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# Wisconsin Legislative Council

## AMENDMENT MEMO

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**2023 Assembly Bill 133**

**Assembly  
Amendment 1**

### BACKGROUND

Wisconsin's current farmland preservation program, administered by the Department of Agriculture, Trade and Consumer Protection (DATCP), encourages the preservation of land for agricultural use in certain geographic areas of the state. Among other programs and incentives, the program authorizes municipalities and counties to adopt farmland preservation zoning ordinances. The program also authorizes DATCP to designate certain areas as "agricultural enterprise areas," if petitioned to do so by landowners and local governments, and to purchase agricultural conservation easements from willing landowners, together with local governments and nonprofit organizations.

Relevant to 2023 Assembly Bill 133, the program authorizes farmland preservation agreements, which are agreements negotiated by DATCP and landowners to restrict the use of a given tract of land to agricultural and accessory or open space uses for a given period of time. Under current law, a farmland preservation agreement must have a term of at least 15 years.

In addition, the farmland preservation law authorizes tax credits for specified categories of qualifying acres. Under current law, those tax credit amounts are as follows:

- \$10 per acre for qualifying acres that are located in a farmland preservation zoning district and subject to a farmland preservation agreement.
- \$7.50 per acre for qualifying acres that are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement.
- \$5 per acre for qualifying acres that are subject to a farmland preservation agreement, but are not located in a farmland preservation zoning district.

### 2023 ASSEMBLY BILL 133

2023 Assembly Bill 133 makes the following changes to the current farmland preservation law:

- Decreases the minimum term of a farmland preservation agreement from 15 to 10 years.
- Requires DATCP to include a review of tax credit amounts in a report it must submit to the Legislature and certain state agencies every two years.
- Expands eligibility for farmland preservation tax credits to land that is subject to an agricultural conservation easement purchased by DATCP.<sup>1</sup>
- Increases the amounts of the tax credits that eligible landowners may receive for qualifying acres.

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<sup>1</sup> However, if only part of a given farm is covered by such an agricultural conservation easement, then those acres must also be located in certain areas identified in the relevant county's farmland preservation plan.

Under the bill, the tax credit amounts are increased both by increasing the dollar amounts for the tax credits and by directing the Department of Revenue (DOR) to provide for an additional annual increase in those amounts based on inflation. Specifically, the bill increases the dollar amounts to \$12.50 per acre for qualifying acres that are located in a farmland preservation zoning district and subject to a farmland preservation agreement, and \$10 per acre for all other qualifying acres. In addition, the bill requires DOR, in consultation with DATCP, to annually increase those dollar amounts by a percentage equal to the percentage change in inflation, as measured by an index of prices paid by farmers and determined by the U.S. Department of Agriculture.

## **ASSEMBLY AMENDMENT 1**

Retains the increases to the dollar amounts for the farmland preservation tax credits, but it removes the direction to DOR to annually increase those amounts based on inflation.

## **BILL HISTORY**

Representative Oldenburg offered Assembly Amendment 1 on October 5, 2023. On October 11, 2023, the Assembly Committee on Agriculture voted to recommend adoption of the amendment on a vote of Ayes, 6; Noes, 4. The committee then voted to recommend adoption of the bill, as amended, on a vote of Ayes, 12; Noes, 0.

For a full history of the bill, visit the Legislature's [bill history page](#).

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