

Testimony on 2021 Senate Bill 64
Senator Robert Cowles
Senate Committee on Natural Resources and Energy
March 11th, 2021

Thank you, Committee Members, for allowing me to testify on 2021 Senate Bill 64. This bill offers the DNR the discretion to better utilize revenues generated from property sales.

Under current law, when the Department of Natural Resources (DNR) sells properties, they may only use the revenue for the purchase of new fee title property acquisitions with specified purposes or in specified locations. In the past four-years since the close of the 2013-15 State Budget's requirement to sell 10,000 acres managed by the DNR, only about \$425,000 worth of property has been approved for sale. This revenue won't go very far in new property acquisition, but that doesn't mean the funds can't be put to good use.

With infrastructure in State Parks and other DNR properties in need of refurbishment, it makes sense to allow the DNR to use these funds for property development. After all, a few thousand dollars will go a lot further towards potholes, posts, and plumbing than it will go towards more property acquisition. Funds could also be better utilized in the purchase of easements versus fee title acquisitions, such as streambank easements which help to increase public access, limit runoff and erosion, provide habitat, and reduce flood peaks.

2021 Senate Bill 64 provides the DNR with more uses for revenues generated from property sales. By providing the DNR with the opportunity to use this revenue for property development, while not closing the door to using funds for acquisition or easements as they see fit, we can help to ensure that revenues generated from land sales are put to their highest and best use. This will benefit the state by allowing funds to be used to reduce the infrastructure backlog and benefit those who frequent public lands by improving visitor experiences.

To address questions from legislators and stakeholders, an amendment has been drafted to provide clarification and additional oversight. Pending further changes to address feedback offered at this hearing, the amendment will soon be introduced. The amendment will:

1. Provide cross-references for the definitions of land and easements;
2. Ensure that stipulations placed on the use of federal funds are followed, and;
3. Create a biannual report on land sales by the DNR and the use of this revenue.



Senate Committee on Natural Resources and Energy

2021 Senate Bill 64

The use of proceeds from the sale of state-owned properties controlled by the Department of Natural Resources

March 11, 2021

Good morning Chair Cowles and members of the committee. My name is Terry Bay, and I am the Director of the Bureau of Facilities and Lands for the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify, for informational purposes, on Senate Bill 64 (SB 64), related to the use of proceeds from the sale of state-owned properties controlled by the Department of Natural Resources.

Current statutes provide explicit direction to the department on how the proceeds from land sales shall be utilized. This clear statutory direction circumvents issues that are continually presented to the department on the proper use of funding for the many competing needs associated with managing department properties. Under s. 23.15(4), the department can use property sales proceeds exclusively for improvements to the quality of properties within the department land portfolio, often resulting in less land owned, but of more beneficial use. The current statutes limit department discretion relative to the use of these proceeds.

SB 64 does not dictate how development projects funded with the land sale proceeds would be prioritized, which provides the department with increased flexibility. Without clear statutory direction, however, the department may find itself facing internal and external conflicting priorities regarding the use of specific funds for development given the wide range of needs facing the department.

As a note regarding administration, SB 64 outlines that the proceeds cannot be utilized for program administration costs. Currently, the only administration costs associated with land development are paid to the Department of Administration (DOA). Therefore, under SB 64, the department would be required to utilize other department funding sources to pay DOA administration costs for land development projects that use these proceed funds.

Finally, SB 64 may put pressure on the department to sell land to support the maintenance backlog of development projects. Many of these projects are necessary to protect health and human safety at department properties, so the additional funding source would be helpful, but it may also lead to pressure to sell land that is still necessary for conservation purposes. Again, current statutes provide more certainty regarding outcomes, while SB 64 would increase department discretion and flexibility.

The department is aware and appreciative that the bill authors are open to a potential amendment in response to feedback received from stakeholders and we respectfully offer our feedback for the authors and committee to consider.

On behalf of the Department of Natural Resources, we would like to thank you for your time today. I am happy to answer any questions you may have.