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**(Gov) Agency:** DOA - Land Information & Local Planning  
GIS Property Assessment Database Project

**Recommendations:**

**Paper No. 196:** Alternative 3

**Comments:** All the Dem staff said Alternative 3 (i.e. maintain current law). But, personally, I think the gov's proposal seems fine. Geographic data systems (GIS) are definitely the wave of the present (and future) and we need to get up to speed and integrate all the digital information we are collecting.

However, paragraph 10 in the FB paper raises questions whether it makes sense to commence development of a property assessment database project before the big-picture GIS-based state land information system is up and running full speed (i.e. it may be a little premature).

**prepared by:** Barry



## Legislative Fiscal Bureau

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June 1, 1999

Joint Committee on Finance

Paper #196

### **GIS Property Assessment Database Project (DOA -- Land Information and Local Planning Programs and Information Technology)**

[LFB 1999-01 Budget Summary: Page 59, #3]

#### **CURRENT LAW**

The Office of Land Information Services (OLIS) advises state and local governments regarding land use, the development of information, land and geographic systems, and strategies for land records modernization and systems integration. The Office has base level operational funding of \$1,227,800 PR and \$104,100 GPR and is authorized 15.5 PR and 2.0 GPR positions. The Office currently has no staff assigned specifically to property assessment matters.

#### **GOVERNOR**

Provide increased expenditure authority of \$186,600 PR in 1999-00 and \$81,500 PR in 2000-01 and authorize 2.0 PR four-year project positions (geographic data professionals) to be assigned to OLIS to support a project to develop standardized geographic information system data for use by municipalities in assessing real property. Provide that these positions and associated expenditures would be supported from the appropriation that funds the provision of information technology (IT) services to state agencies.

#### **DISCUSSION POINTS**

1. The Governor's recommendation would provide staff resources and increased expenditure authority funded from the Division of Information Technology Services appropriation in DOA that funds IT services to state agencies. The positions and associated funding would support the first two years of a projected four-year project to develop a property assessment integration program to improve property assessment practices at the local level. The project and the positions, however, would not be under the Division of Information Technology Services but would

instead be under OLIS, which is organizationally located in the Office of the Secretary of DOA.

2. The proposed funding would support the project staff and first year one-time permanent property costs (\$84,800 PR in 1999-00 and \$81,500 PR in 2000-01) and one-time software purchase and licensing costs (\$101,800 PR in 1999-00). The source of the revenues supporting these expenditures would be the charges paid by state agencies for their use of state computer utility services.

3. The Governor's recommendation is based on a property assessment integration program proposal originally developed by property assessment staff in the Department of Revenue (DOR). The DOR proposal grew out of the finding by that agency's Bureau of Assessment Practices that the state's property assessment system is highly fragmented with 1,894 municipalities assessed by 475 different assessors. The proposal noted that while standard assessment practices are currently prescribed, the large number of municipalities and assessors and the current lack of integration between municipalities and between the different levels of government has resulted in considerable variability in assessment practices. The original DOR proposal noted that this lack of coordination and standardization prohibits the unification of assessment practices and the integration of assessment services and limits public access to assessment information.

4. The focus of the project as contained in the DOR proposal was to improve the quality of local assessments through prescribing standard data collection procedures, integrating property assessment and geographic information databases, and providing assessment information to the public via the Internet. Central to the proposal was the purchase of a computer assisted mass appraisal (CAMA) system to house the assessment data and link it to other land data systems.

5. Under DOR's proposal, it was anticipated that once the state had a site license for the CAMA system, it could help negotiate lower license and access fees for county assessor offices that would be linked into the new system. In addition to the initial system development costs, the DOR proposal would have provided for on-going training of county assessors in the new assessment standards and the use of the CAMA system. The projected costs and staffing needs for this proposal were estimated at \$492,400 in the first year (including one-time hardware, software and licensing costs of \$185,600) and \$313,800 in the second year and a requirement for a total of 7.0 permanent positions for both system development on-going system administration and property assessment training support. The requested seven positions would have been located in DOR and consisted of property assessment staff (1.0 property assessment technician and 4.0 property assessment specialists) and IT staff (2.0 information specialist geographic data professionals). While apparently considered internally, the proposal, for which GPR funding would presumably have been required, was not included in DOR's biennial budget request submitted to the Governor.

6. The Governor's proposal is apparently based on the DOR project proposal but differs considerably from the original proposal by providing funding and staff support for a more limited undertaking to develop a property assessment database. Further, the initiative would be under the general supervision of the OLIS, rather than DOR.

7. Under the Governor's recommendation, the funding would support the purchase of the CAMA system license for the state and would provide 2.0 geographic data professionals to develop the new property assessment system and to link it with other land information databases. It is anticipated that this aspect of the project would take four years to complete and that frequent consultations with DOR assessment staff would be required during this period.

8. Questions may be raised about this project with regard to: (a) its relationship to the larger IT initiative for OLIS regarding the establishment of a computer-based land information system; (b) the timing of the project in relationship to all of the land information system needs that exist as identified to date by the Land Information Board and the Wisconsin Land Council; and (c) an appropriate funding source for this project if GPR funding is not to be provided. These questions are examined in the following discussion points.

9. A separate issue paper on the funding request for development of a computer-based land information system examines the current status of planning for this overall system which would be developed and operated under the Governor's proposal by OLIS in DOA. In that paper, it is noted that a technical working group of the Land Council, which by statute is required to study and make recommendations regarding the development of a computer-based land information system, has yet to complete its report.

10. While separate development of the proposed geographic information system (GIS) based property assessment database project is presumably possible, the question may be raised whether it makes sense to commence development of an property assessment database project, which should arguably be a part of any GIS-based state land information system, before the overall requirements for and development of such a system are in place. It could be argued that individual projects like the GIS property assessment database project should not be undertaken by OLIS before the overall plan for the land information system has been approved. Further, even if separate additional staff were to be provided for this project, it could be argued that the concurrent initiation of this project could overtax the ability of OLIS to supervise all of these activities. Under this analysis, the Committee could delete the recommend funding and positions for this proposed project.

11. However, if it is considered necessary to undertake the project immediately, a question may still be raised regarding what revenue source should be used to fund it. Under the Governor's recommendation, funding for this project would derive from general user charges assessed against all state agencies by DOA's Division of Information Technology Services for their use of the state computer utility services.

12. It may be questioned whether it is appropriate to fund a property assessment database initiative in the separate Office of Land Information Services using revenues derived from such computer user charges. Most state agencies that will pay these user charges will derive no tangible benefit from the property assessment database initiative. Further, when state agencies pay user charges to DOA's Division of Information Technology Services, it is presumably with the expectation that these charges are set at a level sufficient to recover the reasonable and necessary

costs of the Division in operating the utility and providing computing services to the agencies (rather than costs for OLIS activities or other unrelated activities).

13. In fact, one of the principal arguments for the original establishment of the central computer utility in DOA was that state agency customers would benefit from lower rates by having such a facility. While DOA staff are unable to identify what the impact of adding the property assessment database staff would be on rates, they argue that it would be a minimal increase in overall rates. However, to the extent that DOA continues to add what are arguably extraneous costs to its computer utility services rates (or to any of its other services such as telecommunications services), the less the "true" costs of those services will be reflected in actual billing rates because of the add-ons. It could be argued that the more DOA adds marginally-related services to a presumably pure user charge, the more the services being delivered for that charge become obscure. For example, an agency that could acquire such central computer services from its own internal computer services (such as the UW-Madison) or from an outside private vendor would not have the marginal costs of developing GIS systems added to its billed charges.

14. If the Committee believes that the concerns outlined above have merit, it could either delete the Governor's proposal or consider alternative funding sources for the project.

15. The Governor has separately proposed the use of a portion of the register of deeds recording fee revenues that currently go to the Land Information Board to fund the development of a computer-based land information system under OLIS as well as for partial funding of related soil surveys and soil mapping activities. The Governor, however, chose not to fund the property assessment database project and staffing from these fee revenues. The rationale for not funding this project from that revenue source was that a significant portion of the register of deeds recording fee revenues were already being earmarked in the budget for a proposed computer-based land information system and a soil survey and soil mapping initiative.

16. A further argument against the use of register of deeds fees for this project would be that while property assessment data is identified as an information component that should ultimately be included in a comprehensive land information data base, the Land Information Board does not view the development of this type of data as one of its five "foundational elements" that the state and counties should pursue at this time as priority items for land information database development.

17. It could be argued, however, that if this project is to go forward, a funding source such as the register of deeds recording fee revenues is more appropriate than use of an add-on to state computer utility charges. The land information system, and more particularly this proposed county property assessment database project, are presumably intended to benefit counties and other local users of the planned land information system and the property assessment database project as much as any state agency users. The additional use of these revenues in the next biennium would further reduce the level of funding available to the Land Information Board for the grants to counties program for land information records modernization projects. At the same time, however, the point could also be made that counties and municipalities within the counties would equally benefit from the proposed GIS property assessment database program once it was developed just as

they would from the grants program.

18. As another alternative then, the Committee could delete the use of Division of Information Technology Services funds for this initiative and instead allocate revenues from register of deeds recording fees to provide the recommended funding of \$186,600 PR in 1999-00 and \$81,500 PR in 2000-01 for this project. Funding for the Land Information Board's grants to counties program would be reduced by a corresponding amount.

**ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$186,600 PR in 1999-00 and \$81,500 PR in 2000-01 and authorize 2.0 PR four-year project positions in the Office of Land Information Services to support a property assessment database project funded from Division of Information Technology Services user charges.

2. Modify the Governor's recommendation to provide the proposed funding for the property assessment database project from a portion of the Land Information Board's share of the register of deeds recording fees and reduce the level of funding for Board's grants to counties program by a corresponding amount.

3. Maintain current law.

<u>Alternative 3</u>	<u>PR</u>
1999-01 FUNDING (Change to Bill)	- \$268,000
1999-01 POSITIONS (Change to Bill)	- 2.00

Prepared by: Tony Mason

MO# Alt 3

2	BURKE	<input checked="" type="radio"/>	N	A
	DECKER	<input checked="" type="radio"/>	N	A
	JAUCH	<input checked="" type="radio"/>	N	A
	MOORE	<input checked="" type="radio"/>	N	A
	SHIBILSKI	<input checked="" type="radio"/>	N	A
	PLACHE	<input checked="" type="radio"/>	N	A
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	WARD	<input checked="" type="radio"/>	N	A
	HUBER	<input checked="" type="radio"/>	N	A
	RILEY	<input checked="" type="radio"/>	N	A

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