

19. If the Committee wished to restore the conversion fee, it could consider changing the fee's application. The Committee could specify the conversion fee would apply either: (a) beginning on the January 1 following the date the farmland preservation zoning ordinance's certification

expires, except for ordinances certified between July 1, 2009, and the effective date of the bill; or (b) January 1, 2017, which is the date by which all farmland preservation zoning ordinance certifications would expire under the population-based dates in Chapter 91. Under the first option, an ordinance that would expire in December, 2012, with the new ordinance taking effect in 2013 and would have the conversion fee apply for payments that would be made March 1, 2014. This is because conversion fees are submitted each March 1 for the previous calendar year. As DATCP does not expect any ordinances to be certified this year, either of these options would result in no conversion fee revenues during 2011-13.

20. Another possible option for changing the application of the conversion fee would be to specify a lower rate, such as one of the levels shown in Table 1 that would be less than current law, until the expiration of the ordinance certification in effect as of the bill's effective date. Relative to estimates shown for 2011-13 in Table 1 at the current fee level (3x Grade 1 Use Value), this option would reduce estimated revenues generally in proportion to the per-acre reduction in the base fee. For example, a fee of one and one-half times the Grade 1 use value would be expected to reduce revenues by half, as shown in Table 1.

21. If the Committee were to restore the conversion fee but wished to lessen its immediate impact, another option would be to delete the authority of a local government to establish a fee higher than that remitted to DATCP, or to cap the amount that the local government could assess. As shown by the current local conversion fees, amounts vary widely, from \$55 per acre to several hundred dollars per acre.

Agricultural Conservation Easements

22. Agricultural conservation easements created under PACE are intended to serve as perpetual anchors in areas designated by a local plan, ordinance or agricultural enterprise area for long-term agricultural use. Proponents of the PACE program contend that an easement allows a farmer to ensure that his or her property would remain in agricultural use under a designation more binding than any other farmland preservation instruments available in the statutes. The administration contends the program is not as cost-effective as other farmland preservation instruments in the amount spent per acre to preserve agricultural lands. The administration has also identified the funding of PACE as an area of concern, in that it is supported by a combination of conversion fees and GPR-supported general obligation bonding.

23. DATCP preliminarily approved 16 PACE applications under the program's 2010 application period. Preliminary approval allows cooperating entities to take further actions toward finalizing easement purchases, including securing easement appraisals and establishing contractual terms of the easement. Based on current estimates of fair market value, DATCP would need at least \$5,064,400 for its share of the easements. These easements would cover 5,779 acres in the counties of Columbia, Dane, Dodge, Iowa, Jefferson and Waupaca. More detail on the easements is shown in Attachment 3.

24. Of the 16 preliminarily approved easements, eight have cooperated with the U.S. Department of Agriculture's Farm and Ranch Land Protection Program (FRPP), which also provides up to 50% of the fair market value for agricultural conservation easements. DATCP

expects that the FRPP would pay approximately \$1.8 million as its share for these eight easements. These easements would be jointly held by the U.S. Department of Agriculture, DATCP, and the cooperating entity listed in Attachment 3. If funding obligated by USDA is not matched by PACE funds, the cooperating entities for each easement would be required to provide the remaining 50% of fair market value, and not less than 25% of the final purchase price, which is an FRPP program requirement on cooperating entities. If a cooperating entity cannot provide matching funding, the Wisconsin office of the USDA Natural Resources Conservation Service, which administers FRPP, would relinquish the Wisconsin allocation to be redistributed to other projects in the state or country. DATCP reports the deadline for FRPP funds to be disbursed is March 31, 2012, but that the Wisconsin NRCS office may act to relinquish funding sooner if it is apparent PACE funding would not be available.

25. The statutes authorize DATCP to pay for reasonable transaction costs related to the purchase of an agricultural conservation easement. The PACE Council and the Department have established a reimbursement limit of 80% of transaction costs up to \$12,000. Table 3 shows DATCP estimates for possible ranges of the transaction costs for which PACE cooperating entities are eligible. It should be noted that DATCP currently caps its share of attorney costs at \$1,500 per easement application, and DATCP reports that land trusts that are involved in easement purchases often receive attorney services at no charge.

TABLE 3

Estimated PACE Transaction Costs

<u>Expense</u>	<u>Low Estimate</u>	<u>High Estimate</u>
Appraisal	\$1,500	\$5,000
Land Survey	2,100	5,000
Title Insurance	750	1,000
Title Search	150	500
Attorney Fees	0	2,500*
Closing Fees	200	300
Recording Fees	50	50
Documentation of Existing Uses	100	1,000
Environmental Hazards Assessment	<u>150</u>	<u>150</u>
Total	\$5,000	\$15,500

* DATCP currently limits the state share of attorney costs to \$1,500, or \$1,875 in applicant costs reimbursed at the maximum 80% rate.

26. For the easements preliminarily approved in 2010, DATCP is currently aware of \$30,600 in transaction costs incurred by nine cooperating entities, for an average of \$3,400 in eligible costs each. Current known transaction costs are shown in detail in Attachment 3. On this basis, the Department estimates its 80% share at approximately \$24,500. For easements not listed, the Department has not received reports of fees incurred by the cooperating entities. Further, for all the easements listed, cooperating entities have not submitted various other costs that are eligible for reimbursement under the statutes, including limited attorney fees, preparation of legal documents,

and fees for closing and recording easements with county registers of deeds. However, it is likely that transactions costs reimbursements for the 16 properties would be less than \$100,000. Due to the proposals in the budget bill as well as in stand-alone legislation that would affect the continuation of the PACE program and funding, DATCP has advised cooperating entities to exercise caution in what additional costs they incur, given that DATCP would not be authorized to provide funding under the bills.

27. DATCP closed the most recent easement application period in February, 2011. It received 40 applications that would cover 11,144 acres in the counties of Dane, Grant, Iowa, Jefferson, La Crosse, Marathon, Ozaukee, Rock, Waukesha and Waupaca. The list of applications is shown in Attachment 4. The Department reports it has not ranked the easements, nor has the PACE Council made recommendations to the Department for applications that should be given preliminary approval to move toward purchase.

28. It could be argued that, prior to discontinuing the PACE program, it would be fair to applicants if the state completed the easement purchases that were preliminarily approved in 2010. The total estimated cost of the easements preliminarily approved in 2010, including known transaction costs, is currently estimated at \$5,088,800. It is likely that eligible costs will be higher than currently estimated, however, as purchase prices have not been determined in all cases, and entities in most cases have not completed all necessary steps such as appraisals, attorney reviews and recording costs. Although it may be difficult to estimate the final sum of such costs for all easements, DATCP does not expect the purchase costs shown in Attachment 3 to fluctuate significantly. If the Committee wished to provide bonding authority for purchases preliminarily approved in 2010, an amount of \$5 million could be considered.

29. In addition to funding the 2010 approvals, the Committee could also consider providing funding \$3.5 million for the 2011 PACE application period. Because DATCP is required under the statutes to solicit PACE applications annually, and because DATCP did not request additional PACE bonding authority in its 2011-13 budget, it is possible the Department would attempt to limit the state share of 2011 easement applications to approximately \$3 million to \$4 million in bonding. This would leave an additional \$3 million to \$4 million for the 2012 application period, the easements of which could be closed prior to the 2013-15 budget. The Committee could also consider restoring \$12 million in bonding authority for PACE, which is current law. Although debt service for these amounts would vary depending on interest rate and the term of any bonds issued, annual payments once all bonds were issued would be estimated at: (a) for \$5 million BR, approximately \$390,000; (b) for \$8.5 million BR, \$665,000; and (c) for \$12 million BR, \$940,000.

30. If the Committee restored PACE bonding authority, it could consider appropriating working lands SEG to offset a portion of purchase costs. For example, working lands SEG could support DATCP's share of transaction costs. This would reserve use of general obligation bonding for costs of acquiring the actual easement. It should be noted that if the Committee were to restore the working lands PACE appropriations, at least a portion of the PACE program could be funded into the future through working lands fund revenues, which are expected primarily to be rezoning conversion fees. However, if the Committee were to restore PACE bonding authority without restoring current conversion fees, the Committee would need to restore the GPR sum-sufficient appropriation to support debt service in future biennia.

31. If the Committee restored bonding authority for PACE, it is likely that DATCP would only incur debt service costs in 2012-13, due to the probable timing of any bonds that would be issued. As such, debt service in 2011-13 would be expected at about \$390,000 for \$5 million in bonds issued to fund easements approved in 2010. However, on an ongoing basis, debt service would be expected to average the levels estimated above for each amount of bonding authority.

32. If the Committee restored all or a portion of the conversion fee, it could consider funding the PACE program only through amounts available in the working lands fund. This could be accomplished by restoring the statutory authority for the PACE program as well as the annual working lands SEG appropriation. This alternative, however, would significantly reduce amounts available for PACE from current law to approximately \$1.8 million available in the 2011-13 biennium, based on the current conversion fee. This would not allow for all projects preliminarily approved in 2010 to be continued. DATCP would likely rely on its ranking of easements as well as each easement's expected cost to maximize the use of this funding. If the Committee adopted this alternative, it could also consider changing the statutory requirement for DATCP to annually solicit applications for PACE proposals, as a substantially lower conversion fee may not generate sufficient revenues to purchase multiple easements, if any, on an annual basis.

Program Continuation Options

33. The bill would not appropriate any working lands SEG, although revenues from the current year are available. The following annual appropriations from the working lands fund would be retained by the bill: (a) farmland preservation planning grants, which are discussed below; (b) DATCP administration; and (c) DOR administration of the farmland preservation tax credit.

34. As an alternative to providing working lands SEG for debt service or easement purchases, the Committee could consider providing a portion to offset GPR provided under the bill for farmland preservation planning grants. To assist counties with statutorily required farmland preservation planning, DATCP is authorized to provide grants to counties of up to 50% of the county's cost of preparing a farmland preservation plan. DATCP has \$415,800 GPR available in 2010-11 for these grants, and the bill would provide \$374,200 GPR annually.

35. The bill would delete the PACE program and the conversion fees for rezoning lands from certified farmland preservation zoning districts [Alternative 1]. It should be noted that the bill currently does not specify how local governments are to dispose of conversion fees collected in 2011 if the March 1 reporting date for conversions were to be eliminated under the bill. The Committee could specify that conversion fees collected in 2011 by a political subdivision prior to the bill's effective date are to be: (a) remitted to DATCP by March 1, 2012, and deposited to the working lands fund; (b) retained by the political subdivision for farmland preservation planning, zoning, or compliance monitoring, which would be consistent with the requirements under current law for conversion fees a municipality may collect exceeding amounts remitted to DATCP; or (c) refunded to the party that paid the fee, unless the political subdivision is unable to do so, in which case funds are to be used for farmland preservation planning, zoning or compliance monitoring [Alternative 1a, b or c].

36. Decisions regarding the PACE program and conversion fees can be made

independently. However, since the primary source of revenue to the working lands fund is derived from rezoning conversion fees, and this fund is a primary funding source for the WLI, the two could be considered together. While there are numerous options available to continue these provisions in some manner, Table 4 shows four alternatives that restore some portion of the PACE and conversion fee components the bill would delete. Other combinations not shown in the table could also be considered, such as varying: (a) the level and timing of conversion fees imposed, if any; (b) the funding provided for the PACE program, if any; or (c) the level of farmland preservation planning grants that could be supported.

TABLE 4

Working Lands Initiative Alternatives (Change to Bill)

<u>Action/Appropriation</u>	<u>Alternative 2</u>	<u>Alternative 3</u>	<u>Alternative 4</u>	<u>Alternative 5</u>
Conversion Fee Basis	None	10x Zoning Credit	1x Use Value	1.5x/3x Use Value
Fee/Acre	\$0	\$75	\$250 (avg.)	\$375/\$750 (avg.)
Acres Rezoned (Est.)	---	750/800	750/800	750/800
2011-13 SEG Revenue (Est.)	\$0	\$116,000	\$387,000	\$580,000
Available SEG Revenue (Est.)	\$590,000	\$706,000	\$977,000	\$1,170,000
PACE Bonding Authority	\$5,000,000	\$5,000,000	\$12,000,000	\$12,000,000
Debt Service (FY 13 Est.)	\$390,000	\$390,000	\$390,000	\$390,000
GPR PACE Debt Service	\$0	\$0	\$0	\$0
SEG PACE Debt Service	\$390,000	\$390,000	\$390,000	\$390,000
SEG Easement Costs	\$200,000 (FY12)	\$150,000 (FY12)	\$100,000/yr.	\$100,000/yr.
GPR Planning Grants	\$0	-\$80,000/yr.	-\$192,500/yr.	-\$289,000/yr.
SEG Planning Grants	\$0	\$80,000/yr.	\$192,500/yr.	\$289,000/yr.
Biennial SEG Expenditures	\$590,000	\$700,000	\$975,000	\$1,168,000
Biennial GPR Expenditures	\$0	-\$160,000	-\$385,000	-\$578,000

37. If the Committee wished to fund only the easements approved in 2010, it could consider Alternative 2. This alternative would: (a) adopt the Governor's recommendation for conversion fees; (b) restore \$5 million in PACE bonding authority; (c) provide \$390,000 working lands SEG for estimated debt service as one-time funding in 2012-13, but also restore the GPR sum-sufficient appropriation for future PACE debt service; and (c) provide \$200,000 working lands SEG in 2011-12 primarily for payment of transaction costs on easement purchases. Under this alternative, PACE bonding authority would likely be exhausted with funding provided for approved 2010 applicants. Ongoing PACE debt service of approximately \$390,000 would be paid primarily with GPR beginning in 2013-14. Annual revenues to the working lands fund would consist of conversion fees on terminated farmland preservation agreements, and would be expected to be minimal. As this alternative would provide no significant ongoing funding for PACE, the Committee could consider: (a) deleting the program's statutory authorization effective July 1, 2013 [Alternative 2a], which would allow DATCP sufficient time to close the currently active purchase negotiations; or (b) delete

the statutory requirement for DATCP to solicit PACE applications at least annually [Alternative 2b], which would allow DATCP to solicit applications if funding were provided in the future.

38. If the Committee wished to provide funding for 2010 PACE proposals, it could consider Alternative 3. This alternative would: (a) restore the conversion fee on rezoning from a farmland preservation zoning district, but at \$75/acre, which is equivalent to 10 times the minimum annual tax credit claimable for each acre in a certified farmland preservation zoning district; (b) restore \$5 million in PACE bonding authority; (c) provide \$390,000 working lands SEG for estimated debt service as one-time funding in 2012-13, but also restore the GPR sum-sufficient appropriation for future PACE debt service; (d) provide \$150,000 working lands SEG in 2011-12 primarily for the payment of transaction costs on easement purchases; and (e) transfer \$80,000 GPR annually for farmland preservation planning grants to working lands SEG. Working lands SEG revenues under this alternative would be estimated at \$56,000 in 2011-12 and \$60,000 in 2012-13. This alternative would reduce the conversion fee from current levels, but would retain some disincentive to converting land from certified farmland preservation zoning districts. However, as this alternative would significantly reduce annual working lands fund revenues, only \$80,000 working lands SEG for planning grants would be provided as base funding. As under Alternative 2, annual PACE debt service of approximately \$390,000 would be paid by GPR beginning in the 2013-14. As this alternative would provide minimal ongoing funding for PACE, the Committee could consider: (a) deleting the PACE program, effective June 30, 2013 [Alternative 3a]; or (b) deleting the statutory requirement for DATCP to solicit PACE applications annually [Alternative 3b]. If PACE were deleted, future working lands fund revenues could support farmland preservation planning grants or DATCP administration of farmland preservation programs.

39. If the Committee wished to restore both the conversion fee and the PACE program on an ongoing basis, it could consider Alternative 4. This alternative would: (a) restore the conversion fee on rezoning from a farmland preservation zoning district, but at an amount equal to the per-acre value, for the year in which the land is rezoned, of the highest value category of tillable cropland in the city, village or town in which the rezoned land is located (Grade 1 use value), which would be one third of the current fee; (b) restore \$12 million in PACE bonding authority; (c) provide \$390,000 working lands SEG for estimated debt service as one-time funding in 2012-13, but also restore the GPR sum-sufficient appropriation for future PACE debt service; (d) provide \$100,000 working lands SEG each year as one-time funding for payment of transaction and other easement costs; and (e) transfer \$192,500 GPR annually for farmland preservation planning grants to working lands SEG. This alternative estimates revenues of approximately \$187,000 in 2011-12 and \$200,000 in 2012-13. Because working lands fund revenues would be reduced, this alternative would not establish base SEG expenditure authority except for farmland preservation planning grants.

40. The Committee could also consider deleting the repeal of the conversion fee and the PACE program, as well as allocate working lands SEG received beginning in 2010-11, but differentiate the conversion fee between prior ordinance certifications and new ordinances to be created under WLI [Alternative 5]. This alternative also would delay the full effect of the conversion fee until local governments revised farmland preservation zoning ordinances as intended under 2009 Act 28. This alternative would: (a) restore the conversion fee on rezoning from a farmland preservation zoning district at three times the Grade 1 use value for districts whose

certification expired on or after July 1, 2009, or districts certified on or after July 1, 2009, but the fee would be equal to 1.5 times the Grade 1 use value for any rezoning occurring beginning on the bill's effective date and prior to the expiration of the certification of the farmland preservation zoning ordinance in effect on July 1, 2009; (b) restore \$12 million in PACE bonding authority; (c) provide \$390,000 working lands SEG for estimated debt service beginning in 2012-13, but also restore the GPR sum-sufficient appropriation for future increases in PACE debt service; (d) provide \$100,000 working lands SEG annually for payment of transaction and other easement costs; and (e) convert \$289,000 GPR annually for farmland preservation planning grants to working lands SEG. DATCP estimates 10% to 15% of local farmland preservation zoning ordinances may be recertified prior to December 31, 2011. Under this alternative, estimates of revenues would be approximately \$280,000 in 2011-12 and \$300,000 in 2012-13. This alternative would also apply the current conversion fee for zoning authorities that have had updated farmland preservation zoning ordinances certified since 2009 Act 28. This alternative would not retroactively lower fees already collected, but would lower the fee beginning on the bill's effective date through the certification expiration of any pre-2009 Act 28 ordinance still in effect. Once most or all zoning ordinances have been certified under the WLI provision, conversion fees may generate \$600,000 or more annually, depending on general economic activity and rezoning procedures applied by local governments.

ALTERNATIVES

1. Adopt the Governor's recommendation. In addition, specify that conversion fees collected in 2011 by a political subdivision prior to the bill's effective date are to be one of the following:

- a. Remitted to DATCP by March 1, 2012, and deposited to the working lands fund;
- b. Retained by the political subdivision for farmland preservation planning, zoning, or compliance monitoring; or
- c. Refunded to the party that paid the fee, unless the political subdivision is unable to do so, in which case funds are to be retained by the political subdivision for farmland preservation planning, zoning or compliance monitoring.

2. Adopt the Governor's recommendation for conversion fees, but delete the recommendations for the PACE program. Restore \$5 million in PACE bonding authority, and provide \$390,000 working lands SEG in 2012-13 as one-time funding for estimated debt service. Restore the GPR sum-sufficient appropriation for ongoing PACE debt service. Provide \$200,000 working lands SEG in 2011-12 for the purchase of agricultural conservation easements. In addition, do one of the following:

- a. Delete the PACE program statutory authorization effective June 30, 2013; or
- b. Delete the statutory requirement that DATCP solicit PACE applications at least annually.

ALT 2	Change to Bill	
	Revenue	Funding
SEG	\$0	\$590,000
BR	\$5,000,000	

3. Restore the PACE program. Further, specify the conversion fee for land rezoned from a certified farmland preservation zoning district is \$75 per acre (10 times the annual tax credit claimable for each acre in a certified farmland preservation zoning district). Restore \$5 million in PACE bonding authority. Provide \$700,000 working lands SEG as follows: (a) \$390,000 as one-time funding in 2012-13 for estimated debt service; (b) \$150,000 in 2011-12 for payment of transaction and other easement costs; and (b) \$80,000 annually for farmland preservation planning grants. Delete \$80,000 GPR annually for farmland preservation planning grants. Restore the GPR sum-sufficient PACE debt service appropriation. In addition, do one of the following:

- a. Delete the PACE program statutory authorization effective June 30, 2013; or
- b. Delete the statutory requirement that DATCP solicit PACE applications at least annually.

ALT 3	Change to Bill	
	Revenue	Funding
GPR	\$0	-\$160,000
SEG	<u>116,000</u>	<u>700,000</u>
Total	\$116,000	\$540,000
BR	\$5,000,000	

4. Restore the conversion fee and the PACE program. Specify the conversion fee for land rezoned from a certified farmland preservation zoning district is an amount equal to the per-acre value, for the year in which the land is rezoned, of the highest value category of tillable cropland in the city, village or town in which the rezoned land is located. (This would be one third of the current fee.) Provide \$975,000 working lands SEG as follows: (a) \$390,000 as one-time funding in 2012-13 for estimated debt service; (b) \$100,000 each year as one-time funding for payment of transaction and other easement costs; and (b) \$192,500 annually for farmland preservation planning grants. Delete \$192,500 GPR annually for farmland preservation planning grants. Restore the GPR sum-sufficient PACE debt service appropriation.

ALT 4	Change to Bill	
	Revenue	Funding
GPR	\$0	-\$385,000
SEG	<u>387,000</u>	<u>975,000</u>
Total	\$387,000	\$590,000
BR	\$12,000,000	

5. Restore the conversion fee and the PACE program. Specify the fee under current

law applies to farmland preservation zoning ordinances certified after July 1, 2009, except specify for any rezoning beginning on the bill's effective date and prior to the expiration of the certification of the farmland preservation zoning ordinance in effect on July 1, 2009, the conversion fee be one and one-half times the per-acre value, for the year in which the land is rezoned, of the highest value category of tillable cropland in the city, village or town in which the rezoned land is located. (This would be half of the fee under current law for any rezoning prior to a new zoning ordinance taking effect.) Further, provide \$1,168,000 working lands SEG as follows: (a) \$390,000 in 2012-13 for estimated debt service; (b) \$100,000 annually as one-time funding for payment of transaction costs on easement purchases; and (c) \$289,000 annually for farmland preservation planning grants. Delete \$289,000 GPR annually for farmland preservation planning grants. Further, restore the GPR sum-sufficient appropriation for future PACE debt service.

ALT 5	Change to Bill	
	Revenue	Funding
GPR	\$0	-\$578,000
SEG	<u>580,000</u>	<u>1,168,000</u>
Total	\$580,000	\$590,000
BR	\$12,000,000	

Prepared by: Paul Ferguson
 Attachments

ATTACHMENT 1

2010 Rezoning Activity and Conversion Fees Paid

<u>County</u>	<u>Zoning Authority</u>	<u>Acres Rezoned</u>	<u>Fee</u>
Barron	Barron County	11.8	\$7,578
Barron	City of Rice Lake	1.8	1,179
Brown	Town of Morrison	1.4	859
Brown	Town of Wrightstown	9.4	5,747
Columbia	Columbia County	15.9	15,493
Dane	Dane County	126.0	119,278
Dodge	Dodge County	26.0	24,290
Dodge	Town of Theresa	2.3	2,132
Eau Claire	Eau Claire County	12.0	7,842
Fond du Lac	Town of Byron	2.1	1,444
Fond du Lac	Town of Friendship	4.0	2,820
Fond du Lac	Town of Oakfield	5.5	3,647
Fond du Lac	Town of Ripon	7.2	4,848
Fond du Lac	City of Fond du Lac	1.2	831
Grant	Grant County	15.7	14,522
Green Lake	Green Lake County	0.3	180
Iowa	Iowa County	52.2	43,694
Iowa	City of Mineral Point	2.3	1,965
Jefferson	Jefferson County	9.2	8,306
Kenosha	Kenosha County	2.3	2,206
Kewaunee	Town of Casco	23.8	15,405
Kewaunee	Town of Franklin	10.6	6,932
Kewaunee	Town of Lincoln	22.4	14,626
Kewaunee	Town of Luxemburg	6.8	4,508
Kewaunee	Town of Montpelier	2.0	1,308
Kewaunee	Town of Pierce	10.9	7,099
Kewaunee	Town of West Kewaunee	9.8	6,480
La Crosse	La Crosse County	202.7	134,976
Lafayette	Lafayette County	1.0	982
Manitowoc	Manitowoc County	14.1	9,216
Marathon	Marathon County	8.3	5,113
Marathon	Town of Stettin	5.0	3,060
Outagamie	Outagamie County	8.1	5,191
Ozaukee	Town of Fredonia	11.0	3,069
Richland	Richland County	30.7	26,925
Rock	Town of Beloit	9.1	8,245
Rock	Town of Fulton	4.7	4,455
Rock	Town of Harmony	7.2	7,042
Rock	Town of La Prairie	3.0	2,862
Rock	Town of Plymouth	3.0	2,853
Rock	Town of Spring Valley	2.1	1,987
Rock	Town of Turtle	11.6	11,017
Rock	Town of Union	11.0	10,494
Sheboygan	Town of Greenbush	8.0	4,992
Sheboygan	Town of Lima	14.5	9,009
Sheboygan	Town of Lyndon	2.0	1,230
Sheboygan	Town of Sheboygan Falls	16.4	3,372
Vernon	Town of Coon	6.0	4,824
Walworth	Walworth County	<u>4.7</u>	<u>4,362</u>
	Total	779.1	\$590,495

ATTACHMENT 1 (continued)

Zoning Authorities with No 2010 Conversion Fees

<u>County</u>	<u>Zoning Authority</u>	<u>County</u>	<u>Zoning Authority</u>
Brown	Town of Eaton	Manitowoc	Town of Centerville
Brown	Town of Glenmore	Manitowoc	Town of Newton
Brown	Town of Holland	Marathon	Town of Mosinee
Brown	Town of New Denmark	Marquette	Marquette County
Brown	Village of Hobart	Outagamie	Town of Black Creek
Brown	Village of Howard	Outagamie	Town of Hortonia
Brown	Village of Bellevue	Pierce	Town of River Falls
Brown	Village of Suamico	Pierce/St. Croix	City of River Falls
Burnett	Burnett County	Polk	Polk County
Calumet	Calumet County	Portage	Portage County
Clark	Town of Colby	Richland	City of Richland Center
Crawford	Town of Haney	Rock	Town of Bradford
Dane	City of Fitchburg	Rock	Town of Clinton
Dodge	Town of Burnett	Rock	Town of Janesville
Dodge	Town of Elba	Rock	Town of Magnolia
Dodge	Town of Portland	Rock	Town of Milton
Dodge	Town of Williamstown	Rock	Town of Rock
Door	Door County	Sauk	Sauk County
Fond du Lac	Town of Ashford	Sauk	Village of Prairie du Sac
Fond du Lac	Town of Auburn	Sauk	Village of Sauk City
Fond du Lac	Town of Calumet	Sauk	Village of Spring Green
Fond du Lac	Town of Eldorado	Shawano	Shawano County
Fond du Lac	Town of Marshfield	Sheboygan	Town of Holland
Fond du Lac	Town of Springvale	Sheboygan	Town of Mosel
Fond du Lac	Village of Oakfield	Washington	Town of Hartford
Fond du Lac	Village of St. Cloud	Washington	Town of Kewaskum
Grant	City of Platteville	Washington	Town of Trenton
Green Lake	City of Berlin	Washington	Village of Germantown
Iowa	Village of Highland	Waukesha	Waukesha County
Kenosha	Village of Bristol	Waukesha	Town of Eagle
Kenosha	Village of Pleasant Prairie	Waukesha	Town of Mukwonago
Kewaunee	Village of Luxemburg	Waukesha	City of Muskego
La Crosse	City of La Crosse	Winnebago	Town of Wolf River

ATTACHMENT 1 (continued)

Zoning Authorities Not Yet Reporting

<u>County</u>	<u>Zoning Authority</u>	<u>County</u>	<u>Zoning Authority</u>
Adams	Town of Lincoln	Ozaukee	Town of Belgium
Barron	City of Barron	Ozaukee	Town of Cedarburg
Brown	Town of Green Bay	Ozaukee	Town of Grafton
Brown	Town of Humboldt	Ozaukee	Town of Port Washington
Brown	Town of Lawrence	Ozaukee	Town of Saukville
Brown	Town of Ledgeview	Racine	Town of Burlington
Brown	Town of Pittsfield	Racine	Town of Waterford
Brown	Town of Rockland	Richland	Town of Ithaca
Brown	Town of Scott	Rock	Town of Avon
Brown	Village of Wrightstown	Rock	Town of Center
Crawford	Town of Utica	Rock	Town of Johnstown
Crawford	Village of Soldiers Grove	Rock	Town of Lima
Dane	Village of Dane	Rock	Town of Newark
Dane	City of Sun Prairie	Rock	Town of Porter
Dodge	Town of Herman	Rock	City of Edgerton
Dunn	Town of Grant	Rock	City of Evansville
Dunn	Town of Lucas	Rock	City of Milton
Dunn	Town of Wilson	St. Croix	Town of Baldwin
Eau Claire	Village of Fall Creek	St. Croix	Town of Cylon
Fond du Lac	Town of Alto	St. Croix	Town of Erin Prairie
Fond du Lac	Town of Eden	St. Croix	Town of Pleasant Valley
Fond du Lac	Town of Fond du Lac	St. Croix	Town of Rush River
Fond du Lac	Town of Forest	St. Croix	Town of St. Joseph
Fond du Lac	Town of Lamartine	St. Croix	Town of Somerset
Fond du Lac	Town of Metomen	St. Croix	Town of Stanton
Fond du Lac	Town of Osceola	St. Croix	Town of Star Prairie
Fond du Lac	Town of Rosendale	St. Croix	Town of Troy
Fond du Lac	Town of Taycheedah	Sheboygan	Town of Herman
Fond du Lac	Town of Waupun	Sheboygan	Town of Plymouth
Jefferson	City of Lake Mills	Sheboygan	Town of Rhine
Kewaunee	Town of Ahnapee	Sheboygan	Town of Russell
Kewaunee	Town of Carlton	Sheboygan	Town of Scott
Kewaunee	Town of Red River	Sheboygan	Town of Sherman
Langlade	Town of Ackley	Sheboygan	Town of Wilson
Langlade	Town of Antigo	Sheboygan	Village of Cedar Grove
Langlade	Town of Elcho	Sheboygan	Village of Glenbeulah
Langlade	Town of Neva	Vernon	Town of Harmony
Langlade	Town of Norwood	Walworth	City of Elkhorn
Langlade	Town of Parrish	Washington	Town of Barton
Langlade	Town of Peck	Washington	Town of Richfield
Langlade	Town of Polar	Waukesha	Town of Pewaukee
Langlade	Town of Rolling	Winnebago	Town of Clayton
Langlade	Town of Vilas	Winnebago	Town of Neenah
Langlade	Town of Wolf River	Winnebago	Town of Nekimi
Manitowoc	Town of Franklin	Winnebago	Town of Utica
Milwaukee	City of Franklin	Winnebago	Town of Vinland
Outagamie	Town of Kaukauna	Winnebago	Town of Winchester
Outagamie	City of Seymour		

ATTACHMENT 2

Farmland Preservation Zoning Ordinances and Expiration Dates by County and Municipality

ADAMS (2014)

Town of Lincoln.

BARRON (2014)

Cities of Barron and Rice Lake. (Extraterritorial)

Towns of Almena, Barron, Crystal Lake, Cumberland, Dallas, Maple Grove, Maple Plain, Oak Grove, Prairie Lake, Rice Lake, Stanfold, Stanley, Sumner, and Turtle Lake.

BROWN (2012)

Villages of Bellevue, Hobart, Howard, Suamico, and Wrightstown.

Towns of Eaton, Glenmore, Green Bay, Holland, Humboldt, Lawrence, Ledgeview, Morrison, New Denmark, Pittsfield, Rockland, Scott, and Wrightstown.

BURNETT (2015)

Towns of Anderson, Dewey, Rusk, Swiss, and Trade Lake.

CALUMET (2012)

Towns of Brillion, Charlestown and Woodville.

CLARK (2016)

Town of Colby.

COLUMBIA (2013)

Village of Doylestown.

Towns of Arlington, Caledonia, Columbus, Courtland, Dekorra, Fort Winnebago, Fountain Prairie, Hampden, Leeds, Lewiston, Lodi, Lowville, Marcellon, Newport, Otsego, Springvale, West Point and Wycocena.

CRAWFORD (2016)

Village of Soldiers Grove.

Towns of Haney and Utica.

DANE (2011++)

Cities of Fitchburg and Sun Prairie. (Extraterritorial)

Village of Dane.

Towns of Albion, Berry, Black Earth, Blooming Grove, Blue Mounds, Christiana, Cottage Grove, Cross Plains, Dane, Deerfield, Dunkirk, Dunn, Madison, Mazomanie, Medina, Montrose, Oregon, Perry, Pleasant Springs, Primrose, Roxbury, Rutland, Springfield, Sun Prairie, Vermont, Verona, Vienna, Westport, Windsor and York.

DODGE (2013)

Towns of **Burnett**, Calamus, **Elba**, **Herman**, LeRoy, Lomira, Oak Grove, **Portland (2011++)**, Shields, **Theresa (2011++)**, Trenton and **Williamstown**.

DOOR (2013)

Town of Clay Banks.

DUNN (2013)

Towns of Grant, Lucas and Wilson.

EAU CLAIRE (2013)

Village of Fall Creek.

Towns of Brunswick, Clear Creek, Drammen, Lincoln, Otter Creek, Pleasant Valley, Seymour and Washington.

FOND DU LAC (2013)

City of Fond du Lac.

Villages of St. Cloud and Oakfield.

Towns of Alto, Ashford, Auburn, Byron, Calumet, Eden, Eldorado, Fond Du Lac, Forest, Friendship, Lamartine, Marshfield, Metomen (2014), Oakfield, Osceola, Ripon, Rosendale, Springvale, Taycheedah (2014) and Waupun.

GRANT (2014)

City of Platteville. (Extraterritorial)

Towns of Clifton, Ellenboro (2018), Fennimore, Hickory Grove, Jamestown, Liberty, Lima (2011++), Millville, Mount Hope, Mount Ida, Paris, Platteville, Potosi, South Lancaster, Watterstown (2018) and Wingville.

GREEN LAKE (2015)

City of Berlin (2016). (Extraterritorial)

Towns of Berlin, Brooklyn, Green Lake, Mackford, Manchester and Marquette.

IOWA (2014)

City of Mineral Point. (Extraterritorial)

Village of Highland.

Towns of Arena, Brigham, Clyde, Dodgeville, Eden, Highland, Linden, Mifflin, Mineral Point, Moscow, Pulaski, Ridgeway, Waldwick and Wyoming.

JEFFERSON (2011++)

City of Lake Mills.

Towns of Aztalan, Cold Spring, Concord, Farmington, Hebron, Ixonia, Jefferson, Koshkonong, Lake Mills, Milford, Oakland, Palmyra, Sullivan, Sumner, Waterloo and Watertown.

KENOSHA (2012)

Villages of Bristol and Pleasant Prairie.

Towns of Brighton, Paris, Randall, Salem, Somers and Wheatland.

KEWAUNEE (2014)

Village of Luxemburg.

Towns of Ahnapee, Carlton, Casco (2012++), Franklin (2017), Lincoln (2018), Luxemburg, Montpelier, Pierce (2019), Red River and West Kewaunee.

LA CROSSE (2012)

City of La Crosse.

Towns of Bangor, Barre, Burns, Farmington, Greenfield, Hamilton, Holland, Onalaska, Shelby and Washington.

LAFAYETTE (2011++)

Towns of Argyle, Belmont (2018), Elk Grove (2016), Fayette, Gratiot, Kendall, Lamont, Monticello, Shullsburg (2018), Wayne and Wiota.

LANGLADE (2015)

Towns of Ackley, Antigo, Elcho, Neva, Norwood, Parrish, Peck, Polar, Rolling, Vilas and Wolf River.

MANITOWOC (2011)

Towns of Cato, **Centerville (2014)**, Cooperstown, Eaton, **Franklin (2016)**, Gibson, Liberty, Manitowoc, Manitowoc Rapids, Maple Grove, Meeme, Mishicot, **Newton (2014)**, Rockland, Two Creeks and Two Rivers.

MARATHON (2013)

Towns of Brighton, Day, Eau Pleine, Hull, Marathon and McMillan, **Mosinee** and **Stettin**.

MARQUETTE (2015)

Towns of Moundville, Neshkoro, Newton, Packwaukee and Westfield.

MILWAUKEE (2016)

City of Franklin.

OUTAGAMIE (2012)

City of Seymour. (Extraterritorial)

Towns of **Black Creek**, Cicero, Deer Creek, **Hortonia (2011++)**, **Kaukauna**, Maple Creek, and Seymour.

OZAUKEE (2012)

Towns of **Belgium**, Cedarburg, Fredonia, Grafton, Port Washington and Saukville.

PIERCE (2013)

City of River Falls. (Extraterritorial)

Town of River Falls.

POLK (2013)

Town of McKinley.

PORTAGE (2014)

Towns of Almond, Buena Vista, Carson, Eau Pleine, New Hope, Plover and Sharon.

RACINE (2012)

Towns of Burlington and Waterford.

RICHLAND (2016)

City of Richland Center. (Extraterritorial)

Towns of Akan, Buena Vista, Dayton, Eagle, Forest, Henrietta, **Ithaca**, Marshall, Orion, Richland, Rockbridge (2018), Westford, and Willow.

ROCK (2012)

Cities of Edgerton, Evansville and Milton. (Extraterritorial)

Towns of **Avon**, **Beloit**, **Bradford**, **Center**, **Clinton (2017)**, **Fulton**, **Harmony (2017)**, **Janesville**, **Johnstown**, **La Prairie (2018)**, **Lima**, **Magnolia (2018)**, **Milton**, **Newark**, **Plymouth**, **Porter**, **Rock**, **Spring Valley**, **Turtle and Union**.

SAINT CROIX (2012)

City of River Falls. (Extraterritorial)

Towns of Baldwin, Cylon, Erin Prairie, Pleasant Valley, Rush River, St. Joseph, Somerset, Stanton, Star Prairie and Troy.

SAUK (2016)

Villages of Prairie Du Sac (2013), Sauk City (2013) and Spring Green (2013). (Extraterritorial)

Towns of Franklin, Freedom, Honey Creek, Ironton (2013), Prairie Du Sac, Reedsburg, Sumpter, Troy and Westfield.

SHAWANO (2014)

Towns of Aniwa, Fairbanks, Grant, Hartland, Maple Grove, Navarino and Washington.

SHEBOYGAN (2013)

Villages of Cedar Grove and Glenbeulah.

Towns of Greenbush (2018), **Herman**, **Holland (2016)**, **Lima**, **Lyndon (2017)**, **Mosel**, **Plymouth**, **Rhine**, **Russell (2017)**, **Scott**, **Sheboygan Falls (2018)**, **Sherman**, and **Wilson**.

VERNON (2014)

Towns of Coon and Harmony.

WALWORTH (2012)

City of Elkhorn. (Extraterritorial)

Towns of Darien, Delavan, East Troy, Geneva, Lafayette, La Grange, Linn, Lyons, Richmond, Sharon, Spring Prairie, Sugar Creek, Troy, Walworth and Whitewater.

WASHINGTON (2012)

Towns of Barton, **Hartford (2012++)**, **Kewaskum (2012++)**, **Richfield** and **Trenton**.

WAUKESHA (2012)

City of Muskego.

Towns of **Eagle**, **Mukwonago**, Oconomowoc, Ottawa and **Pewaukee**.

WINNEBAGO (2012)

Towns of Clayton, Neenah, Nekimi, **Utica**, **Vinland**, **Winchester** and **Wolf River**.

Total Agricultural Zoning Occurrences

Towns, County Zoning	274
Towns, Self-Administered Zoning	116
Village-Administered Zoning	20
City-Administered Zoning	<u>19</u>
Total	429

++ Date shown reflects an extension of two years granted by DATCP.

Note: Expiration dates for each municipality are those listed for the county, unless otherwise noted.

Bold type indicates town-administered zoning. These are areas in which: (a) counties have not created farmland preservation zoning ordinances; or (b) towns have rejected county farmland preservation zoning ordinances in favor of their own zoning. Normal type indicates county-administered zoning. A town, village, or city not listed would not have adopted a farmland preservation zoning ordinance.

Underlined municipalities indicate towns added in 2010.

ATTACHMENT 3

2010 Preliminary Approved Agricultural Conservation Easement Purchases

<u>County/Town</u>	<u>Cooperating Entity</u>	<u>Acres</u>	<u>Easement Value Per Acre</u>	<u>Cost Share Per Acre (50% FMV)</u>	<u>DATCP Estimated Cost Share</u>	<u>FRPP Estimated Cost Share</u>	<u>Second Appraisal Required (\$350K +)</u>	<u>Current Appraisal Cost</u>	<u>Current Title Search Cost</u>	<u>Total Known Transaction Costs</u>
Columbia/Fountain Prairie	Natural Heritage Land Trust	277	\$1,700	\$850	\$235,450	\$235,450	X	\$2,450	\$846	\$3,296
Dane/Black Earth	Natural Heritage Land Trust	176	3,170	1,585	279,000	279,000	X	1,875	984	2,859
Dane/Dunn	Town of Dunn	84	2,494	1,247	104,750	104,750		1,800	685	2,485
Dane /Windsor	Town of Windsor & Natural Heritage Land Trust	137	4,901	2,451	335,000	335,000	X	1,900	1,095	2,995
Dodge /Ashippun	Tall Pines Conservancy	233	2,247	1,124	261,790		X	4,000	1,375	5,375
Iowa /Brigham	Driftless Area Land Conservancy	438	1,952	976	427,500		X			0
Iowa /Brigham	Driftless Area Land Conservancy	460	1,791	896	412,000	412,000	X	2,450	2,231	4,681
Jefferson /Aztalan	Jefferson County & Natural Heritage Land Trust	121	2,215	1,107	134,000	134,000			1,566	1,620
Jefferson /Oakland	Jefferson County & Natural Heritage Land Trust	220	1,037	519	114,000	114,000			1,566	1,620
Jefferson /Palmyra	Drumlin Area Land Trust	254	1,785	892	226,600	226,600	X	2,000	500	2,500
Waupaca/Bear Creek	Waupaca County	564	1,500	750	423,000		X			0
Waupaca /Lind	Waupaca County	1,127	1,500	750	845,250 *		X			0
Waupaca /Scandinavia	Waupaca County	920	1,499	750	690,000		X			0
Waupaca /Bear Creek	Waupaca County	347	1,498	749	260,250		X			0
Waupaca /Farmington	Waupaca County	113	1,504	752	84,750					0
Waupaca /Lind	Waupaca County	<u>308</u>	1,502	751	<u>231,000</u>		X			<u>0</u>
	Total	5,779			\$5,064,340	\$1,840,800		\$19,607	\$10,956	\$30,563
	Average		\$1,753	\$876						

*Would be considered by Joint Committee on Finance under a 14-day passive review procedure prior to DATCP entering a purchase contract, as it is exceeding state share of \$750,000.

ATTACHMENT 4

2011 Applicants for Purchase of Agricultural Conservation Easement (PACE) Program

<u>County/Town</u>	<u>Farm Type</u>	<u>Acres</u>	<u>Cooperating Entity</u>	<u>AEA*</u>	<u>FP Zoning</u>
Dane/Black Earth	Heifers, calves, cash grain	265	Natural Heritage Land Trust		X
Dane/Blue Mounds	Dairy, Cropland	202	Driftless Area Land Conservancy		X
Dane/Dane, Springfield	Dairy Support, feed lot and cash cropping	167	Dane County		X
Dane/Dunn	Corn, soybeans, wheat	75	Town of Dunn	X	X
Dane/Montrose	Corn, soybeans	173	Natural Heritage Land Trust/Town of Montrose		X
Dane/Windsor	Corn, soybeans, wheat, alfalfa	203	Natural Heritage Land Trust/Town of Windsor	X	X
Grant/Paris, Potosi	Grain, Beef	332	Mississippi Valley Conservancy		X
Iowa/Brigham	Dairy	246	Driftless Area Land Conservancy		X
Iowa/Brigham	Dairy	401	Driftless Area Land Conservancy		X
Iowa/Brigham	Dairy	505	Driftless Area Land Conservancy		X
Iowa/Mineral Point	Beef	165	Driftless Area Land Conservancy		X
Jefferson/Farmington, Jefferson	Corn, soybeans, oats, beef, ducks, hay	176	Land Trust Network of Jefferson County		X
Jefferson/Koshkonong	Corn, soybeans, wheat, alfalfa, pheasant hunting	626	Jefferson County		X
Jefferson/Oakland	Cropland	160	Drumlin Area Land Trust		X
Jefferson/Oakland	Corn, soybeans, wheat	466	Jefferson County		X
Jefferson/Waterloo	Beef, cash grain	162	Jefferson County		X
Jefferson/Waterloo	Corn, soybeans, wheat	190	Jefferson County		X
La Crosse/Barre	Organic dairy, cropland	160	La Crosse County		X
La Crosse/Greenfield	Dairy, young stock, corn, alfalfa	233	La Crosse County		X
La Crosse/Greenfield	Grass beef, organic grains	416	La Crosse County		X
La Crosse/Hamilton	Dairy	92	La Crosse County		X
Marathon/Berlin	Organic vegetables and herbs	80	North Central Conservancy Trust		
Ozaukee/Belgium	Steer, buffalo, hay, corn, soybeans, wheat, oats	178	Ozaukee County		X
Rock/Clinton	Corn, soybeans	80	Rock County		X
Rock/Clinton	Corn, soybeans	120	Rock County		X
Rock/Clinton	Steer, corn, soybeans, hay	421	Rock County		X
Rock/LaPrairie	Corn	150	Rock County	X	X
Rock/LaPrairie	Corn, wheat	161	Rock County	X	X
Rock/Union	Corn, soybeans	160	Rock County		X
Waukesha/Mukwonago	Corn, soybeans, winter wheat	107	Land Trust Network of Jefferson County		X
Waupaca/Bear Creek, Lebanon	Dairy	391	Waupaca County		
Waupaca/Lebanon	Dairy	306	Waupaca County		
Waupaca/Lebanon	Dairy heifer	360	Waupaca County		
Waupaca/Lebanon, Little Wolf	Dairy, Beef	866	Waupaca County		
Waupaca/Lind	Dairy	215	Waupaca County		
Waupaca/Lind	Beef	257	Waupaca County		
Waupaca/Lind	Grain	782	Waupaca County		
Waupaca/Little Wolf, Union	Grain	150	Waupaca County		
Waupaca/Little Wolf, Union	Dairy	505	Waupaca County		
Waupaca/Union	Dairy, Beef	<u>440</u>	Waupaca County		
Total		11,144		4	29

*Located in an agricultural enterprise area.