

2001 Jr2 DRAFTING REQUEST

Assembly Amendment (AA-AB1)

Received: **03/04/2002**

Received By: **gibsom**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Hotynski**

This file may be shown to any legislator: **NO**

Drafter: **gibsom**

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Subject: **Nat. Res. - LWSR stewardship**

Extra Copies:

Submit via email: **YES**

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Carbon copy (CC:) to:

Pre Topic:

LFB:.....Rebecca Hotynski -

Topic:

Appraisals for stewardship purposes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

February 27, 2002

Joint Committee on Finance

Paper #1204

Warren Knowles-Gaylord Nelson Stewardship Program (DNR)

CURRENT LAW

DNR is authorized \$46 million in general obligation bonding authority for 2001-02 and \$60 million annually for 2002-03 through 2009-10 for the Warren Knowles-Gaylord Nelson Stewardship 2000 program. Beginning in 2002-03, \$45 million annually is specified for land acquisition and \$15 million for property development and local assistance. For local assistance grants, the grant applicant (generally a local government or non-profit conservation organization) must submit two appraisals if DNR determines the fair market value of the land exceeds \$200,000.

GOVERNOR

No provision.

DISCUSSION POINTS

1. In October of 2000, the Legislative Audit Bureau (LAB) released an evaluation of the Warren Knowles-Gaylord Nelson Stewardship program. Based on its findings, a number of recommendations were made to improve the program. Key amongst these was a recommendation that for grants over \$200,000, DNR should independently obtain an appraisal separate from any appraisal submitted by grant applicants. While DNR concurred with this recommendation, the Department indicated that application of this rule would be hindered by s. 23.0917 (7)(e), which requires the grant applicant to submit two appraisals for any project estimated to be over \$200,000
2. Under the Warren Knowles-Gaylord Nelson Stewardship program, DNR determines grant amounts based on reviews of property appraisals provided by grant applicants, who typically contract with private appraisers for this service.
3. However, the need to secure sufficient grant funding in order to undertake projects

8. Additional recommendations made by the Legislative Audit Bureau included prohibiting local governments and NCOs from submitting appraisals commissioned or paid for by the seller of the property as part of the stewardship grant application process, and a recommendation to allow DNR staff to develop a blended appraised value when appropriate. (This approach would allow DNR staff to choose various components from different appraisals of the same property to generate a new appraised value.) The Department has concurred with these recommendations and has incorporated them into their grant review process.

ALTERNATIVES TO BILL

1. Modify the statutory requirement under s. 23.0917(7)(e) that requires applicants to submit two appraisals for acquisition projects estimated by DNR to exceed \$200,000 to require grant applicants to pay for and submit one appraisal, and require DNR to independently obtain an additional appraisal, separate from any submitted by the applicant for eligible applicants. Allow DNR to require more than one appraisal from the applicant. However, specify that any additional appraisals required would be considered eligible expenses under the grant program. (DNR would pay up to 50% of the cost for any additional appraisals required, as under current law.)

2. Maintain current law. (Grant applicants would be required to submit two appraisals, reimbursable at up to 50%, for purchases exceeding \$200,000, and DNR could obtain an independent appraisal at state expense.)

Prepared by: Rebecca Hotynski and Daryl Hinz



State of Wisconsin
2001 - 2002 LEGISLATURE

January 2002 Special Session

soon

RNR
LRBb2277A-1
MGG:.....
cm

LFB:.....Rebecca Hotynski - Appraisals for stewardship purposes
FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT,
TO ASSEMBLY BILL 1

1 At the locations indicated, amend the bill as follows:

2 1. Page 51, line 1: after that line insert:

3 "SECTION 72m. 23.0917 (7) (e) of the statutes is amended to read:

4 23.0917 (7) (e) For any land for which moneys are proposed to be obligated from
5 the appropriation under s. 20.866 (2) (ta) in order to provide a grant or state aid to
6 a governmental unit under s. 23.09 (19), (20), or (20m) or 30.277 or to a nonprofit
7 conservation organization under s. 23.096, the department shall use at least 2
8 appraisals to determine the fair market value of the land. The governmental unit
9 or nonprofit conservation organization shall submit to the department two
10 appraisals if the department estimates that the fair market value of the land exceeds
11 \$200,000 one appraisal that is paid for by the governmental unit or nonprofit
12 conservation organization. The department shall ~~also~~ obtain ^{its own} ~~an additional~~

connect scoring

independent

1 independent appraisal. The department may also require that the governmental
2 unit or nonprofit conservation organization submit a 3rd appraisal. The department
3 shall reimburse the governmental unit or nonprofit conservation organization up to
4 50% of the costs of the 3rd appraisal as part of the acquisition costs of the land if the
5 land is acquired by the governmental unit or nonprofit conservation organization
6 with moneys obligated from the appropriation under s. 20.866 (2) (ta). This
7 paragraph does not apply ^{if} the fair market value of the land is estimated by the
8 department to be \$200,000 or less^a. fix

History: 1999 a. 9, 185; 2001 a. 16, 30.

(END)

plan period



State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2277/1
MGG:cmh:jf

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8 department to be \$200,000 or less.”.

9 (END)