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# Budget Briefs

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## SMART GROWTH

The biennial state budget act (1999 Wisconsin Act 9), passed by the legislature and signed by Governor Tommy Thompson on October 27, 1999, creates a financial incentive program designed to promote comprehensive planning at the local level. Popularly known as the "Smart Growth Initiative", the program encourages local government units (municipalities, counties, or regional planning commissions) to develop comprehensive plans that meet state standards, and it rewards municipalities and counties that adopt the necessary related ordinances.

### COMPREHENSIVE PLANS

**Statutory Requirements.** Act 9 sets uniform state standards for a comprehensive plan and specifies the nine elements each plan must contain. They are:

1) *Issues and opportunities* – Background information on the local government unit and a statement of its objectives, policies, goals, and programs to guide growth for the next 20 years.

2) *Housing* – Outline of the unit's existing housing stock and its programs to promote development of a range of housing choices;

3) *Transportation* – Plans for the future development of various modes of transportation within the unit and how these will relate to regional and state transportation plans;

4) *Utilities and community facilities* – Plans for future development of a variety of utilities and community facilities, including sewers, water supply, solid waste disposal, water treatment, recycling, parks, telecommunications, power plants and transmission lines, cemeteries, health care, police and fire service, libraries, and schools;

5) *Agricultural, natural, and cultural resources* – Compilation of policies and programs for the conservation and effective management of natural resources, including groundwater, forests, productive agricultural areas, environmentally sensitive areas, threatened and endangered species, surface water, floodplains, wetlands, wildlife habitat, mineral resources, parks and recreational resources, and historical and cultural resources;

6) *Economic development* – Compilation of goals and programs to maintain and expand the economic base of the unit, including analysis of the local labor force and the unit's ability to retain and attract future businesses, plus provisions for promoting the redevelopment of environmentally contaminated sites;

7) *Intergovernmental cooperation* – Proposals for joint planning, decision making, and conflict resolution with other jurisdictions, including school districts and neighboring local governments, and analysis of the unit's relationship to regional and state government;

8) *Land-use* – Description of amount, type, and density of existing land use along with a plan for future development and redevelopment of public and private property, including 20-year projections for land uses and utility service areas; and

9) *Implementation* – Description of how the preceding eight elements will be integrated and how progress toward the plan goals will be measured, plus a defined process for updating the plan itself at least once every 10 years.

Public hearings are required before adoption or amendment of the comprehensive plan. The law further requires that, beginning January 1, 2010, all incorporations, annexations,

boundary changes, plat approvals, zoning ordinances, or other land use regulation must be consistent with the adopted plan.

**Financial Incentives.** Act 9 appropriates \$1.5 million to the Department of Administration (DOA) in 2000-01 for grants to assist local units in their comprehensive planning efforts. The incentive program, which sunsets on July 1, 2010, provides funding that may be used to finance consultants, outreach and education, and computer hardware and software. Applicants will be required to match a percentage of funding, as determined by DOA. Preference is given to those units of local government whose planning efforts:

- 1) address the interests of overlapping or neighboring jurisdictions;
- 2) specifically describe the means by which local units can achieve certain planning goals specified by law;
- 3) identify "smart growth" areas – places where development or redevelopment can occur within or adjacent to the current infrastructure at densities that are relatively cost-efficient for government and utilities;
- 4) include development of implementing ordinances;
- 5) contemplate completion of the planning process within 30 months of the grant award date; and
- 6) provide opportunities for public participation throughout the process.

The second financial incentive is the Smart Growth Dividend Aid Program, which will be developed by DOA and the Department of Revenue (DOR) for inclusion in the 2001-03 state budget. Under the program, municipalities and counties that have developed a comprehensive plan that meets state standards and have enacted zoning and subdivision ordinances consistent with the plan will be eligible for state aid. The aid program will reward local governments that can show increases in compact development and moderately priced housing. The first grants will be awarded in fiscal 2005-06 for housing completed in the prior year.

## **RELATED BUDGET PROVISIONS**

Act 9 contains two related provisions dealing with comprehensive planning. The University of Wisconsin Extension is required to produce two types of model ordinances: one for "traditional neighborhood development" (compact, mixed-use neighborhoods containing residential, commercial, and civic buildings); and one for "conservation subdivisions" (housing in a rural setting, characterized by compact lots and common open space that preserves the natural features of the land). All municipalities with a population of at least 12,500 must adopt an ordinance similar to these models by January 1, 2002, if the appropriate standing committee of the legislature specifically approves the model or declines to act upon it within 14 working days. This requirement extends to cities and villages incorporated after that date or towns in which population reaches the prescribed limit.

The act also encourages state agencies, where applicable and consistent with other laws, to design their activities so as to balance the achievement of their missions and the local comprehensive planning goals specified by law.

## **FOR FURTHER INFORMATION**

For information about the comprehensive planning provisions of 1999 Wisconsin Act 9, contact J. Michael Blaska of the Department of Administration at (608) 261-6605. Copies of laws relating to land use planning in the state budget [Sections 1.13, 16.965, 66.0295 and 66.034, Wisconsin Statutes, and 1999 Wisconsin Act 9, section 9101 (18zo)] can be obtained by contacting the Legislative Reference Bureau at (608) 266-0342. Acts and statutes can also be obtained from the legislature's website at <http://www.legis.state.wi.us>.