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STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Testimony for the Assembly Committee on State Affairs

Assembly Bill 61

Wednesday, March 31, 2021

Thank you Chairman Swearingen and committee members for holding a public hearing and giving me the opportunity to testify on Assembly Bill 61, legislation that would give the state more opportunities to better utilize revenue generated from the sale of public lands.

Under current state law, the proceeds from the sale of state-owned property controlled by the Department of Natural Resources must be used to purchase other parcels that will be utilized as public hunting and fishing grounds, wildlife and fish refuges or additions to state parks.

AB 61 would allow this revenue to also go toward property development or the purchase of easements so our existing properties can be better utilized by visitors.

In the past four-years since the close of the 2013-15 state budget's requirement to sell 10,000 acres managed by the DNR, only about \$425,000 worth of land has been approved for sale. While this may seem like a lot of money to some, it will not go very far in terms of property acquisitions.

However, there is plenty of infrastructure in our state parks and public lands that need to be upgraded or repaired. It would make more financial sense to allow the state to also use the sale proceeds for these types of projects. By going this route, we will be able to make our public lands more enticing for visitors, which will help us to collect even more revenue through the use of these properties.

Since this bill received a public hearing in front of the Senate Committee on Natural Resources and Energy, we have learned of a few ways to make this legislation even stronger. We are putting forward an amendment that would do the following:

- Require the creation of a biennial report that details the land sales by the DNR and the use of the generated revenue
- Ensure that stipulations placed on the use of federal funds are followed
- Provide cross-references for the definitions of lands and easements

I want to thank you for taking the time to listen to my testimony and I hope you consider supporting AB 61. I would also like to thank Sen. Cowles and his office for all the hard work they put into this bill. I would be happy to answer any questions if you have them.

Testimony on 2021 Assembly Bill 61
Senator Robert Cowles
Assembly Committee on State Affairs
March 31st, 2021

Thank you, Chairman Swearingen and Committee Members, for allowing me to testify on 2021 Assembly Bill 61. This bill offers the DNR the discretion to better utilize revenues generated from property sales.

Under current law, when the Department of Natural Resources (DNR) sells properties, they may only use the revenue for the purchase of new fee title property acquisitions with specified purposes or in specified locations. From 2017 through the end of 2020, only about \$425,000 worth of property has been approved for sale. This revenue won't go very far in new property acquisition, but that doesn't mean the funds can't be put to good use.

With infrastructure in State Parks and other DNR properties in need of refurbishment, it makes sense to allow the DNR to use these funds for property development. After all, a few thousand dollars will go a lot further towards potholes, posts, parking lots, and plumbing than it will go towards more property acquisition. Funds could also be better utilized in the purchase of easements, such as streambank easements which help to increase public access, limit runoff and erosion, provide habitat, and reduce flood peaks.

Assembly Bill 61 provides the DNR with more uses for revenues generated from property sales. By providing the DNR with the opportunity to use this revenue for property development, while not closing the door to using funds for acquisition or easements as they see fit, we can help to ensure that revenues generated from land sales are put to their highest and best use. This will benefit the state by allowing funds to be used to reduce the infrastructure backlog and benefit those who frequent public lands by improving visitor experiences.

To address questions from legislators, stakeholders, and the DNR Assembly Amendment 1 was introduced to provide clarification and additional oversight. More specifically, the amendment:

1. Provides cross-references to the definitions of land and easements;
2. Ensures that stipulations placed on the use of federal funds are followed;
3. Allows the DNR to use proceeds for land transaction fees charged by DOA, and;
4. Creates a biannual report on land sales by the DNR and the use of this revenue.

The companion to Assembly Bill 61, Senate Bill 64 with the companion amendment, was passed by the Senate Committee on Natural Resources and Energy earlier this month on a 5 – 0 vote as amended. The bill as amended also passed the full Senate on a voice vote during our last floor period on March 23rd.

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Assembly Committee on State Affairs

2021 Assembly Bill 61

The use of proceeds from the sale of state-owned properties controlled by the Department of Natural Resources

March 31, 2021

Good morning Chair Swearingen and members of the committee. My name is Terry Bay, and I am the Director of the Bureau of Facilities and Lands for the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify, for informational purposes, on Assembly Bill 61 (AB 61), related to the use of proceeds from the sale of state-owned properties controlled by the Department of Natural Resources.

Current statutes provide explicit direction to the department on how the proceeds from land sales shall be utilized. This clear statutory direction circumvents issues that are continually presented to the department on the proper use of funding for the many competing needs associated with managing department properties. Under s. 23.15(4), the department can use property sales proceeds exclusively for improvements to the quality of properties within the department land portfolio, often resulting in less land owned, but of more beneficial use. The current statutes limit department discretion relative to the use of these proceeds.

AB 61 does not dictate how development projects funded with the land sale proceeds would be prioritized, which provides the department with increased flexibility. Without clear statutory direction, however, the department may find itself facing internal and external conflicting priorities regarding the use of specific funds for development given the wide range of needs facing the department.

As a note regarding administration, AB 61 outlines that the proceeds cannot be utilized for program administration costs. Currently, the only administration costs associated with land development are paid to the Department of Administration (DOA). Assembly Amendment 1 would exempt these administration costs payable to DOA from this prohibition.

Finally, AB 61 may put pressure on the department to sell land to support the maintenance backlog of development projects. Many of these projects are necessary to protect health and human safety at department properties, so the additional funding source would be helpful, but it may also lead to pressure to sell land that is still necessary for conservation purposes. Again, current statutes provide more certainty regarding outcomes, while AB 61 would increase department discretion and flexibility.

On behalf of the Department of Natural Resources, we would like to thank you for your time today. I am happy to answer any questions you may have.