

Fiscal Estimate for WLC: 0067/1

(a) 2005 WLC: 0067/1: This bill draft would amend s. 66.0217 (6) (a), Stats., to extend advisory department of administration review of municipal annexations to all Wisconsin counties. Current law requires that only those annexations occurring in counties with a population of 50,000 or more be submitted to the department for review. Twenty-seven (27) counties currently meet this threshold.

(b) Assumptions for estimate:

1. Statutory review of annexations by the department includes data entry of information from the annexation petition into a spread sheet, a technical review of the legal description and scale map to check for errors, and use of secondary information including a pilot program verifying information with county registers of deeds. As technical or legal issues are discovered, these are shared with the petitioner or their representative in an effort to address the problem within the 20-day statutory review period. At the conclusion of the review period, a letter is sent to the municipal clerks advising them why the annexation is either consistent with, or against the public interest, along with additional steps that could be taken to address any defects.
2. Currently the department reviews slightly less than 300 annexations per year from 27 counties for review. Since the mid 1990's, the number received has fallen from a high of 410 in 1995 to 277 in 2004.
3. The number of annexations received reflect economic conditions, the spread of urbanization, and the increasing number of boundary and annexation agreements between towns, cities and villages that are exempt from Department review.
4. The Department believes that the change requiring technical review of all annexations statewide will increase the total number of annexations reviewed by 20%.
5. Proposed changes to section 16.53 (14), Stats., provides that the Incorporation Review Board may prescribe and collect fees for departmental review of municipal annexations. Currently this is a two-part fee (\$200 filing fee plus a variable fee based on acreage ranging from \$200-\$2,000); the 277 annexations reviewed in 2004 resulted in \$159,100, or an average fee of \$575 per annexation.
6. As worded, this bill draft would likely increase the number of annexations submitted by ~55 a year, and result in additional revenue to the department of approximately ~\$32,000 if the current fee schedule is maintained.
7. The incorporation review board could choose to retain the existing annexation fee schedule (unchanged since implementation in 2001), increase it, or reduce it.
8. One or two additional annexations received per week are not expected to significantly affect the allocation of staff resources. A typical annexation requires 1.5-4 hours of processing and review time.

Annexations from new counties will require training and technical support. However, the department anticipates adding resources to its web site that will facilitate explaining the process to newcomers.

(c) Long-range fiscal implications

1. Department review of annexations in the 45 “rural” counties would enable the state to, for the first time, develop a system to track municipal boundary changes in all counties, and that would prospectively enable this information to be distributed in real time to state and local agencies (such as DOT, DNR, DATCP, COMM, regional planning commissions, county agencies, etc.). The value of this service cannot be easily quantified, but it would eliminate considerable duplication of existing data collection efforts by local, state and federal agencies, correct known errors in US Census Tiger Maps, and permit boundary information of uniform quality and reliability to be readily shared with the private sector.

(d) Local fiscal effect

Private individuals seeking annexation to a city or village pay the required annexation review fee. Local government costs would be minimal except for the time required to fill out and submit the department’s annexation questionnaire. These costs, if any, would be offset by direct technical assistance from the department to both petitioners and local governments relating to legal descriptions, mapping, statutory questions, and intergovernmental problem-solving that cumulatively may reduce litigation and the need to pass additional local ordinances correcting mistakes.