

Fiscal Estimate Narratives

DOA 12/14/2005

LRB Number	05-3191/2	Introduction Number	SB-460	Estimate Type	Original
Description Municipal boundary agreements and the use of alternative dispute resolution in municipal boundary disputes					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would do the following:

First, this bill streamlines and simplifies the cooperative boundary agreement procedure by reducing the minimum statutory waiting period between the authorizing resolution and the public hearing from 120 to 60 days.

Second, it creates a mediated agreement procedure where a city, village, or town petitions a neighboring jurisdiction to develop a cooperative boundary agreement, with penalties for refusal.

Third, it clarifies the issue of boundary agreements entered into under section 66.0301 Wis.Stats. (general intergovernmental agreements). Some courts have voided these agreements. This bill authorizes use of section 66.0301 general agreements for altering or maintaining municipal boundaries, and also adds a number of requirements such as notice, a public hearing, a referendum opportunity, term of agreement, and filing requirements.

Fourth, it limits the use of boundary agreements under section 66.0225 Wis.Stats. (court ordered stipulations resolving litigation) to territory involved in annexation disputes. Contested consolidations, detachments, and incorporations can now only be settled by entering into a cooperative boundary agreement under 66.0307 Wis. Stats., or a boundary agreement under 66.0301, Wis. Stats.

Fifth, it encourages alternative dispute resolution of municipal boundary disputes by inserting a reference to section 802.12 Wis. Stats. (Wisconsin's alternative dispute resolution statute) into the annexation statutes. It also requires DOA to develop and maintain an online list of professionals qualified to do alternative dispute resolution.

State Fiscal Effect:

Streamlining the cooperative boundary agreement process would not add to DOA staff workload, though it may change the nature of the workload because staff would need to reference communities' comprehensive plans more often than before.

Creating the mediated agreement procedure slightly increases staff workload because this bill assigns the department several administrative responsibilities. These require minimal additional work to draft response letters and provide lists of mediators, a service that, upon request, is already provided to towns, cities and villages.

Clarifying the issue of boundary agreements entered into under section 66.0301 Wis. Stats. (general intergovernmental agreements) and adding requirements such as notice, a public hearing, a referendum opportunity, and filing requirements would save the Department staff time.

Limiting boundary agreements entered into under section 66.0225 Wis. Stats. (court ordered stipulations resolving litigation) will not affect DOA's staff workload or budget.

Requiring DOA to develop and maintain an online list of professionals qualified to do alternative dispute resolution (ADR) would slightly increase the Department's workload.

The above staff workload changes can be absorbed by the Department.

Local fiscal effect:

Local fiscal effect is indeterminate because of the number of variables and communities that would utilize these provisions. In general, the following would likely occur:

Streamlining cooperative boundary agreements saves local communities time and money by enabling them to use information already contained in their comprehensive plans. Reducing the minimum statutory waiting period from 120 days to 60 days also saves local communities time and money for those who choose to rely upon a shorter time period. It is not possible to estimate how many communities might utilize this provision.

It is not possible to accurately measure possible costs associated with creating a mediated agreement procedure where a city, village, or town could petition a neighboring jurisdiction to develop a cooperative boundary agreement.

Clarifying the issue of boundary agreements entered into under section 66.0301 Wis.Stats. (general intergovernmental agreements) could cost some local communities more in the short term because of costs related to the required notice, public hearing, and referendum opportunity. In the long term it would likely save time and litigation costs due to the legal certainty that the bill would provide. Because the bill grandfathers existing 66.0301 boundary agreements, communities that already have these types of agreements would be unaffected.

Limiting boundary agreements under section 66.0225 Wis.Stats. (court ordered stipulations resolving litigation) is unlikely to fiscally affect local jurisdictions.

Encouraging alternative dispute resolution of municipal boundary disputes by inserting a reference to section 802.12 Wis.Stats. (alternative dispute resolution statute) into the annexation statutes may increase costs in the short term due to mediation costs. However, in the long run this will likely be offset by a reduction in litigation costs.

Long-Range Fiscal Implications

Unknown