



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #102

### **Land Information Board and Wisconsin Land Council Sunsets (DOA -- General Agency Provisions)**

[LFB 2005-07 Budget Summary: Page 27, #12]

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#### **CURRENT LAW**

The Department of Administration (DOA) has established an Office of Land Information Services in the Division of Intergovernmental Relations to advise state and local governments on matters relating to land use, the development of information, land and geographic systems, and strategies for land records modernization and systems integration. The Office is responsible for providing staff and other support to both the Wisconsin Land Information Board and the Wisconsin Land Council and for overseeing the statewide activities of municipal boundary review and plat review.

*Land Information Board.* The Land Information Board (Board) is attached administratively to DOA and directs and supervises the implementation of the Wisconsin land information program under s. 16.967 of the statutes. The Board has 15 members, including the Secretaries (or their designees) of DOA, DATCP, DNR, DOR and DOT. The Board is generally responsible for: (1) providing technical assistance and advice to state agencies and local governmental units with land information responsibilities; (2) maintaining and distributing an inventory of land information available for this state; (3) preparing guidelines for coordinating the modernization of land records and land information systems; (4) reviewing and approving county aid project applications; (5) reviewing for approval a countywide plan for land records modernization; (6) seeking the cooperation of the University of Wisconsin, state agencies, local government units and other experts involved in collecting and managing land information; and (7) providing technical assistance to counties and conducting educational conferences relating to land information and collecting fees to recover the costs of these services.

*Land Council.* A separate, 16-member Wisconsin Land Council (Council) is also attached administratively to DOA and is charged with: (1) facilitating local land use planning

efforts; (2) identifying state land use goals; (3) identifying areas of conflict between state statutes and local ordinances on land use issues; (4) recommending legislation; and (5) approving or disapproving proposed comprehensive planning grants to local units of government. The Secretaries (or their designees) of DOA, DATCP, Commerce, DNR, DOR, and DOT all sit on the Council. The Council is currently funded by direct assessments of the six state agencies represented on the Council; however, there is no base level expenditure authority under this appropriation. Currently, the Board is required to provide support staff for Council activities.

*Sunset of the Board and the Council.* The Board is scheduled to sunset on September 1, 2005, along with all of its powers and duties, all of its supporting appropriations and the mechanism authorizing both the \$2 portion of the county register of deeds recording fee that is transferred to the state as well as the \$1 portion collected by counties to maintain their computerized housing records. The Council is also scheduled to sunset on September 1, 2005, along with the state agency assessment mechanism. After that date, only those land information support activities expressly assigned as ongoing DOA responsibilities (such as operation of the geographic information system function) would remain in force.

*Comprehensive Planning Grants.* The state awards \$2,000,000 PR annually for comprehensive planning grants to local units of government to encourage "smart growth" planning. The grants may be used to finance the costs of local planning activities, the purchase of computerized planning data, or planning software or hardware required to utilize that data or software. The PR-funded comprehensive planning grants are supported from the \$2 county recording fee amounts remitted to the state. Following the September 1, 2005, sunset of the \$2 recording fee remitted to the state, the funding source for these grants will be eliminated.

*Land Program Funding.* The Board's administrative and grant program appropriations are funded from a portion of recording fees collected by county registers of deeds. Under current law, county registers of deed collect \$11 for the first page and \$2 for each additional page for recording a legal document. Currently, counties must remit \$2 of each \$11 collected for recording the first page of each document to the Board to fund its operations and to make grants to counties for land records modernization projects and for comprehensive planning grants. Where a county does not have a land information office, it may retain \$4 of the \$11 fee as a general revenue and must remit the remaining \$7 to the Board. Where a county establishes a land information office, the county may then retain \$5 of each \$7 that would otherwise have been payable to the state. Of the \$5 retained, \$4 must be used for land records modernization and \$1 for maintaining a computerized indexing of the county's land information records relating to the housing.

Currently, all counties have approved land records modernization activities and remit only \$2 to the state. In 2003-04, the state received \$4,251,200 from these recording fees. Projected fee revenues in 2004-05 are \$3,360,800.

Base level funding of \$3,294,100 PR annually from these filing fees supports the following land-related programs in DOA: (1) grants to counties for various purposes (\$269,100

PR annually); (2) soil surveys and soil mapping activities (\$700,000 PR annually); and (3) Board administrative costs (\$325,100 PR and 3.0 PR positions annually). The remaining \$2,000,000 PR annually is allocated to fund comprehensive planning grants. Provisions of 2003 Wisconsin Act 33 also required the Board to lapse \$1,101,600 PR in 2003-04 and \$524,400 PR in 2004-05 from recording fee revenue balances to the general fund.

## GOVERNOR

Recodify the duties of the Land Information Board and the Wisconsin Land Council under DOA to reflect the repeal of the Board and the Council on September 1, 2005. Delete \$700,000 PR annually appropriated for soil survey and mapping activities and repeal two related appropriations to reflect the conclusion of the soil survey and mapping project in the state.

*Land Information Board Duties Transferred to DOA.* Generally, provide that all of the current law duties and responsibilities of the Board be recodified under DOA. Specify that DOA, rather than the Board, would assume the responsibility for integrating information submitted annually from 11 state agencies relating to modernizing the state's land information data needs.

*Administrative Support for Land Information Functions.* Adjust base level administrative support of \$325,100 PR and 3.0 PR positions annually for land-related activities in DOA to provide \$332,100 PR in 2005-06 and \$271,400 PR and 2.0 PR positions annually. These amounts reflect standard budget adjustments and budget efficiency measures of \$7,000 PR in 2005-06 and -\$53,700 PR in 2006-07 and -1.0 PR position annually.

*Wisconsin Land Council Duties Transferred to DOA.* Generally, provide that all of the current law duties and responsibilities of the Wisconsin Land Council be recodified under DOA.

*Continued Collection and Remittance of the State's Share of Land Record Fees.* Continue permanently the current collection and remittance to the state of \$2 from recording fees collected by county registers of deeds. Continue permanently the current collection of \$1 from recording fees collected by county registers of deeds and retained by counties for the development of computerized housing databases.

Authorize DOA to make grants to counties, funded from the state's share of the \$2 recording fees, for county land records modernization. The \$2 recording fee remittances to the state would continue to support county land program modernization grants (\$269,000 PR annually), comprehensive planning grants (\$2,000,000 PR annually), and DOA's land-related administrative costs (\$332,100 PR in 2005-06 and \$271,400 PR in 2006-07 and 2.0 PR position annually). Convert a technical assistance and education appropriation, funded from conference fees, from an annual to a continuing appropriation.

*Miscellaneous Changes.* Recodify current statutes by including reference to DOA, rather than the Land Information Board or the Wisconsin Land Council, with respect to: (1) consulting

with the DNR relating to the natural heritage inventory program, wetland mapping and aerial photographic surveys; (2) providing advice to the UW Board of Regents on the selection of a state cartographer and requiring the state cartographer to coordinate certain of his or her duties with DOA; (3) cooperating with DATCP regarding the methodology for collecting land information data on soil erosion; and (4) advising the PSC with respect to reimbursing local land information collection costs related to emergency wireless 911 services.

Repeal the responsibilities of the Board: (1) to enter into a memorandum of understanding with the Wisconsin Land Council to avoid the duplication of duties; and (2) to conduct soil surveys and mapping activities (in light of the completion of this project). Repeal various nonstatutory provisions modifying previous sunset dates for the Board and the Council. Specify that the recodification of duties of the Wisconsin Land Council under DOA would be effective on September 1, 2005.

## **DISCUSSION POINTS**

1. The Land Information Board was established under 1989 Wisconsin Act 31, and the Wisconsin Land Council was added under 1997 Wisconsin Act 27. Both entities are scheduled to sunset on September 1, 2005. One year prior to these scheduled sunsets, the Board and the Council were required to prepare a report with recommendations relating to the feasibility of continuing either body. If retention of either or both of the bodies was not recommended, the report was to propose alternatives for the continuation of current land information modernization activities.

2. On August 31, 2004, the Board and the Council released a joint report to the Governor and the Legislature entitled *An Evaluation of Functions, Activities and Future Directions*. The report was adopted unanimously by both bodies. The report made several recommendations relating to the future of the land information function in state government, including:

- Maintaining the current law September 1, 2005, sunsets of the Board and the Council.

- Repealing the sunset of the fees that are remitted to the state (\$2 for the first page of a recorded instrument) and the \$1 fee that is retained by counties to develop and maintain a computerized indexing of land information records relating to housing. The resulting continuing revenues should support ongoing land records modernization efforts and comprehensive planning activities.

- Increasing the annual grant amount to counties to ensure that a minimum of \$50,000 annually (from a combination of county receipts and annual state grant amounts, if any, from DOA) is available for county land records modernization purposes.

- Continuing the distribution of comprehensive planning grants through DOA.

- Providing administrative costs for DOA to oversee the distribution of aids to

counties and comprehensive planning grants.

- If any amounts remain from the \$2 fees remitted to the state, supporting the following programs; (a) additional funding for aids to counties for land records modernization above the \$50,000 level recommended in the report; (b) wetlands mapping; and (c) matching grants for other geographic information systems and land information system programs.

3. The Committee may wish to review aspects of the funding allocations from the \$2 land record fee that the Governor has recommended extending on a permanent basis, including whether the Legislature should have more oversight authority over the budgeting of these funds. The Committee may also wish to review the treatment of any balances that might accrue from the collection of such fees.

4. When the Board was created under 1989 Wisconsin Act 31, the Legislature specified that the Board and DOA jointly study possible program revenue or other sources of funding that could be used to support the Board's operations and provide grants to counties for the development of modernized local land information systems.

5. The current recording fee mechanism was proposed as an outgrowth of that study. Provisions of 1989 Wisconsin Act 339 specified that a fee of \$8 for the first page of a recorded instrument be used to fund land record modernization efforts, with \$4 retained by the county and \$4 remitted to the state, unless the county had a new land information office or had received approval for a countywide land records modernization plan (in which case \$6 could be retained by the county with \$2 remitted to the state).

6. Act 339 also provided that the land record filing fees remitted to the state be used to support grants to counties for local land record development. The Legislature created a PR-continuing appropriation that funded both the activities of the Board and provided aid payments to counties. Act 339 also increased the fee for the first page of a recorded instrument from \$8 to \$10 beginning July 1, 1991, with the additional \$2 retained by the counties.

7. This appropriation was subsequently modified by 1991 Wisconsin Act 39, which created a separate PR-annual appropriation for the Board's general program operations, and retained the PR-continuing appropriation for the payment of grants to counties. Both appropriations were funded from the \$2 filing fee remitted to the state.

8. The fee structure remained at \$10 for the first page and \$2 for each additional page until the 2001-03 biennial budget, which increased the fee for the first page of a recorded instrument from \$10 to \$11. The additional \$1 fee was to be retained by the counties to develop and maintain a computerized indexing of land information records relating to housing.

9. Table 1 shows the amounts received by the state from these \$2 recording fees since 1997-98. Included in Table 1 is a revenue projection for the 2004-05 fiscal year.

**TABLE 1**

**State Revenues From \$2 Filing Fee Remittances**

<u>Year</u>	<u>Revenues</u>
1997-98	\$2,757,200
1998-99	3,360,800
1999-00	2,551,400
2000-01	2,610,400
2001-02	3,749,400
2002-03	4,544,600
2003-04	4,251,200
2004-05*	3,360,800

\*Estimate based on receipts through March 31, 2005.

10. Revenues from the \$2 filing fee have fluctuated during the period, but have averaged \$3,398,200 annually over the eight-year period shown in Table 1. DOA believes that the annual fluctuations in remittances to the state are primarily due to such factors as increases and decreases in housing development activity in the state and periodic surges in mortgage refinancings. For the purpose of projecting fee revenues in both 2005-06 and 2006-07 under a continuing \$2 filing fee, the projected revenue level for 2004-05 (\$3,360,800) has been used for both years. This estimate is comparable to the eight-year average of \$3.4 million.

11. Currently, these filing fees support annual costs for land information administrative costs, comprehensive planning grants, and soil survey and mapping activities. All remaining revenues not otherwise specified for these three purposes are then available for grants to counties.

12. Table 2 summarizes estimated expenditures from land recording fees in 2004-05 and in 2005-06 and 2006-07. The amounts for 2005-06 and 2006-07 represent the expenditure authority amounts provided under the bill, except for the aids to counties appropriation, which is an all monies received continuing appropriation. The expenditure estimates in Table 2 for this appropriation reflect expenditures based on counties being eligible for a grant sufficient to ensure that each county would have a minimum of \$50,000 (from a combination of state grants and retained county recording fee revenues) for maintaining the countywide plan for land records modernization and \$300 per county for education and training activities related to land records management.

**TABLE 2**

**Governor's Recommendation for Expenditures from Recording Fees  
(2005-06)**

<u>Appropriation (All PR)</u>	<u>2004-05</u>		<u>AB 100</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
Comprehensive Planning Grants	\$2,000,000	0.00	\$2,000,000	0.00	\$0	0.00
Land Information Operations	311,200	3.00	333,800*	2.00	22,600	-1.00
Aids to Counties for Land Projects**	785,100	0.00	846,100	0.00	61,000	0.00
Soil Surveys and Mapping (Repealed)	700,000	0.00	0	0.00	-700,000	0.00
Land Council Operations (Repealed)	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Funding Changes	\$3,796,300	3.00	\$3,179,900	2.00	-\$616,400	-1.00

**(2006-07)**

<u>Appropriation (All PR)</u>	<u>2004-05</u>		<u>AB 100</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
Comprehensive Planning Grants	\$2,000,000	0.00	\$2,000,000	0.00	\$0	0.00
Land Information Operations	311,200	3.00	274,500*	2.00	-36,700	-1.00
Aids to Counties for Land Projects**	785,100	0.00	846,100	0.00	61,000	0.00
Soil Surveys and Mapping (Repealed)	700,000	0.00	0	0.00	-700,000	0.00
Land Council Operations (Repealed)	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Funding Changes	\$3,796,300	3.00	\$3,120,600	2.00	-\$675,700	-1.00

\*Includes \$1,700 PR in 2005-06 and \$3,100 PR in 2006-07 for employee compensation reserves.

\*\*An all monies received continuing appropriation.

13. Of the proposed expenditures summarized in Table 2, the amounts budgeted for comprehensive planning grants and land information operations in each fiscal year are under sum certain appropriations. The amounts budgeted for county grants are under an all monies received continuing appropriation, and expenditures under such an appropriation may be made in an amount sufficient to fund all grant commitments (subject only to the overall availability of funding). A soil survey and mapping appropriation with base level funding of \$700,000 PR annually would be repealed under the bill, and these funds are now available for alternative land record modernization activities or for other purposes of the Committee's choosing.

14. With respect to the current grant program to counties for land record modernization activities, the amount of a potential county grant is governed to a large degree by the amount of revenue the county collects from the \$4 of the \$11 fee that the county collects on the first page of a recorded document that must be used by the county for land records modernization. The \$4 retained for this purpose by the county is called the "obligated" portion of the fee, and is distinct

from that portion of the fee retained by the county as a general revenue (\$4) or for housing records modernization (\$1).

15. With respect to the grant funding available from the state, these annual grants are limited by statute to a maximum of \$100,000, and more than one grant may be made to a county during the year. Grant procedures are established by administrative rule. First, each county is eligible for a \$300 grant to participate in workshops and courses provided by institutions of higher education, professional land information organizations and land information system vendors.

16. Second, each county that does not generate at least \$35,000 in recording fee collections from the obligated portion of fees retained by the county may apply to the state for a grant for any of the following purposes: (a) the design, development, and implementation of a land information system that integrates property and ownership records with boundary information, tax and assessment information, soil surveys, wetlands, a modern geodetic reference system, and current zoning restrictions and restrictive covenants; (b) the preparation of parcel property maps that are suitable for use by local governmental units for accurate land title boundary line information; (c) the preparation of maps that are suitable for use by local governmental units for planning purposes; (d) systems integration projects; and (e) the development of Internet-accessible housing assessment and sales data.

17. The amount of the state grant will be the amount necessary, when combined with the total of the county's \$4 obligated fee collections (in the prior year), will be sufficient to provide total funding of \$35,000. Under this grant distribution mechanism, Adams County and Ashland County, for example, fared differently in the 2003-04 fiscal year in qualifying for state land record modernization grants. Since Adams County collected obligated receipts in 2002-03 equal to \$43,200 and these obligated receipts exceeded the \$35,000 minimum threshold for a grant, the county was ineligible for a state grant in 2003-04. By contrast, Ashland County collected obligated receipts of \$23,900 in 2002-03. Since these obligated receipts were less than the \$35,000 minimum threshold, the county was eligible for a state grant of \$11,100 [the difference between \$23,900 and the \$35,000 threshold].

18. However, in 2004-05, the Board made two grants awards to counties. Two grant cycles could be funded because of the availability of fee revenues, which in turn could be expended through the continuing appropriation structure. First, the Board made the type of award described above to those counties that did not generate at least \$35,000 in recording fee collections from the obligated portion of their recording fee collections. The Board then made a second grant distribution in 2004-05 to those same counties that did not collect at least \$35,000, but made the award equal to the difference between the amount of obligated fee revenues in 2003-04 and \$50,000. In the first grant cycle, Adams County, for example, had obligated fee revenues of \$40,600 in 2003-04 and was ineligible for a grant. Since Ashland County collected \$22,000 in obligated fees in 2003-04, it was eligible for an initial grant of \$13,000. In the second grant cycle that year, Adams County was again ineligible because of obligated revenue collections in excess of \$35,000, but Ashland County received an additional \$28,000 PR [the difference between the county's obligated receipts of \$22,000 and \$50,000].

19. In 2004-05, 18 counties received a total of \$763,500 PR in these two grant cycles. While it could be argued that these grant distributions target state grant funds to those counties most in need of the funding, the Legislature might conclude that it would be desirable to establish county grant distribution threshold levels by statute to ensure a standardized approach to the distribution of the grant funds.

20. The Department indicates that it plans to seek an administrative rule change to provide grants to those counties whose annual collection of obligated fees does not exceed \$50,000. The amount of the grant would be the difference between \$50,000 and the amounts collected below that threshold. This proposal would be consistent with the recommendation contained in the joint report of the Land Information Board and the Wisconsin Land Council with respect to increasing future grant amounts to counties.

21. With the state's \$2 recording fee revenues projected at \$3,360,800 in 2005-06 and 2006-07, it is estimated that 27 counties would receive grants of \$345,100 annually under the current \$35,000 threshold, while under the \$50,000 threshold an estimated 36 counties would receive grants of \$824,400 annually based on current collection patterns. Thus, establishing a \$50,000 threshold rather than maintaining the current \$35,000 threshold would result in an additional grant distribution to counties of \$479,400 PR annually.

### **Possible Changes to Legislative Oversight of the County Grant Program**

22. The Committee may wish to consider two possible changes to the current grant program that would provide the Legislature with increased oversight over the amounts allocated by the Department for land record improvement aids to counties.

23. First, the Committee could consider establishing the threshold amount by statute, rather than administrative rule. This change would provide the Legislature an opportunity to establish the amounts that would be made available to counties each year, based on total revenue projections. Further, grants would be distributed under a standardized distribution mechanism, rather than repeat 2004-05 grant cycles where two different distribution procedures were used. As part of each biennial budget process, the Committee and the Legislature could address any changes to the threshold amount to allocate more or less funding, depending on available revenues. It is also intended that the \$300 annual allocations to counties for educational activities would continue.

24. While these types of changes can now be accomplished through the rule-making process, which does allow the Legislature an opportunity to review the appropriateness of changing the grant threshold minimums, generally that review is done outside the budget process. Reviewing future proposals to make statutory changes in the grant thresholds as part of the budget process would increase the Legislature's oversight of the use of these funds.

25. Second, the Committee could also consider making the aids to counties appropriation an annual appropriation, rather than the current continuing appropriation. By establishing statutory grant threshold amounts and converting the appropriation to a sum certain

appropriation, the Legislature could better manage the amounts it wishes to distribute to counties for land records modernization. In the event that additional balances were to build in the appropriation account, the threshold level could be readjusted in future budgets or the available funds could be redirected to another purpose of the Legislature's choosing. However, a possible limitation to this approach would be that fluctuating annual recording fee collections could make accurate budgeting more difficult to achieve.

26. The Committee could set the grant threshold at different levels in order to distribute the of state fee revenues. The current threshold is \$35,000 and the Board and Council have both recommended that it be set at \$50,000 for distributions in 2005-06 and beyond. The following comparison shows the estimated state grant funding that would be distributed, based on current fee collection patterns, at different thresholds between \$35,000 and \$50,000.

<u>Minimum County Receipts</u>	<u>Total Cost of State Supplement</u>	<u>Estimated Number of Counties Receiving Grants</u>
\$35,000	\$345,400	27
40,000	484,500	29
45,000	644,400	36
50,000	824,400	36

27. The current \$35,000 threshold was established by rule in 2000. DOA advises that the recommended \$50,000 is needed: (a) to implement the recommendations of the Board and the Council; (b) to ensure that each county can deliver an effective county land modernization program; (c) to recognize that the funding thresholds have not been increased in five years and have not kept pace with increased costs for the technology necessary to maintain land record information; and (d) to expand the number of counties that would receive grant funding.

28. If the Committee believes that county aid payments should be used to ensure that county land offices have a minimum of \$50,000 [or another threshold level of the Committee's choosing] for developing, implementing, and maintaining the countywide plan for land records modernization and for providing \$300 grants per county for associated education and training activities, then the Committee could establish this amount in statute. In so doing, the Committee could also convert the county aids appropriation to a sum certain basis to improve legislative oversight of the total amounts expended through the appropriation.

29. Alternatively, the Committee could choose to make no changes at this time to the threshold amount or to the appropriation type. DOA could then proceed to adjust the threshold through the administrative rule process.

30. If the Committee chooses at this time to establish a grant award threshold and modify the appropriation, it would then be possible to assess likely expenditures during the next fiscal biennium in comparison to projected revenues. Under this type of analysis, it is anticipated that the land information county aids appropriation would likely develop significant available balances in 2005-06 and in 2006-07, regardless of the threshold levels that might be set between

\$35,000 and \$50,000.

**Possible Lapses of Program Revenue Balances**

31. Provisions of the 2003-05 biennial budget act directed lapses to the general fund of \$1,101,600 in 2003-04 and \$524,400 in 2004-05 from the balances in the Board's aids to counties appropriation account.

32. Based on projected annual recording fee collections of \$3,360,800 in each year of the next biennium, Table 3 summarizes the anticipated ending balance in the appropriation account in each fiscal year, based on a continuation of the current \$35,000 grant threshold and under the \$50,000 grant threshold level.

**TABLE 3**

**Projected Ending Balances under the County Aids Appropriation  
at \$35,000 and \$50,000 Grant Thresholds**

	<u>\$35,000 Grant Threshold</u>		<u>\$50,000 Grant Threshold</u>	
	<u>2005-06</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2006-07</u>
<u>Revenues</u>				
Opening Balance	\$603,100	\$1,263,400	\$603,100	\$784,100
Annual Revenues	<u>3,360,800</u>	<u>3,360,800</u>	<u>3,360,800</u>	<u>3,360,800</u>
Total Available	\$3,963,900	\$4,624,200	\$3,963,900	\$4,144,900
<u>Expenditures</u>				
Comprehensive Planning Grants	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Land information Operations	333,800	274,500	333,800	274,500
County Grants*	<u>366,700</u>	<u>366,700</u>	<u>846,000</u>	<u>846,000</u>
Total Expenditures	\$2,700,500	\$2,641,200	\$3,179,800	\$3,120,500
Ending Balance	\$1,263,400	\$1,983,000	\$784,100	\$1,024,400

\*Including \$300 per county education and training grants.

33. An estimated balance of \$1,983,000 would remain in the appropriation at the end of the biennium under a \$35,000 grant threshold, and an estimated balance of \$1,024,400 would remain under a \$50,000 grant threshold. Under a \$40,000 grant threshold, the ending balance would be estimated at \$1,704,200, and under a \$45,000 grant threshold, the ending balance would be estimated at \$1,384,400.

34. The Committee could choose to direct the lapse of a portion of these projected balances to the general fund. Because there has been historic fluctuation in the amount of recording

fees remitted to the state each year, it may be prudent to make provision for a \$500,000 ending balance in the event that fee revenues do not meet the projections. Table 4 identified the potential lapse amounts that could be directed under such an alternative.

**TABLE 4**

**Potential Lapses from the County Aids Appropriation  
at \$35,000 and \$50,000 Grant Thresholds with a \$500,000 Annual Reserve**

	<u>\$35,000 Grant Threshold</u>		<u>\$50,000 Grant Threshold</u>	
	<u>2005-06</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2006-07</u>
<u>Revenues</u>				
Opening Balance	\$603,100	\$500,000	\$603,100	\$500,000
Annual Revenues	<u>3,360,800</u>	<u>3,360,800</u>	<u>3,360,800</u>	<u>3,360,800</u>
Total Available	\$3,963,900	\$3,860,800	\$3,963,900	\$3,860,800
<u>Expenditures</u>				
Comprehensive Planning Grants	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Land information Operations	333,800	274,500	333,800	274,500
County Grants*	<u>366,700</u>	<u>366,700</u>	<u>846,000</u>	<u>846,000</u>
Total Expenditures	\$2,700,500	\$2,641,200	\$3,179,800	\$3,120,500
Balance	\$1,263,400	\$1,219,600	\$784,100	\$740,300
Lapse	\$763,400	\$719,600	\$284,100	\$240,300
Ending Balance	\$500,000	\$500,000	\$500,000	\$500,000

\*Including \$300 per county education and training grants.

35. At the current \$35,000 grant threshold, a total of \$1,483,000 could be lapsed to the general fund, while at the \$50,000 grant threshold level, \$524,400 could be lapsed. Under a \$40,000 grant threshold, the estimated lapse would be \$1,204,200, and under a \$45,000 grant threshold, the estimated lapse would be \$884,400.

36. While the Legislature has directed lapses from this appropriation in the past, and the above analysis would suggest that additional balances would be available for lapsing to the general fund during the next biennium, opponents of further lapses would argue that these fees were collected for the purpose of continuing the state's land record modernization efforts. Since DOA will be assuming the direction of this function, the balances should be reserved for future land records initiatives. As noted earlier, possible additional uses of such balances might include additional funding for aids to counties for land records modernization above the \$50,000 level, wetlands mapping; or matching grants for other geographic information systems and land information system programs.

## ALTERNATIVES

1. Approve the Governor's land information recommendations.
2. Specify that county aids payments under s. 20.505(1)(j) of the statutes may not be received by any county that has received revenue of at least \$50,000 in the previous year from amounts retained for developing, implementing, and maintaining countywide plans for land records modernization [under s. 59.72(5) of the statutes]. Specify that counties would be eligible for no more than the difference between \$50,000 and the revenue generated from these amounts retained by the county.
3. *In addition to Alternative 2*, direct the lapse of \$284,100 in 2005-06 and \$240,300 in 2006-07 to the general fund from the land information aid to counties appropriation.

<u>Alternative 3</u>	<u>GPR-REV</u>
2005-07 REVENUE (Change to Bill)	\$524,400

4. Specify that county aids payments under s. 20.505(1)(j) of the statutes may not be received by any county that has received revenue of at least \$45,000 in the previous year from amounts retained for developing, implementing, and maintaining countywide plans for land records modernization [under s. 59.72(5) of the statutes]. Specify that counties would be eligible for no more than the difference between \$45,000 and the revenue generated from these amounts retained by the county.
5. *In addition to Alternative 4*, direct the lapse of \$464,100 in 2005-06 and \$420,300 in 2006-07 to the general fund from the land information aid to counties appropriation.

<u>Alternative 5</u>	<u>GPR-REV</u>
2005-07 REVENUE (Change to Bill)	\$884,400

6. Specify that county aids payments under s. 20.505(1)(j) of the statutes may not be received by any county that has received revenue of at least \$40,000 in the previous year from amounts retained for developing, implementing, and maintaining countywide plans for land records modernization [under s. 59.72(5) of the statutes]. Specify that counties would be eligible for no more than the difference between \$40,000 and the revenue generated from these amounts retained by the county.
7. *In addition to Alternative 6*, direct the lapse of \$624,000 in 2005-06 and \$580,200 in 2006-07 to the general fund from the land information aid to counties appropriation

<u>Alternative 7</u>	<u>GPR-REV</u>
2005-07 REVENUE (Change to Bill)	\$1,204,200

8. Specify that county aids payments under s. 20.505(1)(ij) of the statutes may not be received by any county that has received revenue of at least \$35,000 in the previous year from amounts retained for developing, implementing, and maintaining countywide plans for land records modernization [under s. 59.72(5) of the statutes]. Specify that counties would be eligible for no more than the difference between \$35,000 and the revenue generated from these amounts retained by the county.

9. *In addition to Alternative 8*, direct the lapse of \$763,400 in 2005-06 and \$719,600 in 2006-07 to the general fund from the land information aid to counties appropriation

<u>Alternative 9</u>	<u>GPR-REV</u>
<b>2005-07 REVENUE</b> (Change to Bill)	\$1,483,000

10. *In addition to Alternatives 2 through 9*, convert that the county aids appropriation [s. 20.505(1)(ij)] from a continuing basis to an annual basis.

Prepared by: Darin Renner