



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #138

### **Land Information and Comprehensive Planning Grants (DOA -- Land Information)**

[LFB 2001-03 Budget Summary: Page 62, #1 and Page 64, #2]

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#### **CURRENT LAW**

The Department of Administration (DOA) has established an Office of Land Information Services (OLIS) in the Division of Housing and Intergovernmental Relations to advise state and local governments on matters relating to land use, the development of information, land and geographic systems, and strategies for land records modernization and systems integration. The Office is responsible for providing staff and other support to both the Wisconsin Land Information Board and the Wisconsin Land Council and for overseeing the statewide activities of municipal boundary review and plat review. The Office has base level administrative funding of \$1,633,800 PR and \$154,100 GPR and is authorized 15.5 PR and 3.0 GPR positions.

The Land Information Board is attached administratively to DOA and directs and supervises the implementation of the Wisconsin land information program under s. 16.967 of the statutes. The Board has 15 members, including the Secretaries (or their designees) of DOA, DATCP, DNR, DOR and DOT. The Board is generally responsible for: (1) preparing guidelines to coordinate the modernization of land records; (2) administering a land information project grant program for counties; (3) reviewing for approval county-wide plans for land records modernization; (4) maintaining and distributing an inventory of land information available in the state; (5) serving as a clearinghouse for access to land information; (6) providing technical assistance to those state and local governmental units with land information responsibilities; and (7) conducting soil surveys and soil mapping activities. However, it is DOA (rather than the Board) that currently has the statutory authority to develop and maintain geographic information systems (GIS) for the use of governmental and nongovernmental entities.

The Board's administrative and grant program appropriations are funded from a portion of recording fees collected by county registers of deeds. Under current law, \$6 of the \$10 collected by a county register of deeds for recording the first page of a legal document is forwarded to the Board, unless the county has a land information office, in which case the county may retain an additional \$4 to support the office and transfer only \$2 to the Board. Currently, all counties have a land information office and retain the \$4, so \$2 of the total \$10 filing fee is the amount that is currently forwarded by county registers of deeds to the Board. The monies received by the Board are first credited to support its budgeted general program operations costs. Following this allocation, the remaining revenues are credited next to support a soil survey and soil mapping initiative (\$415,000 PR annually) authorized under 1999 Wisconsin Act 9 and then to an aids to counties appropriation that supports grants to counties for land information projects (\$1,384,000 PR annually).

A separate, 16-member Wisconsin Land Council is also attached administratively to DOA and is charged with: (1) facilitating local land use planning efforts; (2) identifying state land use goals; (3) identifying areas of conflict between state statutes and local ordinances on land use issues; (4) recommending legislation; and (5) approving or disapproving proposed comprehensive planning grants to local units of government. The Secretaries (or their designees) of DOA DATCP, Commerce, DNR, DOR and DOT all sit on the Council. The Council is currently funded by direct assessments of the six state agencies represented on the Council.

The Land Information Board, the Land Council, their supporting appropriations, all of their powers and duties, the county register of deeds recording fee transfer to the state (for the Board) and the state agency assessment mechanism (for the Council) are all scheduled to sunset, effective September 1, 2003. After that date, only those land information support activities expressly assigned as ongoing DOA responsibilities would remain in force (such as operation of the GIS function).

The state also awards comprehensive planning grants to local units of government to encourage "smart growth" planning. The grants may be used to finance the costs of local planning activities, the purchase of computerized planning data, or planning software or hardware required to utilize that data or software. Base level funding of \$1,500,000 GPR annually is available to support the costs of comprehensive planning grants. [A separate appropriation funded at \$1,000,000 SEG annually from the transportation fund is also available for transportation related planning grants.] Included in the OLIS administrative base budget is \$50,000 GPR annually to support 1.0 FTE administrative position associated with the comprehensive planning grant program.

## **GOVERNOR**

Make the following changes relating to land information and planning:

*Immediate Repeal of the Land Information Board.* Abolish the Land Information Board and transfer its functions, assets and liabilities, tangible personal property, contracts, rules and orders and any pending matters to DOA.

*Certain Land Information Board Responsibilities Assumed by DOA.* Shift the Board's responsibilities to direct and supervise the land information program and serve as the state clearinghouse for access to land information to DOA. Require the Department to: (1) provide technical assistance to state and local agencies with land information responsibilities; (2) maintain and distribute an inventory of land information, land records and land information systems available for the state; (3) prepare guidelines to coordinate land records modernization; (4) review county project applications for the development of land information systems, the preparation of parcel property maps and systems integration activities; and (5) provide the Wisconsin Land Council with an annual statement of the Department's proposed expenditures relating to land information programs and aids to counties. Authorize DOA to provide technical assistance to counties and provide educational seminars, courses and conferences relating to land information. The current law ability of the Board to assess fees sufficient to fund these activities would not be retained when these responsibilities are transferred to the Department.

Require DATCP, Commerce, DHFS, Historical Society, DNR, PSC, Revenue, DOT, Tourism and the UW System Board of Regents to submit to the Department on a biennial basis (on March 31 of even-numbered years) a biennial plan for the integration of land information to enable such information to be readily transferable, retrievable, and geographically referenced for use by any state agency, local unit of government, or public utility. DOA would be removed from the current law list of agencies subject to this reporting requirement.

Authorize the Department to assume the Board's responsibilities to make grants to counties for projects designed to promote the development of land information systems, the preparation of parcel property maps and systems integration activities. Such grants could not exceed \$100,000 and no more than one grant could be made per county board. The grants would be funded from county land record recording fees that are remitted to the state.

*Wisconsin Land Council Retained.* Delete the scheduled September 1, 2003, sunset of the Wisconsin Land Council. Delete the current law function of the Council to study the development of a computer-based land information system and provide it with the following new functions: (1) establish a land information working group (comprised of the State Cartographer, a representative of the UW-System with expertise in land information issues and any other land information experts designated by the Chair of the Council); (2) review land information grant applications that are made by county boards and make recommendations on their approval; and (3) review proposed expenditures to be made to finance planning activities related to the transportation elements of comprehensive plans and make recommendations on their approval to the Department.

Specify that the new land information working group would be required to study and recommend land information standards to the Council and to DOA, advise the Council and DOA

on a Wisconsin land information system and on coordination of state and local land information, and review county land records modernization plans and make recommendations on approval to the Council and to DOA. The Council would continue its current law functions to: (1) identify and recommend to the Governor land use goals and priorities; (2) identify and study areas of conflict in the state's land use statutes; (3) identify procedures for facilitating land use planning efforts; and (4) gather and analyze information about land use activities in Wisconsin of the federal government and Native American governments.

Add three new members to the current 16-member Council. The new members would be a representative from a public utility, a representative from a professional land information agency and an individual nominated by a statewide association whose purposes include support of a network of statewide land information systems.

*County Land Record Recording Fee Increase.* Delete the current law provision that on September 1, 2003, the fee for recording or filing the first page of a document with the county register of deeds is reduced from \$10 to \$8 and provide for a permanent increase of \$1 to \$11 for the first page. Under the proposed change, counties would retain the additional \$1 collected and \$2 would continue to be remitted to the state. Based on 1999-00 land records fee collections, it is anticipated that this change would yield an additional \$1,310,900 annually in revenues to counties.

*Land Information Appropriations and Position Modifications.* Provide net additional expenditure authority of \$239,500 PR annually, funded from county land record fees, and revise the appropriations structure for land information functions under DOA, as follows:

- Retitle the current land information PR annual general program operations appropriation as a mixed purpose land information and proposed incorporations and annexations PR continuing appropriation and provide \$2,113,000 PR annually and 6.0 PR positions. The new appropriation would support all of the following activities: (1) the general program operations of the Office of Land Information Services (\$438,000 PR annually and 4.0 PR positions); (2) GIS staff (\$136,500 PR and 2.0 PR positions shifted from DOA's telecommunications and data processing function); (3) soil survey and mapping activities (\$415,000 PR annually); (4) a computer-based land information system (\$623,500 PR annually); and (5) base budget and strategic planning grants to counties (\$500,000 PR annually).
- Provide \$500,000 PR annually in a new PR annual appropriation to support comprehensive planning grants to local units of government.
- Delete the current soil surveys and mapping appropriation (-\$415,000 PR annually) and the current appropriation that funds grants to counties (-\$1,384,000 PR annually).

*Wisconsin Land Council Funding.* Delete the current Wisconsin Land Council appropriation and shift \$287,300 PR in 2001-02 and \$219,000 PR in 2002-03 and 1.0 PR position from it to a new soil surveys and mapping and Wisconsin Land Council appropriation;

however, no actual soil survey and mapping activities would actually be funded from this appropriation. This appropriation would be funded entirely from assessments applied against DATCP, Commerce, DNR, DOT, DOA and DOR.

## **DISCUSSION POINTS**

1. The last several biennial budgets have contained initiatives to make significant changes to the land information functions in DOA:

- In the 1997-99 biennial budget, the Governor recommended repealing the Land Information Board and shifting its duties and responsibilities to DOA. However, the Board was ultimately retained as a separate entity and a Wisconsin Land Council was also created to provide technical and policy direction to the land information function. A sunset of September 1, 2003, was established for both bodies. In a separate review of the Land Information Board by the Office of the Lieutenant Governor, a sunset date of September 1, 2001, was proposed for that body, but this earlier date was not agreed to by the Legislature.

- In the 1999-01 biennial budget, the Governor recommended authorizing DOA rather than the Land Information Board to develop and maintain a computer-based land information system and to conduct soil testing and mapping activities. The Legislature chose to eliminate DOA's express authority to develop and maintain a computer-based land information system, deleted funding for the system and authorized the Board to undertake soil surveying and mapping activities. The Legislature also extended the sunset date for the Board (but not the Wisconsin Land Council) until September 1, 2005. The Governor subsequently vetoed this extension, thereby leaving the current September 1, 2003, sunset date in place.

2. During public hearings that were held on these earlier proposals, a number of local officials stated their views that the elimination of the Board and the transfer of its functions to the Department would cause land information issues to lose an independent and balanced multimember body designed to address such matters. There was also some concern expressed that land information issues of importance to local governments would generally not be as well addressed by DOA due to the "state" focus of that agency and the loss of local representation that the Board provides.

3. The 1999-01 initiative to transfer the authority to develop a computer-based land information system in DOA generated concerns that the Governor's proposal was being advanced before the Land Council's technical group had made its statutorily required recommendations on the development and implementation of such a system. Furthermore, this Committee also received testimony at that time questioning whether county land records filing fees should be diverted to fund a computer-based land information system where the use of such funds had not yet been approved by the Land Information Board.

4. The Governor's current proposal is being advanced as an effort to streamline the current land information and land record modernization function within DOA. The Department

would assume a greater role in the direct administration of land information programs as a result of the elimination of the Land Information Board. DOA would have overall responsibility for the development of a computer-based land information system and would have access to technical and policy expertise from a modified Wisconsin Land Council, which would be made even more representative by the addition of land information professionals and public utilities interests.

5. The Governor's current proposal appears to have taken into consideration a number of the types of concerns that were raised with respect to these earlier initiatives. For example, the Governor's current proposal retains and expands the duties of the current Wisconsin Land Council. Retention of the modified Land Council would appear to ensure that an ongoing representation of a variety of land information-related viewpoints would be available to the Department. Further, granting counties the authority to collect and retain an additional \$1 for the first page of each document filed would appear to allay some of the concerns about diverting recording fee revenues received by the state to a proposed new computer-based land information system. The amounts received by the state under current law are used first to support Board operations and the balance is made available to counties in the form of grants. Under the Governor's proposal, even though funding that would normally be made available for county grants is being diverted to a proposed land information system (among other purposes), counties would likely be made whole by the retention of the additional \$1 fee provided under the bill.

6. If the Committee chooses to support the Governor's current land information initiative, it may nonetheless wish to make modifications to the revised appropriations structure being proposed for land information activities. Under the Governor's recommendations, new appropriations are being created that merge state operations expenditures with local assistance expenditures. State operations appropriations fund direct expenditures by state agencies for such expenses as employee salaries, fringe benefits, supplies, contractual services, debt service and permanent property to carry out state programs. Local assistance appropriations fund payments to local units of government and school districts in the state and include payments associated with state programs administered by local units of government.

7. These appropriation categorizations are important to the Legislature, executive branch policymakers and audit staffs in monitoring the allocation of state financial resources among these broad public purposes. The merger of appropriation types, as is being recommended by the Governor for the land information programs, would blur the distinctions between appropriations based on expenditure type and would impair the ability of the Legislature and others to accurately monitor the allocation of financial resources by major expenditure purpose.

8. This situation would occur with the new s. 20.505(1)(ie) appropriation for land information general program operations. The appropriation, funded at \$2,113,000 PR annually under the bill includes \$1,613,000 PR related to state operations expenditures and also includes \$500,000 PR annually for county grants. If the Committee concludes that it is more desirable to retain the Legislature's ability to monitor the allocation of financial resources by traditional broad expenditure category than it is to merge disparate appropriation types, it could modify the Governor's recommendation by creating two separate appropriations that parallel the current law

appropriation structure for land information activities.

9. Under this scenario, a PR annual general program operations appropriation would be established for land information and proposed incorporations and annexations general program operations functions [funded at \$1,613,000 PR annually] and a PR continuing aids to counties appropriation would be established to support county land information grants [funded at \$500,000 PR annually]. This modification would separate state operations and local aids appropriations and would enhance the Legislature's ability to oversee land information general program operations by creating an annual appropriation for those functions.

10. While the Governor's current land information proposal appears to address a number of concerns that were raised when earlier land information initiatives were advanced, the following observations may be made:

- In discussions with various groups with an interest in land information modernization in the state, there does not yet appear to be a consensus with respect to how the land information and land records modernization function at the state level should be organized.

- A current law requirement [s. 16.023(2) of the statutes] directs the Wisconsin Land Council to complete a report containing an evaluation of its functions and activities. This report must also address whether the Council should continue to exist beyond September 1, 2003, and whether any structural modifications should be made to the Council's functions or to the state's land use programs generally. This report must be submitted to the Governor and to the Legislature by September 1, 2002.

- A May, 1999, report of the Wisconsin Land Council's technical working group recommended that when a computer-based land information system is implemented in the state, it should be under the general control of the Land Information Board.

- A recent Board study of the status of land record modernization activity in Wisconsin found that although the development of a computer-based land information system remains a high priority, problems remained with respect to data standards, the degree of county records automation and the relative inactivity of state agencies in preparing land information data under their control for inclusion in the system. These concerns raise questions about how quickly such a system can be implemented.

11. As a result of these considerations, the Committee may conclude that it would be preferable to defer repealing the Land Information Board and modifying the Wisconsin Land Council at this time and wait until the Governor and the Legislature have had the opportunity to consider the Wisconsin Land Council's September 1, 2002, statutorily required report and recommendations for changes in the state's land use programs generally.

12. The Committee may also conclude that it may be premature at this time to proceed with the development of the computer-based land information system in advance of the Council's

September 1, 2002, report and in light of some of the data and related problems cited above. In addition, the \$623,500 PR annually recommended in the budget for funding master lease costs associated with the proposed system does not appear to be tied to any detailed budget of the system's required materials and services.

13. Consequently, as an alternative, the Committee could modify the Governor's recommendation by deleting the repeal of the Land Information Board and modifications to the Wisconsin Land Council and providing a separate land information general program operations annual appropriation funded at \$989,500 PR annually from county land records revenues for: (a) the general program operations of the Office of Land Information Services (\$438,000 PR annually and 4.0 PR positions); (b) GIS staff (\$136,500 PR and 2.0 PR positions); (c) soil survey and mapping activities (\$415,000 PR annually); and (d) any incidental proposed incorporations and annexations expenses.

14. The \$623,500 PR annually budgeted for the computer-based land information system could be reallocated to use \$500,000 PR to supplement the \$500,000 PR already provided under the bill for comprehensive planning grants. This additional PR funding for comprehensive planning grants could then offset \$500,000 GPR annually of the \$1,500,000 GPR annually of base level funding for these planning grants. Under this alternative, the total amount of comprehensive planning grants provided from both GPR and PR sources under the bill would remain the same [\$2,000,000 annually]; however, the source of funding would shift from \$1,500,000 GPR/\$500,000 PR under the bill to \$1,000,000 GPR/\$1,000,000 PR under this alternative.

15. In addition, from the remaining funds that were budgeted under the bill for the computer-based land information system, \$24,700 PR annually would be used to convert 0.5 FTE of the 1.0 GPR position associated with comprehensive planning grant administrative support from GPR to PR funding. The net remaining amounts from the amounts budgeted for the computer-based land information system (\$98,800 PR annually) would be added to the \$500,000 PR already provided under the bill for grants to counties. The grants to counties appropriation [funded at \$598,800 PR annually under the alternative] would be created as a separate PR continuing appropriation.

16. The current Wisconsin Land Council appropriation and associated funding of \$287,300 PR in 2001-02 and \$219,000 PR in 2002-03 and 1.0 PR position would also be retained under this alternative. The Governor's modifications to the county records fees would also be retained.

## **ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation.
2. Modify the Governor's recommendation by: (a) establishing a PR annual general program operations appropriation for land information and proposed incorporations and annexations general program operations functions [funded at \$1,613,000 PR annually]; and (b) establishing a PR



continuing aids to counties appropriation would be established to support county land information grants [funded at \$500,000 PR annually].

3. Modify the Governor’s recommendation by: (a) deleting the repeal of the Land Information Board and modifications to the Wisconsin Land Council; (b) providing a separate land information general program operations annual appropriation funded at \$989,500 PR annually from county land records revenues; (c) reallocating \$500,000 PR annually and deleting \$500,000 GPR annually for comprehensive planning grants; (d) reallocating \$24,700 PR annually to convert from GPR funding to PR funding 0.5 FTE position associated with comprehensive planning grants administrative support; (e) reallocating \$98,800 PR annually to provide total funding of \$598,800 PR annually for grants to counties under a separate PR continuing appropriation; and (f) retaining the current Wisconsin Land Council appropriation.

<b>Alternative 3</b>	<b>GPR</b>	<b>PR</b>	<b>TOTAL</b>
<b>2001-03 FUNDING</b> (Change to Bill)	- \$1,049,400	\$0	- \$1,049,400
<b>2002-03 POSITIONS</b> (Change to Bill)	- 0.50	0.50	0.00

4. Maintain current law.

<b>Alternative 4</b>	<b>PR</b>
<b>2001-03 FUNDING</b> (Change to Bill)	- \$479,000

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