

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4105/1	Introduction Number SB-479
Description Authorizing towns located in populous counties to withdraw from county zoning; requiring certain towns to enact a zoning ordinance and a comprehensive plan; removing plat and certified survey map approval authority from a county if the town in which the subdivision or land is located has withdrawn from county zoning; farmland preservation ordinances of towns that withdraw from county zoning and eligibility in those towns for the farmland preservation tax credit; and prohibiting restrictions on land that is not shoreland or that is not within a floodplain	
Fiscal Effect State: <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 type="checkbox"/> Decrease Existing Revenues <input 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 checked="" 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	
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Date 1/4/2016	

Fiscal Estimate Narratives

DATCP 1/4/2016

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Assumptions Used in Arriving at Fiscal Estimate

Adoption of the proposed bill will have no direct fiscal impact on the Department of Agriculture, Trade and Consumer Protection (DATCP). Currently DATCP certifies farmland preservation zoning ordinances that meet minimum standards set by chapter 91, Wis. Stats. DATCP certifies these ordinances in response to a request by the local zoning authority. The proposed bill may slightly increase the number of certification requests that DATCP staff must process and the number of ordinances that staff must evaluate for compliance with chapter 91 requirements, however current staff are able to handle additional certification requests as needed.

The provision in the proposed bill enabling a town to treat as certified an ordinance that has not been certified by DATCP could result in confusion between DATCP and the Department of Revenue (DOR), potentially causing lost tax credits. At the end of each calendar year DATCP provides DOR with a list of all jurisdictions that have farmland preservation zoning ordinances certified by the state, including those towns that are covered by a county farmland preservation zoning ordinance. If an ordinance is not submitted to DATCP for certification, there is no way of knowing about (and subsequently alerting DOR to) the existence of a certified ordinance. This could result in some landowners trying to claim the farmland preservation tax credit and being unsuccessful.

Farmland Preservation tax credits are funded by a sum sufficient GPR appropriation under s. 20.835(2) (do), Stats. In tax year 2014, there were approximately 1,130 claims on nearly 195,000 acres resulting in about \$1.5 million in refundable income tax credits in Dane County. While farm landowners in some towns received minimal farmland preservation tax credits, most towns had landowners who received at least \$9,495. One town in the county had landowners claiming on 12,697 acres, receiving nearly \$100,000 in tax credits. Depending on whether a town fails to request certification of a farmland preservation zoning ordinance after dropping out of county zoning before the end of a calendar year, the effect on the amount of credit dollars distributed could vary.

Long-Range Fiscal Implications

If towns utilize the proposed bill to drop out of county zoning and do not seek certification by DATCP of a farmland preservation zoning ordinance, there could be a drop in tax credits issued. While the farmland owners in a few towns in Dane County currently covered by the county's farmland preservation zoning district had less than five claims for a minimal amount of credits, most towns had landowners that received at least \$10,000 in tax credits, with many receiving over \$40,000.

Dane county currently only has three towns that are not covered by the county's certified farmland preservation zoning ordinance. Should any of these towns opt out of county zoning and decide to adopt a farmland preservation zoning ordinance, there could be additional money paid from the GPR appropriation. Typically towns do not adopt a farmland preservation ordinance and request certification by DATCP unless there is a significant interest in claiming the tax credit among resident landowners.