



Working Lands and Farmland Preservation Tax Credits

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Working Lands and Farmland Preservation Tax Credits

Introduction

The Working Lands Initiative (WLI) was enacted under 2009 Act 28, the 2009-11 biennial budget act. The Working Lands Initiative Steering Committee, a group convened in 2005 by the Secretary of Agriculture, Trade and Consumer Protection, formulated many of the provisions of the WLI. The committee consisted of 26 members, representing interests such as agriculture, real estate, business, environment, tourism, and local government. The committee was instructed to explore actions and policies that would alleviate pressures on farmland that was vulnerable to being removed from future uses in agriculture, forestry or recreation. In its 2006 final report, the WLI Steering Committee cited that between 1950 and 2000, agricultural acreage in Wisconsin declined by about one-third, from approximately 24 million acres to 16 million acres. The U.S. Department of Agriculture's National Agricultural Statistics Service estimates 14.4 million farmland acres as of 2015.

The WLI Steering Committee recommended multiple changes to the state's farmland preservation program, administered by the Department of Agriculture, Trade and Consumer Protection (DATCP) under Chapter 91 of the statutes, and to the farmland preservation tax credit under Chapter 71. The WLI can, therefore, be considered to consist of land use policies and tax credits for landowners who comply with land use requirements.

The chapters that follow describe the current farmland preservation program and tax credits, and also describe significant changes made by 2009 Act 28 and subsequent legislation. Chapter 1 describes the land use provisions, including: (a) farmland preservation planning; (b) farmland preservation zoning; (c) farmland preservation agreements; (d) agricultural enterprise areas; and (e) a discontinued program for the purchase of agricultural conservation easements, known as PACE. Chapter 2 describes the current and former structures of the farmland preservation tax credit.

Introduction

Prior to 2009 Act 28, landowners were eligible for farmland preservation tax credits by owning land designated for long-term agricultural use. These designations included agricultural preservation plans and exclusive agricultural zoning ordinances, which municipalities were authorized to enact to further goals of keeping certain lands in agricultural use. In addition, landowners could voluntarily enter into contracts with DATCP known as farmland preservation agreements, which also limited these lands to uses consistent with agricultural use. Recipients of tax credits were also required to implement soil and water conservation practices to remain eligible for the credit.

These policy instruments and requirements were largely retained under Act 28, although agricultural preservation plans are now known as farmland preservation plans, and exclusive agricultural zoning ordinances are known as farmland preservation zoning ordinances. Farmland preservation agreements in place prior to Act 28 were not directly affected by the act, although new or modified agreements must meet different requirements, which are discussed later in greater detail. In addition, Act 28 created agricultural enterprise areas, which are intended to be areas for the development and operation of agriculture and agriculture-related businesses, such as farm implement dealers and processing facilities for agricultural products. This chapter discusses each instrument.

Farmland Preservation Plans

Under 2009 Act 28, all counties are required to adopt a farmland preservation plan by January 1, 2016. All counties except Milwaukee and Menominee had plans in effect prior to Act 28. Both Milwaukee and Menominee counties do not have a certified plan and have indicated they do not intend to have a plan certified as of November, 2016. Farmland preservation plans form the basis for all other farmland preservation policy instruments either continued or created in Act 28. Specifically, a common requirement of farmland preservation zoning districts, farmland preservation agreements, agricultural enterprise areas and agricultural conservation easements is that each must be located within farmland preservation areas designated in a certified farmland preservation plan.

A farmland preservation plan is broadly intended to establish a county's policy for farmland preservation and agricultural development. To be certified by DATCP, a plan must describe and map the areas to be preserved for agricultural and agriculture-related uses. Preservation areas may include undeveloped natural resource areas or other open space, but they cannot include areas planned for nonagricultural development within 15 years. Plans must describe both the rationale used to identify the preservation areas, as well as actions and programs the county and other municipalities will use to preserve targeted preservation areas. Additionally, plans must describe the land uses planned for each preservation area.

To carry out the planning process, the statutes identify a number of considerations that should

guide the creation or revision of a plan:

- Development trends, plans or needs that may affect farmland preservation and agricultural development in the county, including population and economic growth, housing, transportation, utilities, communications, business development, community facilities and services, energy, waste management, municipal expansion and environmental preservation;
- Agricultural uses of land, including key agriculture specialties at the time of plan adoption;
- Key agricultural resources;
- Key agricultural infrastructure and facilities;
- Significant trends in the county related to agricultural land use, production, agricultural enterprises and conversion of land out of agricultural use;
- Anticipated changes to agricultural production, processing, supply and distribution;
- Goals for agricultural development in the county;
- Means of increasing housing density in developed areas not designated for farmland preservation; and
- Key land use issues related to farmland preservation and promotion of agricultural development, as well as county plans to address those issues.

Although not all municipalities have engaged in comprehensive planning, the statutes require that counties with comprehensive plans are to incorporate their farmland preservation plans in their comprehensive plans. The two plans are to be consistent.

Administrative rule ATCP 49 also further clarifies the conditions under which a county determines land is to be designated for long-term agricultural preservation. The statutes require a county plan to identify agricultural resources, including land, soil types, water resources, and also to state the rationale used for identifying areas to be preserved for agricultural use. ATCP 49 additionally requires the stated rationale to be based on objective criteria applied to parcels, including the following considerations: (a) whether soils are suitable for agricultural production; (b) whether land has historically been used for agricultural or agriculture-related purposes; (c) whether the land is proximal to agricultural infrastructure; (d) whether designated agricultural lands, together with other open space or natural resource areas, would create contiguous blocks of undeveloped or preserved areas; and (e) whether the land, despite any potential development pressure in the subsequent 15 years, is not planned for non-agricultural development during that time. Further, ATCP 49 requires a county's designation rationale to be applied consistently across the county, to the extent practicable, and not to be based primarily on landowner preference.

DATCP reports it reviews draft farmland preservation plans informally or preliminarily to give counties feedback on whether drafts are consistent with statutory requirements. The Department also holds workshops for county and municipal officials to provide additional information on procedures necessary to complete a farmland preservation plan and submit it for certification.

Planning Grants

DATCP is authorized to provide planning grants to counties for up to 50% of the county's cost of preparing a farmland preservation plan. Grants may only be disbursed on a reimbursement basis. Counties may request reimbursement for up to 50% of the grant award prior to the plan

being submitted for DATCP certification, with the remainder claimable following submission of the plan. Further, the statutes specify that counties with existing preservation plans scheduled to expire soonest take priority for grant awards. 2015 Act 55 provided \$374,200 general purpose revenue (GPR) annually for planning grants in the 2015-17 biennium. 2009 Act 28 also created an appropriation from the segregated (SEG) working lands fund, discussed later in greater detail, for farmland preservation planning grants; this appropriation has not received any expenditure authority since its creation, however.

Through 2015-16, DATCP has been appropriated a total of \$2,286,800 GPR for planning grants. Of this amount the following lapses to the general fund have occurred: \$374,200 in 2011-12, \$89,800 in 2014-15, and \$242,700 in 2015-16. As shown in Table 1, approximately \$1,493,800 has been awarded as of December, 2016. Of this amount, \$1,101,400 has been disbursed and \$392,500 is still available for county plans. No GPR may be newly encumbered under the appropriation after June 30, 2016. The appropriation from the working lands fund, although currently unfunded, has no similar sunset.

Plan Expiration

Agricultural preservation plans certified before the effective date of 2009 Act 28 remain in effect, provided their certifications have not expired or been withdrawn. For any certified plan without a specified expiration date, Act 28 established phased expiration dates on the basis of the county's population change per square mile between the 2000 U.S. Census and the 2007 population estimates by the Department of Administration (DOA). Population density-based expiration dates, as created by Act 28, are shown in Table 2. Appendices I and II show the expiration dates of all county farmland preservation plans, as well as the certification and recertification dates of each county's most recent farmland preservation plan. DATCP is to set expiration

Table 1: Farmland Preservation Planning Grants

County	Year Awarded	Amount Disbursed	Amount Still Available
Adams	2014	\$0	\$20,000
Ashland	2014	14,897	15,103
Barron	2013	7,863	0
Bayfield	2016	0	24,230
Brown	2010, 2016	30,000	10,000
Burnett	2014	0	18,655
Calumet	2016	0	22,284
Chippewa	2011	4,287	0
Clark	2015	0	10,000
Columbia	2011	30,000	0
Crawford	2014	14,598	15,402
Dane	2010	30,000	0
Dodge	2010	17,000	0
Door	2011	10,100	0
Douglas	2014	0	22,560
Dunn	2011	12,456	0
Eau Claire	2012	30,000	0
Florence	2014	11,241	11,772
Fond du Lac	2011	30,000	0
Forest	2015	9,084	0
Green	2011	30,000	0
Green Lake	2014	24,045	0
Iowa	2013	30,000	0
Iron	2015	0	24,400
Jackson	2014	0	9,503
Jefferson	2010	30,000	0
Juneau	2013	16,184	0
Kenosha	2010	30,000	0
Kewaunee	2015	0	15,000
La Crosse	2010	30,000	0
Lafayette	2014	0	22,500
Langlade	2014	20,186	0
Lincoln	2014	0	30,000
Manitowoc	2013	30,000	0
Marathon	2011	30,000	0
Marquette	2014	30,000	0
Monroe	2013	3,719	0
Oconto	2013	30,000	0
Oneida	2014	8,571	0
Outagamie	2010	20,467	0
Ozaukee	2010	30,000	0
Pepin	2013	15,888	0
Pierce	2011	30,000	0
Polk	2012	30,000	0
Portage	2013	13,116	0
Racine	2010	30,000	0
Richland	2014	12,000	18,000
Rock	2010	30,000	0
Rusk	2016	0	30,000
St. Croix	2010	30,000	0
Sauk	2011	30,000	0
Sawyer	2014	0	12,553
Shawano	2013	30,000	0
Sheboygan	2011	25,862	0
Trempealeau	2014	15,000	15,000
Vernon	2014	19,610	0
Vilas	2014	5,122	0
Walworth	2010	30,000	0
Washburn	2014	0	15,500
Washington	2010	30,000	0
Waupaca	2013	30,000	0
Waushara	2013	10,500	0
Winnebago	2010, 2016	30,000	30,000
Wood	2014	9,567	0
Total		\$1,101,363	\$392,462

Note: Some awarded funds go unused. These are included as part of amounts still available until the planning process is complete.

Table 2: Population-Based Expirations of County Farmland Preservation Plans

Expiration Date	Population Increase Per Square Mile, 2000-2007
December 31, 2011	More than 9 persons
December 31, 2012	3.76 persons to 9 persons
December 31, 2013	1.76 persons to 3.75 persons
December 31, 2014	0.81 persons to 1.75 persons
December 31, 2015	Up to 0.8 persons

dates up to 10 years from certification for new and revised plans. DATCP also has statutory authority to withdraw certification of plans that materially violate the statutory requirements.

The DATCP Secretary has authority under the statutes to extend a plan's certification for up to two years to allow the county to concurrently form or revise its comprehensive plan and its farmland preservation plan. As of August, 2016, 54 counties had used this authority with respect to farmland preservation plans. Extensions since 2013 by counties are listed in Table 3.

The population-based expiration dates and the 10-year certification limit are intended to require counties both to reassess their existing farmland preservation plans and to revisit the plans regularly in the future. These requirements arose from an observation of the Working Lands Steering Committee, which reported in 2006 that many county plans had been in effect for a decade or more without revision, despite the county's development trends and land uses having changed substantially in the intervening period. It is expected that by December 31, 2017, all remaining plan certifications that predate Act 28 will have expired.

ATCP 49 specifies that a farmland preservation plan with a certification that has expired must have a plan reauthorized by DATCP by the December 31 of the year following the expiration to allow any farmland preservation zoning ordinances in effect in the county to continue conferring tax-credit eligibility for lands located in a

Table 3: Extensions of County Farmland Preservation Plans

County	Original Expiration	Date under Extension
Barron	2013	2015
Iowa	2013	2015
Monroe	2013	2014
Oconto	2013	2014
Pepin	2013	2015
Portage	2013	2015
Vernon	2013	2015
Waupaca	2013	2014
Waushara	2013	2014
Adams	2014	2016
Burnett	2014	2016
Green Lake	2014	2015
Jackson	2014	2016
Lincoln	2014	2016
Marquette	2014	2015
Oneida	2014	2015
Sawyer	2014	2016
Trempealeau	2014	2016
Vilas	2014	2015
Washburn	2014	2016
Ashland	2015	2016
Bayfield	2015	2017
Buffalo	2015	2017
Clark	2015	2017
Crawford	2015	2017
Douglas	2015	2017
Florence	2015	2016
Iron	2015	2017
Lafayette	2015	2017
Milwaukee	2015	2016
Price	2015	2017
Richland	2015	2017
Rusk	2015	2017
Taylor	2015	2017

NOTE: Expirations occur on December 31 of the year shown.

farmland preservation zoning district in the county. For example, if a county had a farmland preservation plan that expired December 31, 2016, the county must have a farmland preservation plan recertified by December 31, 2017, or DATCP would be permitted under ATCP 49 to withdraw certification of any farmland preservation zoning ordinance in effect in the county for 2017. In such a case, the withdrawal would make landowners in farmland preservation zoning districts in the county ineligible to claim farmland

preservation tax credits for the 2017 tax year, as the statutory provisions for the farmland preservation tax credit require a zoning ordinance to be in effect at the close of the tax year to which a credit claim pertains. (The subsequent section on farmland preservation zoning discusses the requirements for acreage being consistently included in both a farmland preservation plan and a farmland preservation zoning district.)

Farmland Preservation Zoning

The statutes authorize cities, villages, towns or counties to adopt farmland preservation zoning ordinances. These ordinances generally limit land uses within designated farmland preservation zoning districts. DATCP estimates approximately 4.7 million acres in Wisconsin were under a certified farmland preservation zoning ordinance as of July 1, 2016. This equates to about 13.5% of the state's 34.7 million land acres and about 32.6% of the 14.4 million estimated farmland acres in 2016.

Counties and municipalities are not required to enact farmland preservation zoning ordinances, nor were they required to do so prior to 2009 Act 28. As such, the statutory provisions for farmland preservation zoning should not be construed as statewide standards for all agricultural land or as limiting municipalities' ability to engage in any other type of zoning. Rather, the requirements for certified farmland preservation zoning ordinances are minimum standards that zoning ordinances must meet for certification, which allows owners of lands in zoning districts to be eligible for farmland preservation tax credits.

Like a farmland preservation plan, a farmland preservation zoning ordinance must clearly identify and map zoning districts in which land uses are limited to those specified in the ordinance.

The ordinance also must include any jurisdictional, organizational and enforcement provisions necessary to administer the ordinance. A certified ordinance must be substantially consistent with a certified farmland preservation plan, and, except for allowances that may be made by administrative rule, farmland preservation zoning districts may not include any lands not included in a farmland preservation area. Since Act 28, this congruity requirement has disqualified some previously agricultural-zoned acreage from being eligible for tax credits, due to certain jurisdictions that contained no lands identified for agricultural preservation in a revised farmland preservation plan. As of November, 2016, DATCP reports 31 municipalities since the passage of 2009 Act 28 have lost eligibility for farmland preservation zoning due to having no lands identified in county farmland preservation plans.

ATCP 49 provides numeric thresholds to further clarify the statutory requirements that a farmland preservation zoning ordinance must be "substantially consistent" with a certified farmland preservation plan. Specifically, ATCP 49 requires at least 80% of the acres identified for farmland preservation in a certified farmland preservation plan to be included in a farmland preservation zoning district, or another type of district that imposes restrictions at least as stringent as the farmland preservation zoning ordinance. Such allowable land designations would include those for open space or conservancy areas, but not for most general residential, commercial or industrial uses. The Department may approve an ordinance that has between 70% and 80% of the area planned for farmland preservation included in farmland preservation zoning districts, provided the municipality can demonstrate a reasonable and objective justification for that level of consistency.

Although counties, towns, villages, and cities may enact farmland preservation zoning ordinances, the type of municipality administering an ordinance may vary throughout the state. Appen-

dix III identifies all municipalities with certified farmland preservation zoning ordinances as of August, 2016. Appendix III also identifies whether towns are under a county-administered ordinance or are administering their own zoning ordinances, both of which are possible under the statutes.

All villages and cities shown in Appendix III are incorporated and exercise their own zoning. Certain villages and cities have also exercised extraterritorial jurisdiction in accordance with statutory provisions, meaning they have approval powers over zoning activities taking place up to three miles outside the corporation limits, depending on the size of the jurisdiction. The Appendix notes areas that have reserved extraterritorial jurisdiction.

Farmland preservation zoning districts may coincide with other zoning designations that may impose additional classifications and requirements on the use of the land. These other designations are known as overlay districts. Provided that the overlay district is clearly identified by a zoning authority, it may coexist with a farmland preservation zoning district as long as the overlay district does not remove underlying land restrictions from the farmland preservation zoning district.

Allowed Land Uses

As shown in Table 4, land uses in farmland preservation zoning districts may be: (a) permitted uses, which are presumptively allowed; (b) conditional uses, which a zoning authority may allow but must specifically review and authorize with a conditional use permit; or (c) other land uses DATCP may specify by administrative rule. Additionally, the statutes allow the continued use of nonconforming uses, which are those that do not conform to an ordinance but were not in violation prior to an ordinance taking effect. Under general municipal law, there may be restrictions on altering or expanding nonconforming struc-

tures without bringing the structures into compliance.

Nonfarm Residences and Other Conditional Uses. In addition to permitted uses, certain uses may be undertaken if the applicable zoning authority approves a conditional use permit for the structure or activity. One such use is individual nonfarm residences, the provisions for which were somewhat more restrictive prior to 2009. Under previous law, the only residences allowed in exclusive agricultural zoning districts were those that had a use consistent with agricultural use, which generally means land would not be converted from agricultural use, nor would an activity limit the agricultural use of surrounding lands or impair agricultural operations on other properties. Additionally, the residence had to be occupied by: (a) an owner of the parcel on which the residence was located; (b) a person earning the majority of his or her gross income from conducting farming operations on the parcel, and the family of such a person; (c) a parent or child of an owner conducting the majority of farming operations on the parcel; or (d) a parent or child of the parcel's owner, provided the owner previously conducted the majority of farming operations on the parcel.

2009 Act 28 changed these provisions relating to nonfarm residences, which is any residence not under the definition of a farm residence. A farm residence is located on a farm and is: (a) the only residence on the farm; or (b) occupied by the farm owner or operator, or his or her parents or children, or a person earning more than 50% of his or her gross income on the farm, or a certified migrant labor camp. Certified farmland preservation zoning ordinances may allow nonfarm residences as a conditional use in farmland preservation zoning districts, provided any residences meet the following conditions: (a) there will be no more than four dwelling units that are nonfarm residences, and no more than five dwelling units on the base farm tract; (b) the residence will not convert prime farmland from agricultural use

Table 4: Allowable Uses in Certified Farmland Preservation Zoning Districts

Use/Description

Agricultural

- Crop or forage production.
- Keeping livestock.
- Beekeeping.
- Nursery, sod or Christmas tree production.
- Floriculture.
- Aquaculture.
- Fur farming.
- Forest management.
- Enrollment in a federal agricultural commodity payment program.
- Enrollment in a federal or state agricultural land conservation payment program.
- Other agricultural uses identified by DATCP administrative rule.

Accessory

- A building, structure or improvement that is an integral part of or incidental to an agricultural use.
- An activity or business operation that is an integral part of or incidental to an agricultural use.
- A farm residence.
- A business, activity or enterprise, regardless of an association with an agricultural use, that is conducted by the owner or operator of a farm, and that requires no otherwise disallowed structures or improvements, employs no more than four full-time employees annually, and does not impair or limit current or future agricultural use of the farm or other protected farmland.
- Other accessory uses identified by DATCP administrative rule.

Agriculture-Related

- An agricultural equipment dealership.
- A facility providing agricultural supplies.
- A facility for storing or processing agricultural products.
- A facility for processing agricultural wastes.
- Other accessory uses identified by DATCP administrative rule; ATCP 49 includes facilities for providing veterinary services primarily for livestock.

Residential Uses

- Existing residences as of January 1, 2014, or a date specified in the ordinance, regardless of occupancy.
- Nonfarm residences with a conditional use permit, subject to density and siting standards.
- A nonfarm residential cluster, which is a group of contiguous parcels on which nonfarm residences are located, with all nonfarm residences in the cluster constructed to meet requirements for individual nonfarm residences, as described in a separate section. A cluster requires a conditional use permit, but not a permit for each individual residence.

Other Uses

- Undeveloped natural resource areas or open-space areas; no permit required.
- A transportation, utility, communication, pipeline, electric transmission, drainage, governmental, institutional, religious, nonprofit community, nonmetallic mineral extraction, licensed oil and natural gas exploration or other use allowed under DATCP administrative rule, provided the activity is authorized by a conditional use permit.
- Uses mandated for a specific place under state or federal law; no permit required.

Note: Zoning authorities may elect to allow agricultural, accessory and agriculture-related uses with or without a conditional use permit.

or convert previous cropland, except woodlots, from agricultural use if the farm contains reasonable alternative locations for a nonfarm residential parcel or nonfarm residence; and (c) the residence will not significantly impair or limit the current or future agricultural use of other protected farmland.

To determine acreage allowable to be used for nonfarm residences, Chapter 91 creates a unit known as the base farm tract. A base farm tract is defined by statute as a single contiguous farm or other tract as of the date of an ordinance's enactment or as of an earlier date established by the zoning authority. ATCP 49 also allows that a base farm tract need not be contiguous parcels, but rather may be all land in a farmland preservation zoning district under a single ordinance and under single ownership on the date the owner creates a new subdivided parcel or lot, regardless of any subsequent changes. A base farm tract therefore is a single unit that remains a reference point for future acreage-based determinations on the land, but the date at which tract is established may vary, depending on what standard is specified in a local ordinance.

Further, the acreage of the nonfarm residential parcel may be no more than one-twentieth the size of the remaining acreage of the base farm tract; in other words, there must be twenty acres remaining in the base farm tract for every acre in the nonfarm residential parcel.

The following is one example of how persons could construct new nonfarm residences under the acreage ratio and residence limits: a farmer with a 105-acre farm that contains one farm residence sells a total of five acres to four prospective buyers, all of whom are otherwise unassociated with the farm and will not be using the land for agriculture. (In this instance, the 105-acre farm is considered the base farm tract, assuming it was a single farm at the time the land was designated as a farmland preservation zoning district.) Each buyer purchases a 1.25-acre parcel to

construct a nonfarm residence. This would create four nonfarm residences and five total residences on the base farm tract, which would be the maximum allowed. The five acres sold would entirely become nonfarm residential acreage, as the buyers would not be engaged in farming operations. The remaining farm acreage would be 100 acres, which would meet the required ratio of nonfarm residential acreage (five acres) to farm acreage (100 acres). In this example, each residence could be approved individually with a conditional use permit issued by the municipal zoning authority.

If the four 1.25-acre parcels were contiguous, one conditional use permit could be issued for all four, as they would qualify as a nonfarm residential cluster. Each buyer would not have to secure an individual conditional use permit in such a case. Nonfarm residential clusters are intended to allow for nonfarm residences in rural areas, but to do so without excessively removing land from agricultural production. The one-time approval process for a cluster is intended to be an incentive to encourage nonfarm residents to build in clusters. Such a conditional use was intended to allow for limited rural nonfarm residential development without significantly changing existing farmland preservation zoning districts. (Under prior law, most changes of farmland preservation zoning districts to nonfarm residential uses also would have been subject to a conversion fee as described in a separate section.)

In addition to the conditional uses listed above, a certified farmland preservation zoning ordinance may allow uses for transportation, communications, pipelines, electric transmission, utilities, drainage, governmental functions, institutional functions, religious activities, nonprofit community activities, and nonmetallic mineral extraction. However, any of these uses must be reasonable and appropriate relative to alternative locations outside the farmland preservation zoning district, and the locations of these uses must be consistent with the agricultural preservation

purposes of the district. Specifically, this means the uses must be reasonably designed to minimize land conversions from agriculture or open-space use, and they must not substantially impair surrounding parcels' current or future agricultural uses, if the surrounding parcels are zoned for or legally restricted to agricultural use. If construction activities damage land in agricultural use, these damages are to be minimized and repaired, to the extent feasible. Allowances are made for uses specifically approved under state or federal law.

Ordinance Expiration

As is the case with farmland preservation plans, any exclusive agricultural zoning ordinance certification that was in effect prior to 2009 Act 28 remains in effect until its expiration date. A ordinance's certification expires either on a date declared in a DATCP certification order, or, if not so specified, that date determined by the population increase per square mile, in the county in which the zoning authority is located, between the 2000 U.S. Census and the 2007 population estimates by DOA. This is the same schedule used for population-based expiration dates of farmland preservation plans, except certifications would expire one year later so ordinances are consistent with plans. Table 5 lists the statutory expiration dates. Appendix III shows the expiration dates of farmland preservation zoning ordinance certifications currently in effect, as well as the number of jurisdictions with certified ordinances currently in effect.

The DATCP Secretary has the same authority to extend certification of a farmland preservation zoning ordinance as exists for farmland preservation plans. As of August, 2016, DATCP had granted 130 extensions to zoning authorities since the enactment of Act 28. An extension allows eligible landowners to continue claiming farmland preservation tax credits for the duration of the extension. Although the statutes limit extensions of ordinance certifications to two years,

Table 5: Population-Based Expirations of Farmland Preservation Zoning Ordinance Certifications

Expiration Date	Population Increase Per Square Mile, 2000-2007
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

DATCP has granted two extensions of two years each, or four years total, to Hartford (Washington County).

Beginning July 1, 2009, DATCP may certify an ordinance for up to 10 years. This period is identical to the maximum certification period of a farmland preservation plan, and is also intended to prompt zoning authorities to regularly review zoning districts and ordinances.

In addition, Chapter 91 and ATCP 49 require that a farmland preservation zoning ordinance with an expired certification must seek recertification by the December 31 following the year in which the initial zoning ordinance certification expired. This is an identical requirement for that imposed on farmland preservation plans. For example, a municipality whose zoning ordinance expired December 31, 2016, must have a zoning ordinance recertified by December 31, 2017, to prevent landowners' farmland preservation tax credit eligibility from lapsing for the 2017 tax year.

The statutes specify that farmland preservation ordinance amendments are considered to be certified with the larger ordinance, except for the following instances: (a) comprehensive revisions of an existing ordinance; (b) extensions of the ordinance to a town not previously covered; or (c) other revisions that DATCP may specify by rule that would affect the ordinance's compliance with statutory requirements. ATCP 49 has further specified that ordinance amendments are not automatically certified if the amendment would do

any of the following: (a) add uses not previously allowed in farmland preservation zoning districts; (b) eliminate findings and conditions that must be met before approving a use for a location in a farmland preservation zoning district; (c) increase the number of nonfarm acres or residences allowed in a farmland preservation zoning district; (d) eliminate findings required for rezoning land from a farmland preservation zoning district; or (e) result in the corresponding farmland preservation zoning ordinance map being inconsistent with the county farmland preservation plan.

The DATCP Secretary may withdraw certification of a farmland preservation ordinance if it fails to comply with statutory requirements for farmland preservation zoning ordinances. Also, under ATCP 49, certification may be withdrawn for those ordinances for which a farmland preservation plan has expired and not been recertified, as described earlier.

Land Rezoning

Under current law, a zoning authority may rezone lands from farmland preservation zoning districts if it determines all the following: (a) the land is better suited for a use not allowed in the farmland preservation zoning district; (b) the rezoning is consistent with any applicable comprehensive plan; (c) the rezoning is substantially consistent with the certified county farmland preservation plan; and (d) the rezoning will not substantially impair or limit current or future agricultural uses of surrounding land parcels zoned for or legally restricted to agricultural use. Reporting requirements apply; local governments must report to DATCP by each March 1 all acres rezoned the previous year. Local governments that are not counties must submit rezoning reports to the county in which they are located.

Beginning with the enactment of 2011 Act 32, there is no conversion fee to rezone lands from farmland preservation zoning districts. The fee, created under 2009 Act 28 and beginning with

lands rezoned in 2010, was intended as a disincentive to convert land that had previously been designated for agricultural purposes, and which may have previously claimed farmland preservation tax credits. The fee remains in effect for early termination of certain farmland preservation agreements, which is discussed later.

Table 6 shows converted acreage annually since the reporting requirement first took effect following 2009 Act 28.

Table 6: Farmland Preservation Zoning Acres Converted

Calendar Year	Acres	Units Reporting
2010	779	121
2011	9,460	115
2012	3,329	117
2013	4,450	177
2014	9,523	171
2015	4,669	163

Special Assessments

Counties, towns, villages, cities, special-purpose districts or other local governmental entities may not levy special assessments for sanitary sewers or water on land in agricultural use and located in a farmland preservation zoning district. However, local governments may exclude these exempt agricultural lands from use of the improvements. These provisions do not apply to an owner who voluntarily pays an assessment after the assessing entity notifies the owner of the exemption.

Farmland Preservation Agreements

As under prior law, DATCP and willing landowners may enter into farmland preservation agreements, which are restrictive covenants under which DATCP and a landowner agree to limit the development on a property for a specified pe-

riod of years. These limits allow land under the agreement to be eligible for certain levels of farmland preservation tax credits. If land under an agreement changes ownership, the agreement binds the purchaser for the remaining term of the agreement.

Farmland preservation agreements under 2009 Act 28 must be in effect for at least 15 years, and they must restrict the land to agricultural uses, accessory uses, or undeveloped natural resource or open-space uses. (Allowable agricultural and accessory uses are those shown in Table 4.)

As with existing farmland preservation plans and zoning ordinances, farmland preservation agreements created prior to Act 28 remain in effect except if terminated or if modified to allow a landowner to claim the farmland preservation tax credits as modified by Act 28. Agreements entered into prior to Act 28 may not be extended or renewed.

New agreements must conform to requirements established under Act 28. To be eligible for a farmland preservation agreement, Act 28 requires lands must meet the following requirements: (a) the land is operated as part of a farm that produced at least \$6,000 in gross farm revenues during the taxable year preceding the year in which the owner applies for a farmland preservation agreement, or the land is part of a farm that produced at least \$18,000 in gross farm revenues during the three taxable years preceding the year of application; (b) the land is in a farmland preservation area identified in a certified farmland preservation plan; and (c) the land is in an agricultural enterprise area, which is discussed later in greater detail. Additionally, ATCP 49 specifies that a farmland preservation agreement application may be denied if the applicant has excluded land from the application and DATCP determines the excluded land would be used for purposes either: (a) conflicting with the goals of the agricultural enterprise area; or (b) likely to impair or limit the agricultural use of other lands

in the agricultural enterprise area or in the farmland preservation agreement.

Interested landowners may apply to the clerk of each county in which land to be under the agreement is located. State law requires the county to review the application for eligibility of the land, and requires the county to provide its findings in writing to the applicant within 60 days of application receipt. The county must notify DATCP of land meeting all requirements, as well as inform the Department of its findings with respect to the application. DATCP may enter into an agreement based on the county's findings, and it may deny an agreement due to an incomplete application or the land being ineligible.

Prior to 2009, farmland preservation agreements could be terminated for specific reasons contained in the statutes. In certain instances, the holder would be subject to a lien on the property for early relinquishment of the agreement, or for other violations of agreement terms. The amount of the lien was based on prior farmland preservation tax credits received. Table 7 shows the amounts of liens or penalties paid by persons relinquishing or violating agreements since 2003-04.

2009 Act 28 authorizes DATCP to terminate or release lands from an agreement if: (a) all landowners under the agreement consent to termination; (b) DATCP finds that termination will not impair or limit agricultural use of other protected farmland; and (c) the landowners pay DATCP a conversion fee for each acre or portion of acre released from the agreement. The conversion fee is three times the Grade 1 use value, as determined by the Department of Revenue (DOR), in the city, village or town in which the land at issue is located for the year in which the termination or release occurs; as an example, for the 2016 average Grade 1 use value of \$215 per acre, an average conversion fee would be \$645 per acre. All conversion fees are deposited to the

Table 7: Payments for Violations or Relinquishment of Farmland Preservation Agreements

Year	Total Payments	Affected Acreage
2003-04	\$68,500 (GPR)	3,421
2004-05	24,900 (GPR)	2,051
2005-06	59,400 (GPR)	1,934
2006-07	4,500 (GPR)	554
2007-08	4,800 (GPR)	1,188
2008-09	10,700 (GPR)	362
2009-10	14,500 (GPR)	442
2010-11	14,500 (GPR)	668
2011-12	6,000 (GPR)	314
2012-13	43,900 (GPR)	1,217
	3,400 (SEG)	6
2013-14	17,000 (GPR)	388
	1,500 (SEG)	2
2014-15	6,000 (GPR)	189
	0 (SEG)	0
2015-16	0 (GPR)	0
	<u>3,300 (SEG)</u>	<u>6</u>
Total	\$282,900	12,742

segregated working lands fund. (These provisions are mostly similar to those previously applied to lands rezoned from farmland preservation zoning districts.) Amounts in Table 7 distinguish between deposits to the state general fund as GPR, which are due on terminated farmland preservation agreements in effect prior to Act 28, and SEG revenues to the working lands fund for agreements entered or modified following Act 28.

DATCP may bring an action in Circuit Court to do any of the following: (a) enforce a farmland preservation agreement; (b) restrain by temporary or permanent injunction a change in land use that violates a farmland preservation agreement; and (c) seek a civil forfeiture for a land use change that violates a farmland preservation agreement. A civil forfeiture may not exceed twice the fair market value of the land under the agreement at the time of the violation. The Department of Justice is required to provide legal services should DATCP seek any of these actions to enforce a farmland preservation agreement.

As under farmland preservation zoning ordinances, local governments are prohibited from levying special assessments for sanitary sewers or water against land in agricultural use. Under farmland preservation agreements, local governments may exclude exempt lands from use of resulting improvements. Landowners may voluntarily pay an assessment after the assessing entity notifies the owner of the exemption.

DATCP reports that as of December 1, 2016, 1,408 farmland preservation agreements covering approximately 299,300 acres were in effect in Wisconsin. These agreements are shown by county in Appendix IV. Of the active agreements, 794 agreements covering 164,600 acres took effect under the provisions preceding 2009 Act 28. An additional 614 agreements covering 134,700 acres were created in agricultural enterprise areas under provisions established under Act 28.

Of the agreements in effect under the 2007 statutes, 69 agreements covering 16,200 acres took effect under 2009 Act 374. That act allowed DATCP to process and create farmland preservation agreements under provisions in effect prior to Act 28, provided the agreements were applied for between January 1, 2008, and June 30, 2009, and processing was not completed by July 1, 2009. These agreements are not subject to requirements created by Act 28, but rather the eligibility requirements discussed in Chapter 2. These agreements are, however, eligible to claim either the previous farmland preservation tax credit, which is based on income and property tax liability, or the per-acre credit that takes effect with the 2010 tax year if the landowner agrees to modify the agreement. Agreements created under Act 374 may be valid for up to 10 years.

The total of pre-Act 28 agreements also includes 82 agreements covering 21,000 acres that have modified terms of the agreement to allow the landowner to claim the per-acre farmland preservation tax credit created in Act 28. Pre-Act

28 agreements modified to claim the per-acre tax credit are subject to the Act 28 conversion fee, as opposed to the lien assessed under the 2007 statutes.

Table 8 shows expired or expiring agreements and associated acreage by year beginning in 2006. Since 2008, the number of agreements expiring annually has decreased. After 2020, data show annual expirations are expected to average about 20 agreements per year. In the table, 2006 to 2015 represent actual reported data, and 2016 to 2022 represent estimated amounts.

Table 8: Acreage Expiring from Farmland Preservation Agreements by Year

Year	Agreements Expiring	Total Acreage	Average Acreage
2006	1,056	106,173	100.5
2007	1,371	142,939	104.3
2008	1,864	169,671	91.0
2009	1,207	128,117	106.1
2010	916	95,366	104.1
2011	810	101,274	125.0
2012	609	73,267	120.3
2013	368	50,828	138.1
2014	218	42,128	193.2
2015	<u>115</u>	<u>23,677</u>	205.9
Subtotals	8,534	933,440	109.4
2016	90	23,058	256.2
2017	161	28,549	177.3
2018	158	34,509	218.4
2019	147	31,672	215.5
2020	67	9,397	140.3
2021	28	4,641	165.8
2022	29	5,924	204.3
2023	<u>30</u>	<u>5,934</u>	197.8
Subtotals	710	143,684	202.4

Agricultural Enterprise Areas

Agricultural enterprise areas (AEAs) are intended to be areas targeted for agricultural preservation and development, namely for preserving, expanding and developing farms and

other agribusiness. AEAs must: (a) consist of contiguous parcels, including parcels separated only by a lake, stream, or transportation or utility right-of-way; (b) be located entirely in a farmland preservation area identified in a certified farmland preservation plan; and (c) be land primarily in agricultural use. DATCP also is to give preference to areas of at least 1,000 acres of land when evaluating petitions. Unlike the policy instruments discussed earlier, AEAs did not exist prior to 2009 Act 28.

The process for designating AEAs begins with a petition from: (a) each unit of government in which the area would be located; and (b) owners of at least five eligible farms located in the proposed area. Eligible farms are those that produced at least \$6,000 of gross farm revenues in the taxable year preceding the petition or those that produced at least \$18,000 in gross farm revenues during the three taxable years preceding the petition.

In addition to other application materials, a petition must include: (a) a clear description of agricultural and other land uses in the proposed AEA; (b) a clear description of the agricultural land use and development goals for the proposed AEA; (c) a plan for achieving the goals, including any anticipated funding, incentives, cooperative agreements, land or easement purchases, land donations or public outreach; and (d) a description of current or proposed land use controls in the proposed AEA, including farmland preservation agreements. A petition may identify persons who propose to cooperate in achieving land use and development goals.

As noted earlier, landowners cannot enter into new farmland preservation agreements, and therefore are not eligible for the highest levels of farmland preservation tax credits, unless land under the agreement is located in an AEA. If DATCP were to modify or terminate a designation such that land covered by a farmland preservation agreement is no longer in an AEA,

the agreement would remain in effect for the specified term, but it could not be renewed or extended.

2013 Act 352 authorizes DATCP to have up to 2,000,000 total acres designated in AEAs; this is a sum slightly smaller than the combined areas of Marathon, Portage and Wood Counties. The previous limit of 1,000,000 acres was established in 2009 Act 28.

Beginning with the first AEA designations in 2010, DATCP has designated all areas for which is has received petitions. In four instances, petitions have been denied designation in a first application cycle but approved upon reapplication in a later cycle. Also, in some cases the Department has modified proposed areas. Examples of such instances include: (a) acres not being located in areas designated for farmland preservation under a certified farmland preservation plan; and (b) acres of public land, which would count against statutory acreage limits, but would not be eligible for farmland preservation agreements. Acreage was also reduced to comply with a 200,000-acre limit that applied prior to January 1, 2012. DATCP also has revised certain areas in the event a revised county farmland preservation plan does not include AEA acreage for long-term agricultural use. 2011 Act 253 specifies DATCP is to establish AEAs by an order published in the official state newspaper.

In total, the state currently has 33 AEAs located in 24 counties and comprising 1,117,100 acres, about 55% of the total statutory cap. All AEAs are listed in Appendix V.

Soil and Water Conservation

The farmland preservation program requires landowners to comply with soil and water conservation standards and practices to receive farm-

land preservation tax credits. Agricultural performance standards generally are established in administrative rule NR 151 (runoff management) under the Department of Natural Resources (DNR), while administrative rule ATCP 50 (soil and water resource management) specifies conservation practices landowners can implement to achieve the standards specified by DNR.

In general, these requirements include completing and following a nutrient management plan for fertilizers and manure applied to fields, adopting practices to prevent soil erosion on cropland and pasture, and preventing any discharges of animal waste to state waters. Under ATCP 50, landowners also may be considered compliant if they agree to implement a performance schedule that, if followed, would bring the farm operation into compliance within at most five years of the landowner being informed of conservation obligations. County land conservation committees are to continue to monitor compliance, including conducting an inspection at least once every four years on each farm for which the owner claims tax credits. DATCP is to review at least once every four years each land conservation committee's compliance with inspection duties. Of 65 counties who responded to a 2015 survey, 60 indicated they anticipate completing site-inspections for farms every four years.

In addition to being required to conduct on-site inspections every four years, many county land conservation committees require landowners to self-certify compliance with soil and water conservation standards. Counties, in turn, are required under Chapter 71 (income and franchise taxes) to issue a certificate of compliance for a landowner to file with a claim for the per-acre farmland preservation tax credit. These certificates have begun including a unique identifying number required to be filed with credit claims. This unique identifier ensures all claimants are in compliance with conservation standards, and also provides each county with a list of known partic-

ipants in the program. DATCP reports 33 of 72 counties use self-certification.

If a landowner does not self-certify when required, is found not to be complying with standards, or does not allow reasonable inspection by county conservation staff, the county is to issue a notice of noncompliance. A copy of any notice of noncompliance is to be sent to DOR, which disqualifies the landowner from receiving tax credits until the notice has been withdrawn by the county. From 2010 to 2015, 1,452 notices of noncompliance have been issued, and 151 notices of noncompliance have been withdrawn. In 2015, 4,300 certificates of compliance were issued, with the number issued since Act 28 estimated at 9,700, covering about 83% of known claimants from the 2015 tax year.

In 2012, 52 counties reported working with noncompliant landowners to attain compliance, such as by placing lands on compliance schedules, prior to issuing formal notices of noncompliance. Additionally, some counties reported their efforts to ensure compliance with conservation standards included targeting cost-share funding under either the DATCP soil and water resource management (SWRM) program or the DNR programs for nonpoint source water pollution abatement to farms claiming farmland preservation tax credits. Other counties directed these funds either on geographic, complaint, or first-come, first-served bases. (Additional information on these cost-sharing programs is available in the Legislative Fiscal Bureau informational paper entitled, "Nonpoint Source Water Pollution Abatement and Soil Conservation Programs.")

Purchase of Agricultural Conservation Easements (PACE)

The Purchase of Agricultural Conservation Easements (PACE) program was active from

2009 to 2011. It offered perpetual easement agreements under which DATCP and cooperating entities purchased the rights to future nonagricultural development from willing landowners. This purchase restricted the landowner in perpetuity from developing the farm parcel for nonagricultural purposes. Easements were intended to ensure the long-term availability of certain lands for agricultural use, such as lands with productive soils desirable to keep in agricultural production, or lands that could anchor the long-term preservation of surrounding agricultural parcels. In certain municipalities in Wisconsin, and in other states with similar programs, these easement programs are known as the purchase of development rights (PDR) or transfer of development rights (TDR).

DATCP administered the program with assistance of a council of advisors, appointed by the DATCP Secretary. The PACE Council advised DATCP staff in administering and evaluating applications for easements and funding.

2011 Act 32 effectively discontinued the PACE program. While it remains authorized by statute, Act 32 modified requirements and funding such that the program is inactive. The PACE Council has not met since 2011, and no subsequent application rounds have taken place.

2011 Act 32 repealed initial program funding of \$12 million in general obligation bonding authority, as well as associated GPR and working lands SEG debt service appropriations. Instead, 17 easements purchased in the 2010 application cycle were funded by bonding authorized for the Knowles-Nelson Stewardship program. DATCP paid approximately \$4.8 million for the easements and other eligible costs, including \$4,704,300 in acquisition costs and \$119,800 in transaction and appraisal costs.

Two appropriations created by 2009 Act 28 to fund agricultural conservation easements remain in the statutes: (a) a program revenue, continuing

appropriation funded by gifts, grants and payments received for the modification, termination or sale of easements; and (b) an annual working lands SEG appropriation. No expenditures are budgeted for these appropriations in the 2015-17 biennium.

**DATCP Administration
and the Working Lands Fund**

DATCP working lands programs are implemented by staff in DATCP's Division of Agricultural Resource Management. DATCP indicates six staff persons and one supervisor, constituting 5.4 FTE positions as of July 1, 2016, are partly or wholly assigned to working lands programs. Of this total, four are supported by the nonpoint account of the segregated environmental fund. An additional staff person is supported by other program revenue (PR) sources. These staff persons have overlapping responsibilities with geographic information systems (GIS) and other DATCP programs. Additionally, DATCP reports two staff persons supported by the segregated agrichemical management fund each are partially responsible for overseeing reviews of county soil and water compliance-checking programs. These staff persons allocate about 0.4 FTE total to working lands programs. DATCP estimates the annual salary and fringe benefits of all staff dedicated to working lands programs are \$403,000 as of July 1, 2016.

In addition to the appropriations noted earlier for planning grants and easement purchases, Act 28 created an annual working lands SEG appropriation for DATCP administration. This appropriation has \$8,000 of expenditure authority annually in the 2015-17 biennium, used primarily for expenses related to workshops with local governments. An annual working lands SEG appropriation was also created for DOR's administration of the farmland preservation tax credit, but this appropriation also has no expenditure

authority in the 2015-17 biennium.

Working Lands Fund Condition

Revenues to the working lands fund under current law include the following: (a) conversion fees for early termination of farmland preservation agreements; (b) proceeds from the sale, modification or termination of an agricultural conservation easement, which likely would be imposed by a court order; and (c) interest income on fund balances. To date, the fund's historical income has consisted primarily of conversion fees for lands rezoned from farmland preservation zoning districts in 2010, prior to the fee's repeal; this income totaled \$593,400, although the fee was repealed in 2011.

Two transfers to the general fund have occurred since the fund's creation. To meet lapse and transfer requirements under various budget-related acts, DATCP and DOA transferred \$206,400 to the general fund in 2010-11. Further, 2011 Act 278 transferred \$250,000 working lands SEG to the general fund on a one-time basis in 2012-13 to offset an equal appropriation of GPR beginning in that year for the DATCP livestock premises registration program.

As shown in Table 9, the fund had a June 30, 2016, balance of \$139,100. The June 30, 2017, balance is estimated to be \$134,800. It is anticipated annual revenues to the fund from farmland preservation agreement terminations or easement modifications, terminations or sales will be minimal. Interest earnings also are not expected to generate significant future income.

Table 9: Working Lands Fund Condition

	Actual 2014-15	Actual 2015-16	Estimated 2016-17
Opening Balance	\$143,300	\$143,500	\$139,100
Conversion Fees	0	3,200	3,500
Other Income	200	400	200
Expenditures	0	-8,000	-8,000
Transfers	0	0	0
Closing Balance	<u>\$143,500</u>	<u>\$139,100</u>	<u>\$134,800</u>

Working Lands Program Reports

DATCP, in cooperation with DOR, must report to the Board of Agriculture, Trade and Consumer Protection and DOA on farmland preservation no later than December 31, of each odd-numbered year. The biennial reports generally must contain information on farmland availability, trends in farmland uses, participation in the program by municipalities and land owners, including tax credits claimed, soil and water conservation practices in use by tax credit claimants, and program costs and trends. The report also is to include recommendations for program modifications. DATCP submitted a biennial report most recently in November, 2015.

DATCP reported several findings in the most recent biennial report, including:

- Counties generally increased issuances of notices of noncompliance with soil and water conservation standards since the passage of Act 28.
- Due to privacy restrictions, DOR may not provide information to counties about participants, making it difficult to ensure compliance with state conservation standards. The introduction of a unique ID required to claim the tax credit may resolve this challenge over time.
- County staff indicate the biggest barrier to future participation in the program is the lack of a nutrient management plan, due mostly to the cost of the practice.
- The percent of land rented to farmers has increased in recent years. The current design does not provide incentives for preservation to renters, potentially limiting participation in the program.
- Several counties with significant numbers of farmland preservation agreements created prior to Act 28 do not participate in AEAs, farmland preservation zoning, or both, which may limit the ability of current tax credit claimants to continue filing credit claims after existing agreements expire.

FARMLAND PRESERVATION TAX CREDITS

Introduction

Beginning with tax year 2010, 2009 Act 28 ended the farmland preservation tax credit, except for those claimants under an existing farmland preservation agreement, and the farmland tax relief credit. Under Act 28, these two credits were essentially replaced with the new, per-acre farmland preservation credit. Unlike the previous two credits, under which the amount of property taxes paid by the claimant was a factor in determining the size of that claimant's tax credits, the per-acre credit does not have a property tax component. The credit is based upon the amount of qualifying acres of a claimant. Individuals filing a fraudulent credit claim may not claim a credit for 10 successive tax years and individuals filing a reckless credit claim may not claim a credit for two consecutive tax years.

Pre-2010 Farmland Preservation Tax Credit

The original farmland preservation program, which continues to exist beyond tax year 2010 for some farmland preservation agreement holders, provides property tax relief to farmland owners and, similar to the new credit, encourages local governments to develop farmland preservation policies. The property tax relief is provided as a credit reducing income tax liability or as a cash refund if the credit exceeds income tax due. The credit formula is based on household income, the amount of property tax, and the type of land use provisions protecting the farmland. Remaining farmland preservation agreement holder credits are paid from a GPR, sum-sufficient ap-

propriation.

The pre-2010 farmland preservation tax credit continues to exist for farmland preservation agreement holders who: (a) signed an agreement prior to July 1, 2009; or (b) per 2009 Act 374, submitted an agreement application to the county clerk no earlier than January 1, 2008, and no later than June 30, 2009, but the application was not processed prior to July 1, 2009. Those who claimed the pre-2010 credit under the exclusive agricultural zoning provisions of the program are no longer eligible to receive the credit. If any person in a household has claimed or will claim a homestead tax credit or a veterans or surviving spouses property tax credit, all persons from that household are ineligible to claim a pre-2010 farmland preservation credit for the year to which the homestead or veterans or surviving spouses credit pertains.

The size of this credit depends on the interaction of household income, allowable property taxes and the contract, zoning, or planning provisions covering the land. Appendix VI to this paper shows the calculation of a pre-2010 farmland preservation tax credit for a hypothetical agreement holder.

The degree of land use restriction and the associated percentage of the potential credit received by claimants vary by municipality.

Land Use Provisions

The requirement of land use provisions ensures that tax credits are paid only for farmland that local governments believe is important to preserve for agricultural use. They also ensure a

long-term commitment to preserving individual parcels for agricultural use. The three land use provisions under the pre-2010 farmland preservation program were: (a) county farmland preservation plans; (b) individual preservation agreements; and (c) exclusive agricultural zoning. (Chapter 1 describes these instruments as administered under current law.) The level of tax credit varies depending on the land use policy in effect. Pre-2010 tax credits may continue to be claimed only under an eligible farmland preservation agreement. In addition, all participants must comply with certain soil and water conservation standards.

Preservation Agreements. A preservation agreement is a contract between a farmland owner and DATCP under which the owner agrees to maintain farmland in agricultural use. For agreements begun prior to 2009 Act 28, the farmland generally was to be in a farmland preservation area under a county preservation plan or under exclusive agricultural zoning before the owner could sign a contract.

Generally, preservation agreements signed prior to July 1, 2009, and those created under 2009 Act 374 may claim the pre-2010 farmland preservation credit. Persons with an existing farmland preservation agreement can modify their agreements with DATCP to be eligible for the per-acre credit; however, no agreement holder may claim both the pre-2010 farmland preservation credit and the new, per-acre credit. As of December, 2016, there were 1,408 farmland preservation agreements covering 299,300 acres. Of these agreements, 794 covering approximately 164,600 acres were created under provisions in place prior to 2009 Act 28.

Program Participation and Expenditures

The pre-2010 tax credit is funded through a sum-sufficient appropriation from the state's general fund. Sum-sufficient appropriations allow for the payment of all amounts necessary to accom-

plish the purposes for which the appropriation was created. The amount expended for credit payments for each fiscal year since 2004-05 is listed in Table 10. The decline in pre-2010 credits since 2009-10 reflects the creation of the new, per-acre credit, the eligibility of claimants for that program, and limiting new claims for the pre-2010 credit to those with an existing farmland preservation agreement.

Table 10: Farmland Preservation Tax Credits

Fiscal Year	Pre-2010 Credits	2010 and Beyond	Total Credits
2006-07	\$12,555,800	N/A	\$12,555,800
2007-08	11,984,100	N/A	11,984,100
2008-09	12,173,000	N/A	12,173,000
2009-10	14,568,500	N/A	14,568,500
2010-11	6,126,000	\$12,432,200	18,558,200
2011-12	3,518,000	16,074,500	19,592,500
2012-13	2,060,000	17,144,800	19,204,800
2013-14	1,669,400	17,610,900	19,280,300
2014-15	1,365,300	17,760,800	19,126,100
2015-16	1,074,000	18,411,000	19,485,000

Source: Wisconsin Annual Fiscal Report

For the 2015 tax year, primarily paid in state fiscal year 2015-16, DOR data show approximately 1,600 individual claimants under the pre-2010 credit, with approximately 282,800 acres subject to claims and credits averaging \$3.62 per acre.

Per-Acre Farmland Preservation Tax Credit

Beginning in tax year 2010, Act 28 created a new, farmland preservation credit, under which a claimant may claim an income tax credit calculated by multiplying the claimant's qualifying acres by one of the following amounts:

- a. \$10, if the qualifying acres are located in a farmland preservation zoning district and are

also subject to a farmland preservation agreement entered into after July 1, 2009;

b. \$7.50, if the qualifying acres are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement entered into after July 1, 2009; or

c. \$5, if the qualifying acres are subject to a farmland preservation agreement entered into after July 1, 2009, but are not located in a farmland preservation zoning district.

Table 10 shows annual credit amounts under the per-acre credit beginning with the 2010 tax year, which was claimed beginning in the 2010-11 fiscal year. For the 2015 tax year, DOR data report 11,700 individual claimants under the per-acre credit. (This excludes corporate and trust claimants.) Total acreage reported by claimants was approximately 2.23 million acres with credits averaging approximately \$7.61 per acre. DOR data indicate most claims are made on the basis of persons owning acreage in a farmland preservation zoning district.

2013 Act 20 changed the appropriation funding the per-acre credit from a sum-certain, annual appropriation to a sum-sufficient appropriation beginning in 2013-14. In addition, 2013 Act 352 increased the total acreage cap for agricultural enterprise areas (AEAs) from 1,000,000 acres to 2,000,000 acres. As participation in a farmland preservation agreement requires the covered land to be located in an AEA, Act 352 is expected to increase the number of farms eligible to enter agreements in future years. This may increase the number of claimants for the per-acre credit, and it is further expected the full fiscal effect of the act would be phased in as DATCP designates additional AEAs annually.

As shown in Appendix IV, DATCP reports 614 new farmland preservation agreements covering approximately 134,700 acres have been created in AEAs as of November, 2016. These

acres generally would be eligible for a minimum credit of \$5 per acre. Although persons holding a farmland preservation agreement in effect prior to 2009 Act 28 may claim the pre-2010 credit, such claimants are allowed to modify their existing farmland preservation agreements to be eligible for the per-acre credit. However, no agreement holder who files a claim in a tax year for the pre-2010 farmland preservation credit may file a claim for the per-acre farmland preservation credit. As of August, 2016, DATCP reports 82 farmland preservation agreements covering 21,000 acres had been modified to claim the new, per-acre credit.

The per-acre credit may be claimed against state income taxes required of persons filing as individuals and fiduciaries, corporations, or insurance companies. If the allowable amount of the credit claim exceeds the income taxes otherwise due on the claimant's income, if any, DOR must certify the amount not used to offset income taxes to DOA for payment to the claimant; the credit is referred to as "refundable."

The only property tax requirement for the per-acre credit is that a claimant must be responsible for paying the property taxes on the qualifying acres. Other than to determine whether a claimant has enough farm income to be eligible for a credit, there are no other income requirements that reduce or limit the amount of the new credit.

If a payment to which an eligible claimant is entitled is delayed because the claim was an excess claim, the claimant is not entitled to any interest payment with regard to: (a) the delayed claim; or (b) any other refund to which the claimant is entitled if that other refund is claimed on the same income tax return as the per-acre farmland preservation credit.

Credit Requirements

"Qualifying acres" is defined as the number of acres of a farm that correlate to a claimant's per-

centage of ownership interest in a farm to which one of the following applies:

a. the farm is wholly or partially covered by a farmland preservation agreement, except that if the farm is only partially covered, the qualifying acres calculation includes only those acres that are covered by the agreement;

b. the farm is located in a farmland preservation zoning district at the end of the taxable year to which the claim relates; or

c. if the claimant transferred the claimant's ownership interest in the farm during the taxable year to which the claim relates, the farm was wholly or partially covered by a farmland preservation agreement, or the farm was located in a farmland preservation zoning district, on the date on which the claimant transferred the ownership interest. A land contract is considered a transfer of ownership interest for this purpose.

For purposes of the per-acre credit, a "farm" is defined as all the land under common ownership that is primarily devoted to agricultural use and that has produced at least \$6,000 in gross farm revenues during the taxable year to which the claim relates or, in that taxable year and the two immediately preceding taxable years, at least \$18,000 in gross farm revenues. "Gross farm revenues" means gross receipts from agricultural use of a farm, excluding rent receipts, less the cost or other basis of livestock or other agricultural items purchased for resale which are sold or otherwise disposed of during the taxable year. "Agriculture" is defined as any of the uses identified as agricultural in Table 4 of Chapter 1.

A "claimant" is an owner of farmland, domiciled in this state during the entire taxable year to which the claim relates, who files a claim for a credit. For the per-acre credit, this definition applies except as follows:

a. When two or more individuals of a

household (defined as an individual and his or her spouse and all minor dependents) are able to qualify individually as claimants, they are allowed to determine between them who the claimant will be. If they are unable to agree, the matter is to be referred to the DOR Secretary, whose decision is final;

b. If any person in a household has claimed or will claim a homestead tax credit or a veterans or surviving spouses property tax credit, all persons from that household are ineligible to claim a per-acre farmland preservation credit for the year to which the homestead or veterans or surviving spouses credit pertains;

c. For partnerships and limited-liability companies, except those treated as corporations under state corporate tax law, a "claimant" means each individual partner or member;

d. For purposes of filing a credit claim, the personal representative of an estate and the trustee of a trust are considered the owner of farmland. However, a claimant does not include the estate of a person who is a nonresident of this state on the person's date of death, a trust created by a nonresident person, a trust that receives Wisconsin real property from a nonresident person, or a trust in which a nonresident settlor retains a beneficial interest;

e. When land is subject to a land contract, the claimant is the vendee under the contract;

f. When a guardian has been appointed for a ward who owns the farmland, the claimant is the guardian on behalf of the ward; and

g. For a tax-option corporation, a "claimant" is each individual shareholder.

If a farm is jointly owned by two or more persons who file separate income or franchise tax returns, each person may claim a credit based on their ownership interest in the farm. Also, if a

person acquires or transfers ownership of a farm during a taxable year, the person may file a claim based on their liability for the property taxes levied on their qualifying acres for that taxable year. No credit may be claimed with respect to income or franchise taxes unless the claim is made within four years of the unextended due date for those taxes.

Claim Requirements

No per-acre farmland preservation tax credit is allowed unless all of the following apply:

a. the claimant certifies to DOR that the claimant has paid, or is legally responsible for paying, the property taxes levied against the claim's qualifying acres;

b. the claimant certifies to DOR that, at the end of the taxable year to which the claim relates or on the date on which the person transferred the person's ownership interest in the farm if the transfer occurs during that taxable year, there was no outstanding notice of noncompliance issued against the farm regarding state soil and water conservation standards; and

c. the claimant submits to DOR a certification of compliance with the soil and water conservation standards issued by the county land conservation committee unless, in the last preceding year, the claimant received a tax credit for the same farm under either the pre-2010 farmland preservation tax credit program or the per-acre credit program.

A claimant must claim the per-acre credit on a form prepared by DOR and submit any documentation required by the Department. In addition, a claimant must certify all of the following on the form: (a) the number of qualifying acres for

which the credit is claimed; (b) the location and tax parcel number for each parcel on which the qualifying acres are located; (c) that the qualifying acres are covered by a farmland preservation agreement or located in a farmland preservation zoning district, or both; and (d) that the qualifying acres are part of a farm that complies with applicable state soil and water conservation standards.

DOR has the authority to enforce the per-acre farmland preservation credit and to take any action, conduct any proceeding, and proceed as it is authorized with respect to income and franchise taxes. Also, the income and franchise tax provisions relating to assessments, refunds, appeals, collection, interest, and penalties allowed under the pre-2010 farmland preservation credit also apply to the per-acre farmland preservation credit.

2009 Act 28 deleted the requirement for existing credit claimants that a lien must be placed on any land: (a) rezoned out of a farmland preservation zoning district; (b) under a farmland preservation agreement that is relinquished prior to its specified expiration date; or (c) granted a conditional use permit for a land use that is not an agricultural use. Under the pre-2010 credit, the lien remained in place until the owner of the land made a payment to the state equal to the farmland preservation tax credits received by the owner of the land during the preceding 10 years plus interest. Under the per-acre credit, the use of liens was replaced with conversion fees, as described in Chapter 1. However, 2011 Act 32 repealed the use of conversion fees as applied to farmland preservation zoning changes. Conversion fees remain in effect for farmland preservation agreements entered into after July 1, 2009, and terminated prior to their specified expiration date.

APPENDIX I

County Population Figures and Farmland Preservation Plan Status

County	Plan Certified/ Recertified	Land Area (sq. miles)	Population Census 2000	Population Estimate 1/1/2007	Density Change 2000-2007	Plan Expiration	Planning Grants Awarded
Adams	2004	647.74	19,920	21,645	2.66	2016*++	\$20,000
Ashland	2016	1,043.82	16,866	16,879	0.01	2026	30,000
Barron	2015	862.84	44,963	47,551	3.00	2025	7,863
Bayfield	1982	1,476.25	15,013	15,990	0.66	2017++	24,230
Brown	2012	528.68	226,658	244,764	34.25	2017	40,000 [#]
Buffalo	1980	684.47	13,804	14,183	0.55	2017++	0
Burnett	2016**	821.52	15,674	16,749	1.31	2026	18,655
Calumet	2010/2011	319.84	40,631	46,031	16.88	2019	22,284
Chippewa	2015	1,010.43	55,195	61,604	6.34	2025	4,287
Clark	1986	1,215.64	33,557	34,479	0.76	2017++	10,000
Columbia	2013	773.79	52,468	55,636	4.09	2023	30,000
Crawford	1981	572.69	17,243	17,553	0.54	2017++	30,000
Dane	2012	1,201.89	426,526	468,514	34.93	2022	30,000
Dodge	2011	882.28	85,897	89,225	3.77	2021	17,000
Door	2014	482.72	27,961	30,043	4.31	2024	10,100
Douglas	1982	1,309.13	43,287	44,096	0.62	2017++	22,560
Dunn	2016	852.03	39,858	43,118	3.83	2026	12,456
Eau Claire	2015	637.64	93,142	98,000	7.62	2025	30,000
Florence	2016	488.03	5,088	5,295	0.42	2026	23,013
Fond du Lac	2012	722.91	97,296	101,174	5.36	2022	30,000
Forest	2015	1,014.05	10,024	10,329	0.30	2025	9,084
Grant	2011	1,147.85	49,597	51,037	1.25	2021	0
Green	2012	583.99	33,647	36,262	4.48	2022	30,000
Green Lake	2016	354.28	19,105	19,446	0.96	2025	24,045
Iowa	2016	762.67	22,780	24,130	1.77	2025	30,000
Iron	1983	757.23	6,861	7,002	0.19	2017++	24,400
Jackson	2016	987.32	19,100	20,080	0.99	2026	9,503
Jefferson	2011	557.01	75,767	80,411	8.34	2021	30,000
Juneau	2013	767.61	24,316	27,177	3.73	2023	16,184
Kenosha	2013	272.83	149,577	161,370	43.23	2023	30,000
Kewaunee	2016**	342.64	20,187	21,198	2.95	2026	15,000
La Crosse	2012	452.74	107,120	111,791	10.32	2022	30,000
Lafayette	1980	633.57	16,137	16,317	0.28	2017++	22,500
Langlade	2014	872.67	20,740	21,517	0.89	2024	20,186
Lincoln	1983	883.30	29,641	30,562	1.04	2016++	11,161
Manitowoc	2015	591.53	82,893	84,603	2.89	2024	30,000
Marathon	2013	1,544.96	125,834	134,028	5.30	2023	30,000
Marinette***	1981	1,401.76	43,384	44,646	0.90	2014	0
Marquette	2016	455.49	14,555	15,319	1.68	2025	30,000
Menominee***	---	357.96	4,562	4,606	0.12	2015	0

APPENDIX I (continued)

County	Plan Certified/ Recertified	Land Area (sq. miles)	Population Census 2000	Population Estimate 1/1/2007	Density Change 2000-2007	Plan Expiration	Planning Grants Awarded
Milwaukee***	---	241.56	940,164	937,324	-11.76	2016+	\$0
Monroe	2014	900.77	40,896	43,838	3.27	2024	3,719
Oconto	2014	997.97	35,652	38,958	3.31	2024	30,000
Oneida	2015	1,124.50	36,776	38,600	1.62	2025	8,571
Outagamie	2012	640.34	161,091	173,773	19.81	2022	20,467
Ozaukee	2013	231.95	82,317	86,697	18.88	2023	30,000
Pepin	2016**	232.28	7,213	7,714	2.16	2026	15,888
Pierce	2013	576.49	36,804	40,235	5.95	2023	30,000
Polk	2014	917.27	41,319	45,611	4.68	2024	30,000
Portage	2016	806.31	67,182	69,959	3.44	2026	13,116
Price	1983	1,252.56	15,822	16,069	0.20	2017++	0
Racine	2013	333.10	188,831	195,113	18.86	2023	30,000
Richland	2016**	586.20	17,924	18,208	0.48	2026	30,000
Rock	2014	720.47	152,307	159,530	10.03	2024	30,000
Rusk	1983	913.13	15,347	15,627	0.31	2017++	30,000
St. Croix	2012	721.82	63,155	79,020	21.98	2022	30,000
Sauk	2013	837.63	55,225	60,673	6.50	2023	30,000
Sawyer	1982	1,256.42	16,196	17,542	1.07	2016++	12,553
Shawano	2013	892.51	40,664	42,413	1.96	2023	30,000
Sheboygan	2013	513.63	112,656	117,045	8.55	2023	25,862
Taylor	1981	974.86	19,680	20,049	0.38	2017++	0
Trempealeau	2016	734.08	27,010	28,119	1.51	2026	30,000
Vernon	2015	794.87	28,056	29,530	1.85	2025	19,610
Vilas	2015	873.72	21,033	22,545	1.73	2025	5,122
Walworth	2012	555.31	92,013	100,672	15.59	2022	30,000
Washburn***	1982	809.68	16,036	17,403	1.69	2016++	15,500
Washington	2013	430.82	117,496	129,316	27.44	2023	30,000
Waukesha	2011	555.58	360,767	381,651	37.59	2021	0
Waupaca	2014	751.09	51,825	53,773	2.59	2024	30,000
Waushara	2015	626.03	23,066	25,215	3.43	2024	10,500
Winnebago	2012	438.58	156,763	164,703	18.10	2017	60,000 [#]
Wood	2015	792.78	75,555	76,839	1.62	2025	9,567

* County plan has a specified expiration date established prior to 2009 Act 28. It is not affected by the population density-based expiration dates.

+ County has received an extension of one year (+) or two years (++), as of December, 2016. Date shown includes the number of years by which the plan has been extended.

[#] Brown and Winnebago Counties received two rounds of planning grant awards; the maximum annual reward is \$30,000.

** Burnett, Kewaunee, Pepin and Richland county plans are pending local adoption.

*** Marinette and Washburn Counties have chosen not to update their farmland preservation plans. Marinette County's certification expired in 2014, and Washburn County's certification expired in 2016. Menominee and Milwaukee Counties have chosen not to develop farmland preservation plans.

APPENDIX II

County Population Figures and Farmland Preservation Plan Status (by Plan Certification Expiration Date)

County	Plan Certified/ Recertified	Land Area (sq. miles)	Population Census 2000	Population Estimate 1/1/2007	Density Change 2000-2007	Plan Expiration	Planning Grants Awarded
Marinette***	1981	1,401.76	43,384	44,646	0.9	2014***	\$0
Menominee***	---	357.96	4,562	4,606	0.12	2015	0
Adams	2004	647.74	19,920	21,645	2.66	2016*++	20,000
Lincoln	1983	883.3	29,641	30,562	1.04	2016++	11,161
Milwaukee***	---	241.56	940,164	937,324	-11.76	2016***	0
Sawyer	1982	1,256.42	16,196	17,542	1.07	2016++	12,553
Washburn***	1982	809.68	16,036	17,403	1.69	2016***	15,500
Bayfield	1982	1,476.25	15,013	15,990	0.66	2017++	24,230
Brown	2012	528.68	226,658	244,764	34.25	2017	40,000 [#]
Buffalo	1980	684.47	13,804	14,183	0.55	2017++	0
Clark	1986	1,215.64	33,557	34,479	0.76	2017++	10,000
Crawford	1981	572.69	17,243	17,553	0.54	2017++	30,000
Douglas	1982	1,309.13	43,287	44,096	0.62	2017++	22,560
Iron	1983	757.23	6,861	7,002	0.19	2017++	24,400
Lafayette	1980	633.57	16,137	16,317	0.28	2017++	22,500
Price	1983	1,252.56	15,822	16,069	0.2	2017++	0
Rusk	1983	913.13	15,347	15,627	0.31	2017++	30,000
Taylor	1981	974.86	19,680	20,049	0.38	2017++	0
Winnebago	2012	438.58	156,763	164,703	18.1	2017	60,000 [#]
Calumet	2010/2011	319.84	40,631	46,031	16.88	2019	22,284
Dodge	2011	882.28	85,897	89,225	3.77	2021	17,000
Grant	2011	1,147.85	49,597	51,037	1.25	2021	0
Jefferson	2011	557.01	75,767	80,411	8.34	2021	30,000
Waukesha	2011	555.58	360,767	381,651	37.59	2021	0
Dane	2012	1,201.89	426,526	468,514	34.93	2022	30,000
Fond du Lac	2012	722.91	97,296	101,174	5.36	2022	30,000
Green	2012	583.99	33,647	36,262	4.48	2022	30,000
La Crosse	2012	452.74	107,120	111,791	10.32	2022	30,000
Outagamie	2012	640.34	161,091	173,773	19.81	2022	20,467
St. Croix	2012	721.82	63,155	79,020	21.98	2022	30,000
Walworth	2012	555.31	92,013	100,672	15.59	2022	30,000
Columbia	2013	773.79	52,468	55,636	4.09	2023	30,000
Juneau	2013	767.61	24,316	27,177	3.73	2023	16,184
Kenosha	2013	272.83	149,577	161,370	43.23	2023	30,000
Marathon	2013	1,544.96	125,834	134,028	5.3	2023	30,000
Ozaukee	2013	231.95	82,317	86,697	18.88	2023	30,000
Pierce	2013	576.49	36,804	40,235	5.95	2023	30,000
Racine	2013	333.1	188,831	195,113	18.86	2023	30,000
Sauk	2013	837.63	55,225	60,673	6.5	2023	30,000
Shawano	2013	892.51	40,664	42,413	1.96	2023	30,000

APPENDIX II (continued)

County	Plan Certified/ Recertified	Land Area (sq. miles)	Population Census 2000	Population Estimate 1/1/2007	Density Change 2000-2007	Plan Expiration	Planning Grants Awarded
Sheboygan	2013	513.63	112,656	117,045	8.55	2023	\$25,862
Washington	2013	430.82	117,496	129,316	27.44	2023	30,000
Door	2014	482.72	27,961	30,043	4.31	2024	10,100
Langlade	2014	872.67	20,740	21,517	0.89	2024	20,186
Manitowoc	2015	591.53	82,893	84,603	2.89	2024	30,000
Monroe	2014	900.77	40,896	43,838	3.27	2024	3,719
Oconto	2014	997.97	35,652	38,958	3.31	2024	30,000
Polk	2014	917.27	41,319	45,611	4.68	2024	30,000
Rock	2014	720.47	152,307	159,530	10.03	2024	30,000
Waupaca	2014	751.09	51,825	53,773	2.59	2024	30,000
Waushara	2015	626.03	23,066	25,215	3.43	2024	10,500
Barron	2015	862.84	44,963	47,551	3	2025	7,863
Chippewa	2015	1,010.43	55,195	61,604	6.34	2025	4,287
Eau Claire	2015	637.64	93,142	98,000	7.62	2025	30,000
Forest	2015	1,014.05	10,024	10,329	0.3	2025	9,084
Green Lake	2016	354.28	19,105	19,446	0.96	2025	24,045
Iowa	2016	762.67	22,780	24,130	1.77	2025	30,000
Marquette	2016	455.49	14,555	15,319	1.68	2025	30,000
Oneida	2015	1,124.50	36,776	38,600	1.62	2025	8,571
Vernon	2015	794.87	28,056	29,530	1.85	2025	19,610
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Jackson	2016	987.32	19,100	20,080	0.99	2026	9,503
Kewaunee	2016**	342.64	20,187	21,198	2.95	2026	15,000
Pepin	2016**	232.28	7,213	7,714	2.16	2026	15,888
Portage	2016	806.31	67,182	69,959	3.44	2026	13,116
Richland	2016**	586.2	17,924	18,208	0.48	2026	30,000
Trempealeau	2016	734.08	27,010	28,119	1.51	2026	30,000

* County plan has a specified expiration date established prior to 2009 Act 28. It is not affected by the population density-based expiration dates.

+ County has received an extension of one year (+) or two years (++), as of December, 2016. Date shown includes the number of years by which the plan has been extended.

Brown and Winnebago Counties received two rounds of planning grant awards; the maximum annual reward is \$30,000.

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APPENDIX III

Farmland Preservation Zoning Ordinances and Expiration Dates by County and Municipality

(See notes section for reading guide)

BARRON (2026)

Cities of Barron (2016) and Rice Lake (2016). (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 (2018)

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

BURNETT (2017++)

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

CALUMET (2019)

Towns of **Brillion, Charlestown, Chilton (2020), Rantoul and Woodville.**

CLARK (2016)

Towns of Colby (2018), Mayville (2018).

COLUMBIA (2024)

Towns of **Arlington, Caledonia, Columbus, Courtland (2023), Dekorra, Fort Winnebago, Fountain Prairie, Hampden, Leeds, Lewiston, Lodi, Lowville, Marcellon, Newport, Otsego, Pacific, Springvale, West Point and Wycocena.**

CRAWFORD (2018++)

Village of Soldiers Grove.
Towns of Haney and Utica.

DANE (2024)

City of Fitchburg.
Villages of Dane and Windsor (2025)
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 and York.**

DODGE (2022)

Towns of Burnett (2021), **Calamus, Elba, Fox Lake, Herman, Hurtisford, Lebanon, LeRoy, Lomira, Oak Grove,** Portland (2021), **Shields, Theresa, Trenton** and Williamstown (2024).

DOOR (2025)

Town of **Clay Banks.**

DUNN (2026)

Towns of **Grant, Lucas and Wilson.**

EAU CLAIRE (2025)

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

FOND DU LAC (2024)

Towns of Alto (2023), Ashford (2025), Auburn (2023), Byron (2023), Calumet (2023), Eden, Eldorado (2023), Empire (2023), Fond Du Lac, Forest, Friendship, Lamartine (2023), Marshfield, Metomen, Oakfield (2023), Osceola, Ripon, Rosendale, Springvale (2025), Taycheedah (2023) and Waupun.

GRANT (2021)

Towns of **Clifton, Ellenboro, Fennimore, Harrison, Hickory Grove, Jamestown, Liberty, Lima, Millville, Mount Hope, Mount Ida, Paris, Platteville, Potosi, South Lancaster, Watterstown and Wingville.**

GREEN LAKE (2016++)

City of Berlin (2016). (Extraterritorial)
Towns of **Berlin, Brooklyn, Green Lake, Mackford, Manchester and Marquette.**

IOWA (2016++)

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 (2022)

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

KEWAUNEE (2016)

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

LA CROSSE (2025)

Towns of **Bangor, Barre, Burns (2023), Farmington, Greenfield, Hamilton, Holland, Onalaska, Shelby and Washington.**

LAFAYETTE (2016)

Towns of **Argyle, Belmont, Elk Grove, Fayette, Gratiot, Kendall, Lamont, Monticello, Shullsburg, Wayne and Wiota.**

LANGLADE (2025)

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

MANTOWOC (2025)

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

MARATHON (2025)

Towns of **Brighton, Day, Eau Pleine, Hull, Marathon and McMillan, Mosinee (2015) and Stettin.**

MARQUETTE (2016+)

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

MILWAUKEE (2016)

City of Franklin.

OUTAGAMIE (2023)

Towns of **Black Creek (2024), Cicero, Deer Creek, Hortonia (2024), Kaukauna, Maple Creek and Seymour.**

OZAUKEE (2024)

Town of Belgium.

PIERCE (2026)

Town of River Falls.

POLK (2015)

Town of **McKinley.**

PORTAGE (2016)

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

RACINE (2025)

Towns of **Burlington and Waterford.**

RICHLAND (2018)

City of Richland Center. (Extraterritorial)
Towns of **Akan, Buena Vista, Dayton, Eagle, Forest, Henrietta, Ithaca, Marshall, Orion, Richland, Rockbridge, Westford, and Wil- low.**

ROCK (2025)

Towns of **Avon, Beloit, Bradford, Center, Clinton (2017), Fulton, Harmony (2017), Janesville (2024), Johnstown, La Prairie (2018), Lima, Magnolia (2018), Milton, Plymouth (2024), Porter, Rock (2024), Spring Valley, Turtle and Union (2024).**

APPENDIX III (continued)

ST. CROIX (2024)

Towns of **Baldwin, Cylon, Erin Prairie, Pleasant Valley, Rush River, Somerset** and **Stanton**.

SAUK (2024)

Towns of Excelsior, **Franklin, Honey Creek, Ironton, Prairie Du Sac, Reedsburg, Sumpter, Troy** and **Westfield**.

SHAWANO (2024)

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

SHEBOYGAN (2015+)

Towns of **Greenbush (2018), Herman (2025), Holland (2026), Lima (2026), Lyndon (2017), Mosel (2026), Plymouth (2025), Russell (2017), Scott (2026), Sheboygan Falls (2018), and Sherman (2025)**.

VERNON (2016)

Towns of Christiana, **Coon, Harmony** and Stark (2025).

WALWORTH (2025)

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

WAUKESHA (2022)

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

WAUPACA(2025)

Towns of Bear Creek, Lebanon, Lind, Little Wolf, Matteson, Saint Lawrence, Scandinavia and Union.

WAUSHARA (2016)

City of Berlin. (Extraterritorial)

WINNEBAGO (2018)

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

Total Agricultural Zoning Occurrences

Towns, County Zoning	279
Towns, Self-Administered Zoning	118
Village-Administered Zoning	7
City-Administered Zoning	<u>8</u>
Total	412

Notes:

- Expiration dates for each municipality are those listed for the county, unless otherwise noted.
- **Bold** type indicates zoning administered by the county.
- Normal type indicates zoning administered by another entity, such as a village, city, or town. These are areas in which: (a) counties have not created farmland preservation zoning ordinances; or (b) the entities have rejected county farmland preservation zoning ordinances in favor of their own zoning.
- Underlined municipalities indicate towns added since 2009 Act 28.
- Year shown includes the number of years by which a plan has been extended, following DATCP approval, extending the listed year by one year for each (+) sign.
- Any county, town, village, or city not listed has not adopted a farmland preservation zoning ordinance, or has had their ordinance certification expire.

APPENDIX IV

Farmland Preservation Agreements

Total Active Agreements – December 1, 2016

County	Agreements	Total Acres	County	Agreements	Total Acres
Adams	2	305.30	Lincoln	1	351.95
Ashland	5	2,152.09	Marathon	103	18,059.25
Barron	18	2,827.32	Marinette	5	893.63
Bayfield	8	1,578.42	Marquette	1	258.00
Buffalo	44	15,382.83	Monroe	34	10,008.78
Burnett	2	251.69	Oconto	3	370.54
Calumet	11	2,687.92	Oneida	1	620.40
Chippewa	19	3,520.75	Outagamie	2	388.93
Clark	259	53,759.98	Pepin	19	3,912.53
Columbia	24	4,637.57	Pierce	21	4,445.20
Crawford	19	4,517.61	Polk	20	4,746.16
Dane	13	1,585.83	Portage	4	805.58
Dodge	81	13,466.65	Price	3	804.92
Door	9	1,063.69	Richland	27	6,564.32
Douglas	6	1,426.01	Rock	10	1,834.71
Dunn	10	2,505.79	Rusk	6	1,052.22
Eau Claire	15	4,308.22	St. Croix	10	2,222.79
Florence	2	515.83	Sauk	62	14,515.01
Grant	40	10,793.76	Shawano	35	6,592.77
Green	57	10,129.25	Taylor	19	3,501.56
Green Lake	3	404.85	Trempealeau	92	19,713.26
Jackson	5	1,333.40	Vernon	41	6,040.04
Jefferson	4	458.36	Washburn	1	427.26
Juneau	9	2,141.05	Washington	2	78.35
Kewaunee	1	80.00	Waukesha	5	513.58
La Crosse	4	916.76	Waupaca	20	2,838.48
Lafayette	61	12,277.41	Waushara	8	2,011.04
Langlade	113	29,167.86	Wood	<u>9</u>	<u>1,575.39</u>
			Total	1,408	299,342.85

Note: The Appendix does not show the 16 counties that contain no farmland preservation agreements. Counties containing no farmland preservation agreements are Brown, Fond du Lac, Forest, Iowa, Iron, Kenosha, Manitowoc, Menominee, Milwaukee, Ozaukee, Racine, Sawyer, Sheboygan, Vilas, Walworth, and Winnebago.

APPENDIX IV (continued)

Farmland Preservation Agreements

Agreements Entered Under 2009 Act 374			Agreements Modified to Claim Post-2010 Farmland Preservation Tax Credit*		
County	Agreements	Total Acres	County	Agreements	Total Acres
Barron	1	140	Ashland	2	766
Bayfield	2	571	Barron	1	165
Buffalo	5	1,520	Chippewa	4	718
Burnett	1	92	Clark	9	1,571
Chippewa	3	620	Columbia	1	130
Clark	1	74	Crawford	6	1,951
Crawford	1	250	Dodge	5	651
Dodge	1	122	Dunn	1	140
Grant	2	1,228	Grant	2	589
Green	3	394	Green	6	1,226
Jackson	1	163	Jackson	3	982
Juneau	1	368	Lafayette	4	446
Langlade	2	509	Langlade	3	631
Marathon	2	378	Lincoln	1	352
Monroe	1	230	Marathon	2	566
Oconto	1	263	Monroe	2	2,607
Pierce	5	1,318	Pepin	1	313
Polk	2	415	Pierce	1	190
Richland	5	916	Richland	3	829
Rusk	5	914	St. Croix	2	680
Shawano	1	481	Sauk	13	3,769
Taylor	3	344	Taylor	3	325
Trempealeau	12	3,564	Trempealeau	3	436
Vernon	6	537	Vernon	3	688
Waushara	<u>2</u>	<u>741</u>	Waupaca	<u>1</u>	<u>240</u>
Totals	69	16,152	Total	82	20,961

*As of December, 2016.

APPENDIX IV (continued)

Farmland Preservation Agreements

Post-2009 Act 28 Agreements in Agricultural Enterprise Areas (AEAs)*

County	Agreements	Total Acres	AEA
Ashland	3	1,386	Fields, Waters and Woods
Calumet	7	2,299	Hilbert Ag Land on Track
Chippewa	3	487	Bloomer Area
Chippewa	6	1,062	Cadott Area
Clark	21	6,301	Friends in Agriculture
Clark	225	45,458	Heart of America's Dairyland
Columbia	6	1,635	West Point
Dane	1	90	Vienna-Dane-Westport
Dane	9	940	Windsor AEA
Dodge	1	24	Ashippun-Oconomowoc
Dodge	14	2,664	Burnett
Dodge	14	3,187	Elba-Portland
Dodge	3	299	Shields-Emmet
Dodge	9	1,550	Trenton
Dunn	1	893	Town of Grant
Eau Claire	15	4,308	Golden Triangle
Jefferson	4	458	Scuppernong
La Crosse	4	917	Halfway Creek Prairie
Lafayette	19	3,527	Pecatonica
Lafayette	21	4,865	Southwest Lead Mine Region
Langlade	106	28,214	Antigo Flats
Marathon	8	1,270	Antigo Flats
Marathon	60	10,343	Heart of America's Dairyland
Monroe	4	1,609	Scenic Ridge and Valley
Monroe	11	1,825	The Headwaters of Southeast Monroe County
Outagamie	2	389	Greenville Greenbelt
Polk	3	978	Squaw Lake
Rock	9	1,754	La Prairie
Saint Croix	2	722	Rush River Legacy
Sauk	3	2,234	Fairfield
Shawano	16	2,607	Maple Grove
Waukesha	<u>4</u>	<u>398</u>	Ashippun-Oconomowoc
Total	614	134,693	

* As of December, 2016.

APPENDIX V

Agricultural Enterprise Areas (AEAs)

Agricultural enterprise areas approved since 2009 Act 28 are listed below. The areas listed below do not in all cases include the entire jurisdiction of each petitioning town. Owners of acres in the enterprise area are eligible to enter into farmland preservation (FP) agreements and claim at least the minimum tax credit of \$5 per acre. In addition, for towns identified as having farmland preservation zoning, owners of lands that are located both in the enterprise areas and in farmland preservation zoning districts may be eligible for the maximum tax credit of \$10 per acre. Acreage listed as under farmland preservation zoning should be considered estimated.

<u>AEA Name</u>	<u>County</u>	<u>Total Acreage</u>	<u>F.P. Zoning Acreage</u>	<u>Petitioning Municipalities</u>	<u>Under F.P. Zoning</u>	<u>Effective Date</u>
Antigo Flats	Langlade, Marathon	74,104	61,397	Town of Ackley (Langlade)	Yes	2011
				Town of Antigo (Langlade)	Yes	2011
				Town of Neva (Langlade)	Yes	2011
				Town of Peck (Langlade)	Yes	2011
				Town of Polar (Langlade)	Yes	2011
				Town of Price (Langlade)	Yes	2011
				Town of Rolling (Langlade)	Yes	2011
				Town of Vilas (Langlade)	Yes	2013
				Town of Harrison (Marathon)	No	2013
Ashippun-Oconomowoc	Dodge, Waukesha	28,833	9,499	Town of Ashippun (Dodge)	No	2011
				Town of Oconomowoc (Waukesha)	Yes	2011
Bayfield	Bayfield	2,821	0	Town of Bayfield	No	2011
Bloomer Area	Chippewa	4,380	0	Town of Bloomer	No	2011
Burnett	Dodge	14,736	14,736	Town of Burnett	Yes	2012
Cadott Area Cooperative	Chippewa	34,141	0	Town of Goetz	No	2011*
				Town of Arthur	No	2016
Elba-Portland	Dodge	38,571	38,571	Town of Elba	Yes	2013
				Town of Portland	Yes	2013
Evergreen-Wolf River AEA	Langlade	19,842	6,004	Town of Evergreen	No	2017
				Town of Wolf River	Yes	2017
Fairfield	Sauk	9,501	0	Town of Fairfield	No	2012
Friends in Agriculture	Clark	16,705	0	Town of Fremont	No	2015
				Town of Lynn	No	2015
Fields, Waters and Woods	Ashland Bayfield, Bad River Band	41,212	0	Town of Ashland (Ashland)	No	2014
				Town of Marengo (Ashland)	No	2014
				Town of White River (Ashland)	No	2014
				Town of Kelly (Bayfield)	No	2014
				Bad River Band of Lake Superior Chippewa Indian Reservation	No	2014

APPENDIX V (continued)

<u>AEA Name</u>	<u>County</u>	<u>Total Acreage</u>	<u>F.P. Zoning Acreage</u>	<u>Petitioning Municipalities</u>	<u>Under F.P. Zoning</u>	<u>Year Awarded</u>
Greenville Greenbelt	Outagamie	6,178	0	Town of Greenville	No	2015*
Golden Triangle AEA	Eau Claire	21,394	18,792	Town of Washington	Yes	2016
				Town of Lincoln	Yes	2016
				Town of Otter Creek	Yes	2016
				Town of Bridge Creek	No	2016
Halfway Creek Prairie	La Crosse	1,647	1,647	Town of Holland	Yes	2013
				Town of Onalaska	Yes	2013
The Headwaters of Southwest Monroe County	Monroe	86,306	0	Town of Clifton	No	2015
				Town of Glendale	No	2015
				Town of Wellington	No	2015
				Town of Wilton	No	2015
Heart of America's Dairyland	Clark, Marathon	225,511	118,229	Town of Beaver (Clark)	No	2012
				Town of Colby (Clark)	Yes	2012
				Town of Loyal (Clark)	No	2012
				Town of Mayville (Clark)	Yes	2012
				Town of Unity (Clark)	No	2012
				Town of Brighton (Marathon)	Yes	2013
				Town of Hull (Marathon)	Yes	2013
				Town of Frankfort (Marathon)	No	2014
				Town of Holton (Marathon)	No	2014
				Town of Johnson (Marathon)	No	2014
				Town of Weston (Clark)	No	2015
				Town of York (Clark)	No	2015
				Town of Eau Pleine (Marathon)	Yes	2015
Town of McMillan (Marathon)	Yes	2015				
Town of Bern (Marathon)	No	2015				
Hilbert Ag Land on Track	Calumet	28,217	28,217	Town of Brillion	Yes	2012
				Town of Chilton	Yes	2012
				Town of Rantoul	Yes	2012
				Town of Woodville	Yes	2012
La Prairie	Rock	20,698	20,698	Town of La Prairie	Yes	2011
				Town of Turtle	Yes	2011
Maple Grove	Shawano	21,669	21,669	Town of Maple Grove	Yes	2011
North-West Pierce County AEA	Pierce	51,069	12,525	Town of Clifton	No	2017
				Town of River Falls	Yes	2017
				Town of Martell	No	2017
Pecatonica	Lafayette	45,776	34,698	Town of Argyle	Yes	2013
				Town of Blanchard	No	2013
				Town of Lamont	Yes	2013
Rush River Legacy	St. Croix	8,370	8,370	Town of Rush River	Yes	2011

APPENDIX V (continued)

<u>AEA Name</u>	<u>County</u>	<u>Total Acreage</u>	<u>F.P. Zoning Acreage</u>	<u>Petitioning Municipalities</u>	<u>Under F.P. Zoning</u>	<u>Year Awarded</u>
Scenic Ridge and Valley AEA Region	Monroe	62,494	0	Town of Jefferson	No	2016
				Town of Portland	No	2016
				Town of Wells	No	2016
Scuppernong	Jefferson	14,015	14,015	Town of Cold Spring	Yes	2011
				Town of Hebron	Yes	2011
				Town of Palmyra	Yes	2011
				Town of Sullivan	Yes	2011
Shields-Emmet	Dodge	16,041	12,656	Town of Emmet	No	2013
				Town of Shields	Yes	2013
Southwest Lead Mine Region	Lafayette	103,143	103,143	Town of Gratiot	Yes	2014
				Town of Monticello	Yes	2014
				Town of Shullsburg	Yes	2014
				Town of Wiota	Yes	2014
Squaw Lake	Polk, St. Croix	9,942	1,624	Town of Alden (Polk)	No	2011
				Town of Farmington (Polk)	No	2011
				Town of Somerset (St. Croix)	Yes	2011
				Town of Star Prairie (St. Croix)	No	2011
Town of Dunn	Dane	10,038	10,038	Town of Dunn	Yes	2011
Town of Grant	Chippewa, Dunn	25,920	22,291	Town of Auburn (Chippewa)	No	2014
				Town of Cooks Valley (Chippewa)	No	2014
				Town of Colfax (Dunn)	No	2014
				Town of Grant (Dunn)	Yes	2014
				Town of Otter Creek (Dunn)	No	2014
				Town of Sand Creek (Dunn)	No	2014
Trenton	Dodge	26,492	26,492	Town of Trenton	Yes	2012
Vienna-Dane-Westport	Dane	20,663	20,663	Town of Dane	Yes	2013
				Town of Vienna	Yes	2013
				Town of Westport	Yes	2013
West Point	Columbia	15,888	15,757	Town of West Point	Yes	2015
Windsor	Dane	<u>10,775</u>	<u>10,775</u>	Town of Windsor	Yes	2011
Total		1,117,092	632,506			

* Total acres were expanded in 2016.

APPENDIX VI

Example Calculation of a Pre-2010 Farmland Preservation Tax Credit for an Agreement Holder

Example Claimant

Farm is subject to a farmland preservation agreement
Household Income = \$23,000
Property Taxes = \$4,700

Formula	Example Claimant																																																																																																				
<u>Step 1: Calculate "Income Factor"</u>																																																																																																					
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><u>Income</u></td> <td></td> <td></td> <td></td> <td style="text-align: center;"><u>Factor</u></td> <td></td> <td></td> <td></td> </tr> </thead> <tbody> <tr> <td>0% of 1st \$5,000 of household income</td> <td style="text-align: right;">0%</td> <td style="text-align: right;">x</td> <td style="text-align: right;">\$5,000</td> <td style="text-align: center;">=</td> <td></td> <td style="text-align: right;">\$0</td> <td></td> <td></td> <td></td> </tr> <tr> <td>7% of 2nd \$5,000 of household income</td> <td style="text-align: right;">7</td> <td style="text-align: right;">x</td> <td style="text-align: right;">5,000</td> <td style="text-align: center;">=</td> <td></td> <td style="text-align: right;">350</td> <td></td> <td></td> <td></td> </tr> <tr> <td>9% of 3rd \$5,000 of household income</td> <td style="text-align: right;">9</td> <td style="text-align: right;">x</td> <td style="text-align: right;">5,000</td> <td style="text-align: center;">=</td> <td></td> <td style="text-align: right;">450</td> <td></td> <td></td> <td></td> </tr> <tr> <td>11% of 4th \$5,000 of household income</td> <td style="text-align: right;">11</td> <td style="text-align: right;">x</td> <td style="text-align: right;">5,000</td> <td style="text-align: center;">=</td> <td></td> <td style="text-align: right;">550</td> <td></td> <td></td> <td></td> </tr> <tr> <td>17% of 5th \$5,000 of household income</td> <td style="text-align: right;">17</td> <td style="text-align: right;">x</td> <td style="text-align: right;"><u>3,000</u></td> <td style="text-align: center;">=</td> <td></td> <td style="text-align: right;"><u>510</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td>27% of 6th \$5,000 of household income</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>37% of household income over \$30,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">TOTAL</td> <td></td> <td style="text-align: right;">\$23,000</td> <td></td> <td></td> <td style="text-align: right;">\$1,860</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>													<u>Income</u>				<u>Factor</u>				0% of 1st \$5,000 of household income	0%	x	\$5,000	=		\$0				7% of 2nd \$5,000 of household income	7	x	5,000	=		350				9% of 3rd \$5,000 of household income	9	x	5,000	=		450				11% of 4th \$5,000 of household income	11	x	5,000	=		550				17% of 5th \$5,000 of household income	17	x	<u>3,000</u>	=		<u>510</u>				27% of 6th \$5,000 of household income										37% of household income over \$30,000											TOTAL		\$23,000			\$1,860			
		<u>Income</u>				<u>Factor</u>																																																																																															
0% of 1st \$5,000 of household income	0%	x	\$5,000	=		\$0																																																																																															
7% of 2nd \$5,000 of household income	7	x	5,000	=		350																																																																																															
9% of 3rd \$5,000 of household income	9	x	5,000	=		450																																																																																															
11% of 4th \$5,000 of household income	11	x	5,000	=		550																																																																																															
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37% of household income over \$30,000																																																																																																					
	TOTAL		\$23,000			\$1,860																																																																																															
<u>Step 2: Determine "Excessive Property Tax"</u>																																																																																																					
Eligible Property Tax - Income Factor = Excessive Property Tax	\$4,700 - \$1,860 = \$2,840																																																																																																				
<u>Step 3: Determine "Potential Credit"</u>																																																																																																					
Potential Credit equals:																																																																																																					
90% of first \$2,000 of excessive property tax	90% x \$2,000 = \$1,800																																																																																																				
plus 70% of next \$2,000 of excessive property tax	70 x 840 = <u>588</u>																																																																																																				
plus 50% of next \$2,000 of excessive property tax	Potential Credit = \$2,388																																																																																																				
<u>Step 4: Determine "Actual Credit"</u>																																																																																																					
Actual Credit equals:																																																																																																					
100% of the potential credit if the farmland is covered by county, city, village, or town zoning, a preservation agreement, and a county plan.	80% x \$2,388 = \$1,910																																																																																																				
80% of the potential credit for farmland covered by a preservation agreement and a county plan.																																																																																																					
10% of eligible property taxes if this amount is larger than the tax credit formula amount.	10% x \$4,700 = \$470																																																																																																				
	\$1,910 is greater than \$470, so																																																																																																				
	Actual Credit = \$1,910																																																																																																				