Working Lands Initiative Overview

- Expands and modernizes the existing Farmland Preservation Program
- Establishes Agricultural Enterprise Areas
- Creates a Purchase of Agricultural Conservation Easement Program
Plan Certification Expiration

Per ch. 91

Dec. 31, 2011
Dec. 31, 2012
Dec. 31, 2013
Dec. 31, 2014
Dec. 31, 2015
Updating Plan to Working Lands Standards

• Continued focus on preservation of agricultural land; additional focus on economic development of agriculture

• Requires identification of farmland preservation areas and rationale
  – Foundation for farmland preservation zoning
  – Required for designation of AEAs
  – Required to obtain PACE grant
Farmland Preservation Areas

• Planned for agricultural and agriculture-related uses
• May include undeveloped natural resource and open space areas
• May not include any area that is planned for nonagricultural development within 15 years

Think about how planning will affect future land use decisions in the county, such as development of zoning ordinances.
Updating the county plan

• Identify, describe and document
  – Development trends that may affect farmland
  – Agricultural uses and agricultural resources
  – Agricultural infrastructure
  – Goals for agricultural development
  – Actions, programs and strategies to meet goals
  – Policies, goals and strategies to increase housing density in areas outside of farmland preservation areas
Relationship to Comprehensive Plan

• Must be included in existing county comprehensive plan
  – Can be adopted as an amendment to an existing plan

• Must be consistent with the comprehensive plan
  – Consistency required between plan texts and plan maps
Standards for Ordinance Development

• All ordinances must be consistent with farmland preservation plans

• Statute identifies minimum standards for:
  – Permitted and conditional land uses
  – Non farm residences
  – Rezoning out of farmland preservation
Zoning Districts

• Allowable Land Uses
  – Permitted Uses s. 91.44, Wis. Stats.
    • Ag. Uses
    • Accessory Uses
    • Ag. Related Uses
  – Conditional Uses s. 91.46, Wis. Stats.
  – Prior Nonconforming Uses subject to S. 59.69 (10), 60.61 (5), or 62.23 (7) (h).
Non-Farm Residence

- Can be allowed as a conditional use
- Can be a permitted use when part of an existing residential cluster conditional use
- No more than 4 non-farm residences on base farm tract
- No more than 5 residences total (farm and non-farm)
- Ratio of non-farm acreage to farm acreage of Base Farm Tract may not exceed 1:20
Base Farm Tract

- New concept
- Only applies with conditional use
- Contiguous
- Under common ownership
- Date for determination is date of ordinance certification
Rezoning

- WLI establishes a conversion fee for rezoning land from farmland preservation
- Rezones beginning January 1, 2010 subject to the conversion fee
Conversion Fees

- Effective January 1st, 2010
- Does not matter if tax credit claimed previously
- 3 times DOR Grade 1 cropland value
  - Amount varies across WI
- Working Lands Fund
- Local governments may increase the fee amount
Example Conversion Fee

• Based on Wisconsin Department of Revenue Use Value Guidelines for Agricultural Land Assessment
  http://www.revenue.wi.gov/report/a.html

• For example, an average Grade 1 Assessment Value in a town in Washington Co. is $295/acre. Therefore:

  $295 \times 3 = $885/ \text{acre}

• Conversion Fees do not capture the full difference in land value
Agricultural Enterprise Areas

- Contiguous land area, devoted primarily to agricultural use
- Locally targeted for agricultural preservation and for agricultural development
Benefit of AEAs

- Supports and promotes local agricultural preservation and development
- Enables landowner eligibility to claim farmland preservation tax credit – any FPP agreements after July 1, 2009 must be within an approved AEA
AEAs Statewide

- Pilot program through January 1, 2012
  - 15 AEAs or 200,000 acres
- January 1, 2012 and after
  - Maximum of 1 million acres statewide
- Approved through an administrative rule process
Requirements for Establishing an AEA

• Voluntary participation of landowners and local governments

• Located in farmland preservation area

• Contiguous area; primarily in agricultural use

• State approval required
2010 PROPOSED AEAs
Existing FPP Tax Credits

• Current FPP tax credits
  – Located in exclusive agricultural zoning district
  – Farmland preservation agreement
  – ~$3.30/acre
WLI Tax Credits

- New WLI tax credits
  - Increased value of credit (Available: 2010 tax year)
    - $5.00/acre if farmland preservation agreement
    - $7.50/acre if located in farmland preservation zoning district
    - $10.00/acre if agreement and zoning
  - Located in Farmland Preservation zoning district
  - New farmland preservation agreement (only available to those in an Agricultural Enterprise Area)
  - 15 year agreements
WLI Tax Credits

- Washington County
  - About 110 farmers currently collect tax credits
    - Average credit is about $550 per participant
    - Farmers collected credits on about 15,600 acres
    - Average participating farm is about 140 acres
    - About 16% of eligible farmers collect credits
  - If most farmers in the future collect credits based on farmland preservation zoning
    - Average credit would be about $1,050 per participant (assuming $7.50 per acre on 140 acre farm)
Tax Credit Eligibility

• Removes 35 acre minimum requirement

• Must be in a certified farmland preservation district or agricultural enterprise area with a FPP agreement

• $6,000/year gross farm revenue
  – $18,000 over past 3 years

• Conservation compliance

• Property taxes paid

• State Resident
Conservation Compliance

- Cropland Erosion
- Manure Storage Facilities
- Clean Water Diversion

- Nutrient Management
  - overflow
  - unconfined manure piles
  - direct runoff
  - trampled streambanks
FPP Soil & Water Conservation

• Persons under an existing FPP Agreement are subject to the standards in place when application submitted.

• Persons *not* claiming tax credits paid for the 2009 tax year must be certified by the county as meeting the soil & water conservation standards to be eligible for the new tax credits paid for the 2010 tax year.
Grant Program - Purchase of Agricultural Conservation Easements

- Voluntary
- Protects agriculture
- Deed restriction
- Permanent
Criteria for Selection

- In designated farmland preservation area
- Consistent with land use plans and ordinances
- Enhances an agricultural enterprise area
- Landowner willingness
- Preserves agricultural capacity
- Conserves important or unique agricultural resources
Criteria for Selection, Cont.

- Protects waters of the state and/or protects and enhances other public assets
- Likelihood of land conversion
- Close to other protected land
- Cost-effective
- Availability of other methods to protect land
PACE and 2009 – 2011 Budget

• $12 million available to provide matching grants
  – 50% matching grants and pay transaction costs

• Establishes a Working Lands Trust Fund
  – Funds deposited here may be used for future purchases