State of Wisconsin
2013 – 2014 LEGISLATURE

LRB-3547/P1
MGG:eev:rs

Today

PRELIMINARY DRAFT – NOT READY FOR INTRODUCTION

AN ACT *to repeal* 20.370 (1) (cx), 77.81 (5), 77.82 (2m) (ac), 77.82 (2m) (ag), 77.82 (2m) (am), 77.82 (2m) (c), 77.82 (2m) (dm) 1., 77.82 (2m) (dm) 2., 77.82 (3) (am), 77.82 (4g), 77.82 (4m) (d), 77.83 (2) (am), 77.83 (4) (b), 77.86 (2), 77.86 (3) (title), 77.87 (1g) (d), 77.88 (2) (a) 1., 77.88 (3g) (a), 77.88 (4), 77.88 (5) (a) 1. and 2., 77.88 (5) (ab), 77.88 (5) (ar), 77.88 (5) (b), 77.88 (5) (c), 77.88 (6) and 77.91 (3); *to renumber* 77.81 (1), 77.83 (4) (a), 77.86 (1) (a), 77.86 (1) (b) and 77.89 (2) (b); *to renumber and amend* 77.06 (1), 77.81 (2m), 77.82 (1) (bn), 77.82 (12), 77.86 (1) (title), 77.86 (1) (c), 77.86 (1) (d), 77.86 (3), 77.88 (2) (a) (intro.), 77.88 (2) (a) 2., 77.88 (2) (a) 3., 77.88 (2) (e), 77.88 (2) (f), 77.88 (3), 77.88 (5) (a) (intro.) and 77.89 (2) (a); *to amend* 20.370 (5) (bv), 74.23 (1) (a) 2., 74.25 (1) (a) 2., 74.25 (1) (a) 3., 74.30 (1) (b), 74.30 (1) (c), 77.07 (2), 77.07 (3), 77.81 (6), 77.82 (1) (a) 1., 77.82 (1) (a) 2., 77.82 (1) (b) 3., 77.82 (2m) (title), 77.82 (3) (title), 77.82 (3) (ag), 77.82 (3) (ar), 77.82 (3) (c) (intro.), 77.82 (3) (g), 77.82 (4), 77.83 (2) (b), 77.84 (3) (b), 77.86 (4), 77.86 (5) (a), 77.86 (5) (b), 77.87 (1), 77.87 (2), 77.87 (3), 77.87 (5), 77.876 (1), 77.876 (4), 77.88 (title), 77.88 (1) (b) 1., 77.88 (1) (c), 77.88 (2) (am),

77.88 (2) (b), 77.88 (2) (c), 77.88 (3) (title), 77.88 (3g) (title), 77.88 (3g) (am) (intro.), 77.88 (3g) (b), 77.88 (3g) (c), 77.88 (3j) (c), 77.88 (3m), 77.88 (5) (am) 1., 77.88 (5m), 77.88 (7), 77.88 (8) (b), 77.883 (3), 77.885 (intro.), 77.89 (1), 77.89 (2) (title) and 77.91 (3m); ***to repeal and recreate*** 77.86 (title); and ***to create*** 77.10 (2) (d), 77.81 (1d), 77.81 (2r), 77.81 (4m), 77.82 (1) (a) 1m., 77.82 (1) (bp), 77.82 (3m), 77.82 (12) (a) 2., 77.82 (12) (a) 4., 77.82 (12) (a) 5., 77.82 (12) (a) 6., 77.83 (2) (ar), 77.83 (2) (d), 77.86 (1g) (title), 77.86 (4m), 77.88 (2) (a) (title), 77.88 (2) (ac) (title), 77.88 (2) (d) (title), 77.88 (2m), 77.88 (3) (am), 77.88 (3) (b) (title), 77.88 (3) (b) 1. (intro.) and 2., 77.88 (3) (c), 77.88 (3) (d), 77.88 (3g) (c), 77.88 (3j), 77.88 (3k), 77.88 (3L), 77.88 (4m), 77.88 (5) (ac), 77.88 (5) (am) (title) and 77.89 (3) (title) of the statutes; **relating to:** eligibility requirements under the managed forest land program relating to parcel size and production of merchantable timber, management plans for managed forest lands, orders adding and withdrawing managed forest land, renewal of orders designating managed forest land, areas of managed forest lands that are open for public access, allowing managed forest lands to be used for recreational activities, regulation of cutting of timber on managed forest land and on forest croplands, withdrawal taxes and fees imposed on the withdrawal of managed forest land and yield taxes imposed for cutting timber from managed forest land, the sale or transfer of managed forest land, expiration of orders designating managed forest land, withdrawal of forest croplands that are held in trust for Indian tribes, a study of the managed forest land program, a report on exempt withdrawals from the managed forest land program and the forest cropland program, elimination of references to the woodland tax law, granting

rule–making authority, requiring the exercise of rule–making authority, and providing a penalty.

Analysis by the Legislative Reference Bureau

Under current law, certain forested land may be designated as managed forest land (MFL) under a program administered by the Department of Natural Resources (DNR). Under this program, the owner of land designated as MFL makes an annual acreage share payment that is lower than, and in lieu of, the property taxes that normally would be payable. In exchange, the landowner must comply with certain forestry practices and have a management plan prepared for the land. The owner must also open the MFL to the public for hunting, fishing, hiking, sight–seeing, and cross–country skiing, but may designate up to a certain number of acres as being closed to the public. For MFL that is designated as closed, the owner must make an additional payment per acre. A landowner seeking to have land designated as MFL submits an application to DNR that contains a management plan for the land. If the MFL meets the eligibility requirements under the program, which include minimum acreage requirements and requirements as to how much merchantable timber can be produced on the land, DNR approves the application and issues an order designating the land as MFL. A landowner may choose to have the order last 25 or 50 years.

A similar program exists for land designated as forest croplands (FCL). Since July 1985, no new land may be subject to the FCL program. However, there is forest land that is currently in this program since the designations last for 25 or 50 years.

Eligibility under the managed forest land program

Under current law, for a parcel of land to be eligible to be designated as MFL it must be at least ten contiguous acres in size. Also, at least 80 percent of the parcel must be producing or be capable of producing a minimum of 20 cubic feet of merchantable timber per acre per year. The parcel may have public or private roads or railway or utility rights–of way running through it. This bill increases this minimum acreage requirement from ten acres to 20 acres.

Under current law, a parcel that is developed for a human residence is not eligible for designation as MFL. Under the bill, a parcel is not eligible if there is any building, or any improvement associated with a building, located on the parcel. The bill defines a building to include any structure used as shelter, as a place of employment, or as storage. Under the bill, an "improvement" includes any accessory building, structure, or fixture that is placed on a parcel for the parcel's benefit. The bill also specifically excludes roads, certain rights–of way, fences, and other structures from being considered improvements.

Access to closed lands

This bill requires the owner of open MFL to ensure that the public has access to the land. Sometimes, open MFL is surrounded by closed MFL or other private

property, making it impossible for the public to have access to the land without having permission from an owner of some of the surrounding land. Under the bill, the method and location of access to open MFL must be equivalent to the method and location that is used by the owner of the MFL. If the owner is unable to provide such access, DNR must modify the designation of the land from being open to being closed.

Leasing of managed forest land

Under current law, an owner of MFL may not lease the land or enter into any other agreement under which the owner receives consideration for the purpose of allowing persons to engage in certain recreational activities, such as hunting, hiking, horseback riding, and staying in cabins on the MFL. Current law provides an exception for agreements under which reasonable membership fees are charged by a nonprofit organization and that are approved by DNR.

This bill repeals this prohibition and specifically authorizes owners of MFL to enter into leases or other agreements to allow closed MFL that is not part of a large property to be used for recreational activities. The bill also expands the types of recreational activities for which the land may be leased to include any recreational outdoor activity that DNR determines to be compatible with the practice of forestry.

Sales and transfers of land under the managed forest land program

Under current law, an owner my sell or otherwise transfer an entire parcel of MFL. An owner may also sell or transfer part of a parcel of MFL if the land being sold or transferred is all of the owner's land located in a quarter quarter section or in a government lot or fractional lot. Forty acres make up a quarter quarter section. A government or fractional lot is an irregularly shaped lot usually fronting on water, which could not be divided practically into sections when it was surveyed by the federal government. This bill eliminates these restrictions so that any owner may sell or transfer an entire parcel or any part of a parcel.

Under current law, the land remaining under an MFL order after a sale or transfer of part of a parcel continues to be eligible as MFL and does not need to be withdrawn regardless of its size if it is all in one piece (contiguous) and will meet the productivity requirements for producing merchantable timber, if it is not developed for a human residence, and if it is not used for commercial recreation, for industry, or for any other purpose that DNR determines to be incompatible with the practice of forestry. Under the bill, the remaining land does not have to be contiguous but must be at least 20 acres in size in order to continue to be eligible as MFL.

Withdrawals of managed forest land

Under current law, DNR may issue an order withdrawing land from a parcel that has been designated as MFL under certain circumstances. These include a determination by DNR that the land does not comply with the eligibility requirements under the program or that the owner has failed to comply with the requirements of the program or with the management plan prepared for the land. Current law also allows owners to voluntarily withdraw land under certain circumstances. Under current law, an owner may withdraw all of the owner's land

or all of the land that is in a quarter quarter section or in a government or fractional lot. An owner may also voluntarily withdraw land on a one–time basis under certain circumstances for the purpose of construction of a residence. When land is voluntarily withdrawn for this purpose, the owner must pay withdrawal taxes on the MFL that is withdrawn and a withdrawal fee.

This bill creates additional provisions that allow MFL to be voluntarily withdrawn. Under the bill, an owner may voluntarily withdraw part of an MFL parcel for the purpose of selling it or using it as a construction site, other than a construction site for a residence. Under this provision, the land withdrawn may not be less than one acre and may not be more than five acres. The bill limits the number of times that MFL may be withdrawn for this purpose and requires the owner to pay the withdrawal taxes and the withdrawal fee.

Under the bill, MFL may also be voluntarily withdrawn by an owner if DNR determines that part of a parcel is unsuitable for the production of merchantable timber, due to environmental, ecological, or economic or other concerns, or if DNR determines that the parcel is unable to produce merchantable timber in the amount required under the MFL program. The owner may withdraw only the number of acres that is necessary for the parcel to resume sustainable production of merchantable timber or to resume its ability to meet the merchantable timber production requirement described above. The owner is exempt from paying a withdrawal tax or fee for these types of withdrawal.

Assessment of withdrawal taxes and yield taxes

Under current law, when DNR issues an order of withdrawal that requires the payment of a withdrawal tax and fee, DNR determines the amount of the tax and assesses the tax and fee against the owner. Withdrawal taxes are assessed for voluntary and DNR withdrawals, as described above, withdrawals that are required when land is no longer eligible as MFL due to the sale or transfer of part of a parcel, and withdrawals that are required as a result of failing to pay property taxes.

Under this bill, once DNR has issued the order of withdrawal, the county in which the MFL is located, instead of DNR, determines the amount of the tax and assesses the tax and the fee against the owner.

Similarly, under current law, when merchantable timber is cut from MFL, DNR determines the amount of the yield tax and assesses that amount. Under the bill, the county in which the MFL is located assesses the yield tax.

Calculation of withdrawal taxes

Under current law, the withdrawal tax is the higher of two amounts: the amount of past tax liability, less the acreage share payments and yield taxes paid (taxes paid), or 5 percent of the stumpage value of the merchantable timber on the land, less the taxes paid. Under current law, variations on this method of calculating the withdrawal taxes are used depending on when the land was designated as MFL, how long the land has been designated as MFL, and whether the MFL is subject to an original order or an order that has been renewed.

This bill eliminates these methods of calculating the withdrawal tax. Instead, the bill creates a single method of calculating this tax. Under the bill, the amount of withdrawal tax is calculated by multiplying the total net property tax rate imposed by the city, town, or village (municipality) in which the land is located by the assessed value of the land being withdrawn, and then multiplying that amount by ten years, or the number of years the MFL was subject to the order, whichever is fewer.

Distribution of assessed withdrawal taxes and yield taxes

Under current law, DNR deposits the yield taxes and withdrawal taxes it collects in the conservation fund. DNR then makes a payment to each municipality in which the MFL is located that is equal to the amount of withdrawal tax or yield tax assessed by DNR that is applicable to the MFL in that municipality. Under this bill, the county that assesses the yield and withdrawal taxes distributes to each municipality in the county in which the MFL is located 80 percent of applicable yield or withdrawal taxes. The county retains the remaining 20 percent. The county also keeps the withdrawal fees.

Renewals of MFL orders

Under current law, an MFL order may be renewed at the end of its 25–year or 50–year term. DNR may deny an application for renewal only if the land does not comply with the eligibility requirements, the owner has failed to comply with the management plan for the MFL, or delinquent taxes are owed on the land. This bill creates additional grounds that DNR may use for denying a renewal application. Under the bill, DNR may deny the application if the land that is subject to the renewal application is not identical to the MFL under the existing order or if certain requirements for establishing, updating, and reviewing mandatory forestry soil and conservation practices in a management plan are not met.

Large properties; cuttings; management plans

This bill creates different cutting notice requirements for parcels of either MFL or FCL that are under the same ownership and that are collectively greater than 1,000 acres in size (large property). Under current law, an owner of MFL or FCL must file with DNR a notice of intent to cut merchantable timber at least 30 days before the cutting. DNR must approve the cutting if it finds that the cutting is in conformance with the owner's management plan and is consistent with sound forestry practices. The bill exempts the owner of a large property from having to file cutting notices if an independent forestry organization recognized by DNR certifies that the owner is qualified to ensure that its timber cutting is consistent with sound forestry practices and if the owner complies with rules regulating cutting practices that are promulgated by DNR.

Under current law, a landowner must submit with the MFL application a management plan that contains a statement of the owner's forest management objectives, a description of the forestry and soil conservation practices that will be undertaken on the MFL, and supporting maps, aerial photographs, or diagrams. Under the bill, DNR may modify these general requirements for management plans

that are prepared for large properties. In determining whether to do so, DNR must consider certain factors. These factors include how much MFL the applicant already owns and whether the applicant has consistent access to technical forest management assistance.

Other provisions

This bill creates a provision that allows an owner of MFL that has been damaged by a natural disaster to restore the productivity of the land so that it meets the requirements under the MFL for producing merchantable timber. DNR determines the amount of time that the owner will have to restore the land. If the owner fails to complete the restoration within that time period, either DNR may order withdrawal of the land or the owner of the land may request withdrawal of the land. The owner is exempt from payment of withdrawal taxes if the owner makes the request and DNR determines that the MFL is unable to meet the production requirements for merchantable timber and if the owner withdraws only the number of acres necessary for the parcel to again meet the production requirements.

Under current law, DNR must prepare management plans if DNR determines that an owner submitting an application to have land designated as MFL is unable to have a management plan prepared by an independent plan writer who is certified by DNR but who is not acting on behalf of DNR. Also, DNR may complete a plan if it does not initially meet DNR's approval. Under current law, DNR charges fees for preparing and completing plans. This bill repeals all of the provisions relating to DNR's preparation and completion of plans.

Under current law, DNR must issue a withdrawal order removing all lands owned by an Indian tribe from the MFL program if requested to do so by the tribe and if the tribe provides DNR with the date on which the MFL will be transferred to the federal government to be held in trust for the tribe and if the tribe and DNR have in effect a written agreement that the land will continue to be treated as MFL until the date that the MFL order would have expired. This bill creates a parallel provision for withdrawals from the FCL program.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.370 (1) (cx) of the statutes is repealed.

SECTION 2. 20.370 (5) (bv) of the statutes is amended to read:

20.370 **(5)** (bv) *Resource aids — county forests, forest croplands and managed forest land aids.* A sum sufficient to pay county forest aids under s. 28.11 (8) (a),

forest ~~croplands~~ cropland aids under subch. I of ch. 77 and managed forest land aids under ~~ss.~~ s. 77.85 ~~and 77.89 (1)~~.

SECTION 3. 74.23 (1) (a) 2. of the statutes is amended to read:

74.23 **(1)** (a) 2. Pay to the proper treasurer all collections of special assessments, special charges and special taxes, except that occupational taxes under ss. 70.40 to 70.421 and forest cropland~~, woodland~~ and managed forest land taxes under ch. 77 shall be settled for under s. 74.25 (1) (a) 1. to 8.

SECTION 4. 74.25 (1) (a) 2. of the statutes is amended to read:

74.25 **(1)** (a) 2. Pay to the proper treasurer all collections of special assessments, special charges and special taxes, except that occupational taxes under ss. 70.40 to 70.421 and forest cropland~~, woodland~~ and managed forest land taxes under ch. 77 shall be settled for under subds. 5. to 8.

SECTION 5. 74.25 (1) (a) 3. of the statutes is amended to read:

74.25 **(1)** (a) 3. Retain all collections of special assessments, special charges and special taxes due to the taxation district, except that occupational taxes under ss. 70.40 to 70.421 and forest cropland~~, woodland~~ and managed forest land taxes under ch. 77 shall be settled for under subds. 5. to 8.

SECTION 6. 74.30 (1) (b) of the statutes is amended to read:

74.30 **(1)** (b) Pay to the proper treasurer all collections of special assessments, special charges and special taxes, except that occupational taxes under ss. 70.40 to 70.421 and forest cropland~~, woodland~~ and managed forest land taxes under ch. 77 shall be settled for under pars. (e) to (h).

SECTION 7. 74.30 (1) (c) of the statutes is amended to read:

74.30 **(1)** (c) Retain all collections of special assessments, special charges and special taxes due to the taxation district, except that occupational taxes under ss.

70.40 to 70.421 and forest cropland~~, woodland~~ and managed forest land taxes under ch. 77 shall be settled for under pars. (e) to (h).

SECTION 8. 77.06 (1) of the statutes is renumbered 77.06 (1) (a) and amended to read:

77.06 **(1)** (a) ~~No~~ Except as provided in par. (b), no person shall cut any merchantable wood products on any forest croplands where the forest ~~crop~~ cropland taxes are delinquent nor until 30 days after the owner has filed with the department of natural resources a notice of intention to cut, specifying by descriptions and the estimated amount of wood products to be removed and the proportion of present volume to be left as growing stock in the area to be cut. The owner of a large property, as defined in s. 77.81 (2r), does not have to file a notice of intention to cut if all of the requirements under s. 77.86 (4m) (a) have been met.

(b) The department of natural resources may require a bond executed by some surety company licensed in this state or other surety for such amount as may reasonably be required for the payment to the department of natural resources of the severance tax ~~hereinafter provided~~ prescribed in sub. (5). The department, after examination of the lands specified, may prescribe the amount of forest products to be removed.

(c) Cutting in excess of the amount prescribed shall render the owner liable to double the severance tax prescribed in ~~s. 77.06~~ sub. (5) and subject to cancellation under s. 77.10.

(d) Merchantable wood products include all wood products except wood used for fuel by the owner.

SECTION 9. 77.07 (2) of the statutes is amended to read:

77.07 **(2)** PENALTY, COLLECTIONS. If any severance tax ~~remain~~ remains unpaid for 30 days after it becomes due, there shall then be added a penalty of 10 percent, and such tax and penalty shall thereafter draw interest at the rate of one percent per month until paid. At the expiration of said 30 days the department of natural resources shall report to the attorney general any unpaid severance tax, adding said penalty, and the attorney general shall thereupon proceed to collect the same with penalty and interest by suit against the owner and by attachment or other legal means to enforce the lien and by action on the bond mentioned in s. 77.06 (1) (b), or by any or all such means.

SECTION 10. 77.07 (3) of the statutes is amended to read:

77.07 **(3)** DISTRIBUTION OF SEVERANCE TAX. All severance taxes collected under this subchapter shall be distributed as follows: The state shall retain an amount equal to the total acreage payments on the lands to which the severance taxes relate, made by the state under s. 77.05, and all penalties imposed under sub. (2) and s. 77.06 (1) (c), and the balance shall be paid to the town treasurer to be apportioned as provided in s. 77.04 (3).

SECTION 11. 77.10 (2) (d) of the statutes is created to read:

77.10 **(2)** (d) Upon request of an Indian tribe, the department shall issue an order of withdrawal for the land that is owned in fee and that is subject to a contract under s. 77.03. The land withdrawn is not subjected to the tax payment calculated under par. (a) if all of the following apply:

1. The Indian tribe provides the department the date of the order to transfer the land to the United States to be held in trust for the tribe.

2. The tribe and the department have in effect a written agreement under which the tribe agrees that the land shall continue to be treated as forest croplands until the date on which the contract under s. 77.03 would have expired.

SECTION 12. 77.81 (1) of the statutes is renumbered 77.81 (1j).

SECTION 13. 77.81 (1d) of the statutes is created to read:

77.81 **(1d)** "Building" includes any structure used for sheltering people, machinery, animals, or plants; used for storing property; used for parking, sales, or display space; or used as a place of employment.

SECTION 14. 77.81 (2m) of the statutes is renumbered 77.81 (1g) and amended to read:

77.81 **(1g)** "~~Independent certified~~ Certified plan writer" means a plan writer certified by the department ~~but who is not acting under contract with the department~~ under s. 77.82 (3) (g).

SECTION 15. 77.81 (2r) of the statutes is created to read:

77.81 **(2r)** "Large property" means one or more separate parcels of land that are under the same ownership, that collectively are greater than 1,000 acres in size, and that are managed forest land or forest croplands or a combination thereof.

****NOTE: A reference to "forest croplands" needed to be added to this definition. See s. 77.06 (1), as treated in this draft.

SECTION 16. 77.81 (4m) of the statutes is created to read:

77.81 **(4m)** "Natural disaster" means fire, ice, snow, wind, flooding, insects, or disease.

SECTION 17. 77.81 (5) of the statutes is repealed.

SECTION 18. 77.81 (6) of the statutes is amended to read:

77.81 **(6)** "Recreational activities" ~~include~~ means recreational outdoor activities that are compatible with the practice of forestry, as determined by the department. "Recreational activities" includes hunting, fishing, hiking, sight–seeing, cross–country skiing, horseback riding, and staying in cabins.

SECTION 19. 77.82 (1) (a) 1. of the statutes is amended to read:

77.82 **(1)** (a) 1. It consists of at least 10 contiguous acres, except as provided in ~~this subdivision. The~~ par. (am). This subdivision applies to applications under sub. (2), (4m), or (12) that are filed before the effective date of this subdivision .... [LRB inserts date].

(am) For purposes of par. (a) 1. and 1m., the fact that a lake, river, stream or flowage, a public or private road or a railroad or utility right–of–way separates any part of the land from any other part does not render a parcel of land noncontiguous. ~~If a part of a parcel of at least 10 contiguous acres is separated from another part of that parcel by a public road, that part of the parcel may be enrolled in the program, even if that part is less than 10 acres, if that part meets the requirement under subd. 2. and is not ineligible under par. (b).~~

SECTION 20. 77.82 (1) (a) 1m. of the statutes is created to read:

77.82 **(1)** (a) 1m. It consists of at least 20 contiguous acres, except as provided in par. (am). This subdivision applies to applications under sub. (2), (4m), or (12) that are filed on or after the effective date of this subdivision .... [LRB inserts date].

SECTION 21. 77.82 (1) (a) 2. of the statutes is amended to read:

77.82 **(1)** (a) 2. At least 80% of the parcel must be producing or capable of producing a minimum of 20 cubic feet of merchantable timber per acre per year, except as provided in s. 77.88 (2m).

SECTION 22. 77.82 (1) (b) 3. of the statutes is amended to read:

77.82 **(1)** (b) 3. A parcel ~~that is developed for a human residence~~ on which a building or an improvement associated with a building is located.

SECTION 23. 77.82 (1) (bn) of the statutes is renumbered 77.88 (3g) (d) and amended to read:

77.88 **(3g)** (d) For purposes of ~~par. (b) 3.~~ this subsection and sub. (3j), the department by rule shall define "human residence" to include a residence of the applicant regardless of whether it is the applicant's primary residence. The definition may also include up to one acre surrounding the residence for a residence that is not the applicant's primary residence.

SECTION 24. 77.82 (1) (bp) of the statutes is created to read:

77.82 **(1)** (bp) 1. For purposes of par. (b) 3., and except as provided in subd. 2., an improvement is any of the following:

a. Any accessory building, structure, or fixture that is built or placed on the parcel for its benefit.

****NOTE: I added "accessory" to distinguish the term from any "main" building that would be covered by the definition of "building."

b. Landscaping that is done on the parcel.

2. An improvement does not include any of the following:

a. A public or private road.

b. A railroad or utility right–of way.

c. A fence, unless the fence prevents the free and open movement of wild animals across any portion of the parcel.

****NOTE: ~~I did~~ not limit subd. 2. c. to permanent fences since that would result in temporary fences being improvements.

d. Culverts.

e. Bridges.

f. Other buildings, structures, and fixtures that are needed for sound forestry practices.

SECTION 25. 77.82 (2m) (title) of the statutes is amended to read:

77.82 **(2m)** (title) FEES FOR APPLICATIONS ~~AND MANAGEMENT PLANS~~.

SECTION 26. 77.82 (2m) (ac) of the statutes is repealed.

SECTION 27. 77.82 (2m) (ag) of the statutes is repealed.

SECTION 28. 77.82 (2m) (am) of the statutes is repealed.

SECTION 29. 77.82 (2m) (c) of the statutes is repealed.

SECTION 30. 77.82 (2m) (dm) 1. of the statutes is repealed.

SECTION 31. 77.82 (2m) (dm) 2. of the statutes is repealed.

SECTION 32. 77.82 (3) (title) of the statutes is amended to read:

77.82 **(3)** (title) MANAGEMENT ~~PLAN~~ PLANS.

SECTION 33. 77.82 (3) (ag) of the statutes is amended to read:

77.82 **(3)** (ag) A proposed management plan shall cover the entire acreage of each parcel subject to the application and shall be prepared by ~~an independent~~ a certified plan writer ~~or by the department if par. (am) applies~~ on a form provided by the department.

SECTION 34. 77.82 (3) (am) of the statutes is repealed.

SECTION 35. 77.82 (3) (ar) of the statutes is amended to read:

77.82 **(3)** (ar) For ~~a~~ each proposed management plan ~~prepared by an independent certified plan writer~~ prepared under par. (ag), the department, after considering the owner's forest management objectives as stated under sub. (2) (e), shall review and either approve or disapprove the proposed management plan. If the department disapproves the proposed plan, it shall inform the applicant of the changes necessary to qualify the plan for approval upon subsequent review. ~~At the~~

~~request of the applicant, the department may agree to complete the proposed management plan.~~

SECTION 36. 77.82 (3) (c) (intro.) of the statutes is amended to read:

77.82 **(3)** (c) (intro.) To qualify for approval, a management plan shall include all of the following items:

SECTION 37. 77.82 (3) (g) of the statutes is amended to read:

77.82 **(3)** (g) The department shall certify plan writers and shall promulgate rules specifying the qualifications that a person must satisfy to become a certified plan writer. ~~For management plans prepared or completed by the department under this subsection, the department may contract with plan writers certified by the department to prepare and complete these plans.~~

SECTION 38. 77.82 (3m) of the statutes is created to read:

77.82 **(3m)** MANAGEMENT PLANS; LARGE PROPERTIES. (a) Notwithstanding sub. (3) (c), the department may modify any item that is required in a management plan for a large property. In determining whether to make a modification, the department shall consider all of the following:

1. Whether the owner of the large property owns other land that is designated as managed forest land or that are forest croplands subject to a contract under s. 77.03.

2. The total number of counties in which either or both of the following are located:

a. Land that is covered by the proposed management plan.

b. Land that is owned by the applicant and that is either designated as managed forest land or that are forest croplands.

3. Whether a management plan that has been prepared by or for the applicant and that is acceptable to the department exists and is available for review.

4. Whether the owner submits a written commitment that the owner will provide any information from the owner's management plan that may be requested by the department. The commitment shall describe the proposed management plan and shall include a procedure to be used to amend or update the plan.

5. Whether the owner has demonstrated that it has consistent access to technical forest management assistance provided by its own staff or consultants.

(b) If the managed forest land that remains after a withdrawal or transfer of ownership no longer constitutes a large property, the department shall notify the owner of the land remaining subject to the managed forest land order that the owner must prepare a new management plan for the remaining land. The new plan shall be prepared in accordance with the procedures and requirements under sub. (3). The owner shall submit the plan to the department within one year after being notified.

SECTION 39. 77.82 (4) of the statutes is amended to read:

77.82 **(4)** ADDITIONS TO MANAGED FOREST LAND. An owner of land that is designated as managed forest land ~~under an order that takes effect on or after April 28, 2004,~~ may file an application with the department to designate as managed forest land an additional parcel of land if the additional parcel is at least 3 acres in size and is contiguous to any of that designated land. The application shall be accompanied by a nonrefundable $20 application recording fee unless a different amount for the fee is established by the department by rule at an amount equal to the average expense to the department of recording an order issued under this subchapter. The fee shall be deposited in the conservation fund and credited to the appropriation

under s. 20.370 (1) (cr). The application shall be filed on a department form and shall contain any additional information required by the department.

SECTION 40. 77.82 (4g) of the statutes is repealed.

SECTION 41. 77.82 (4m) (d) of the statutes is repealed.

SECTION 42. 77.82 (12) of the statutes is renumbered 77.82 (12) (a) and amended to read:

77.82 **(12)** (a) An owner of managed forest land may file an application with the department under sub. (2) for renewal of the order. An application for renewal shall be filed no later than the June 1 before the expiration date of the order. The application shall specify whether the owner wants the order renewed for 25 or 50 years. The provisions under subs. (3), (5), (6), and (7) do not apply to an application under this ~~subsection~~ paragraph. The department may deny the application only if ~~the~~ any of the following apply:

1. The land fails to meet the eligibility requirements under sub. (1)~~, if the.~~

3. The owner has failed to comply with the management plan that is in effect on the date that the application for renewal is filed~~, or if there.~~

7. There are delinquent taxes on the land.

(b) If the application is denied, the department shall state the reason for the denial in writing.

SECTION 43. 77.82 (12) (a) 2. of the statutes is created to read:

77.82 **(12)** (a) 2. The land that is subject to the application for renewal of the order is not identical to the land that is designated as managed forest land under the existing order.

SECTION 44. 77.82 (12) (a) 4. of the statutes is created to read:

77.82 **(12)** (a) 4. The management plan does not contain any mandatory forestry or soil conservation practices, as described in sub. (3) (c) 6. and 7., or any mandatory management activities, as described in sub. (3) (d), that the department determines are required to be continued during the term of the renewed order.

SECTION 45. 77.82 (12) (a) 5. of the statutes is created to read:

77.82 **(12)** (a) 5. No review of the mandatory forestry or soil conservation practices or the mandatory management activities contained in the management plan has been conducted within the 5 years immediately preceding the date of the application for renewal.

SECTION 46. 77.82 (12) (a) 6. of the statutes is created to read:

77.82 **(12)** (a) 6. Within the 5 years immediately preceding the date of the application for renewal, the management plan has not been updated to reflect the completion of any forestry or soil conservation practices or management activities contained in the plan.

SECTION 47. 77.83 (2) (am) of the statutes is repealed.

SECTION 48. 77.83 (2) (ar) of the statutes is created to read:

77.83 **(2)** (ar) An owner of managed forest land may enter into a lease or other agreement for consideration that permits persons to engage in a recreational activity on managed forest land that is designated as closed and that is not part of a large property.

****NOTE: As drafted, this authorization is limited to closed MFL. OK?

SECTION 49. 77.83 (2) (b) of the statutes is amended to read:

77.83 **(2)** (b) An owner may restrict public access to any area of open managed forest land which is within 300 feet of any building or within 300 feet of a commercial

logging, thinning, or reforestation operation ~~that conforms~~ or other forest management activity if the operation or activity conforms to the management plan.

SECTION 50. 77.83 (2) (d) of the statutes is created to read:

77.83 **(2)** (d) 1. An owner of managed forest land that is designated as open shall ensure that the public has access to that land for all of the purposes specified in par. (a). The method of access and location of the access shall be equivalent to the method of access and location of the access that is used by the owner of the land.

2. If the owner is unable to provide the access that is required under subd. 1., the department shall modify the designation of the land from being open to being closed.

SECTION 51. 77.83 (4) (a) of the statutes is renumbered 77.83 (4).

SECTION 52. 77.83 (4) (b) of the statutes is repealed.

SECTION 53. 77.84 (3) (b) of the statutes is amended to read:

77.84 **(3)** (b) Immediately after receiving the certification of the county clerk that a tax deed has been taken, the department shall issue an order withdrawing the land ~~as managed forest land. The notice requirement under s. 77.88 (1) does not apply to the department's action under this paragraph. The department shall notify the county treasurer of the amount of the withdrawal fee under s. 77.88 (5m) and the.~~ The county shall determine the amount of the withdrawal tax~~, as determined~~ under s. 77.88 (5). ~~The amount of the tax and the fee shall be payable to the department under s. 75.36 (3) if the property is sold by the county. The amount shall be credited to the conservation fund.~~ If the county sells the land, the county shall assess the withdrawal tax and the withdrawal fee under s. 77.88 (5m) against the purchaser of the land. The notice requirement under s. 77.88 (1) does not apply to the department's action under this paragraph.

SECTION 54. 77.86 (title) of the statutes is repealed and recreated to read:

77.86 (title) **Cutting practices.**

SECTION 55. 77.86 (1) (title) of the statutes is renumbered 77.86 (1b) (title) and amended to read:

77.86 **(1b)** (title) CUTTING ~~REGULATED~~ PROHIBITED.

SECTION 56. 77.86 (1) (a) of the statutes is renumbered 77.86 (1b).

SECTION 57. 77.86 (1) (b) of the statutes is renumbered 77.86 (1g) (a).

SECTION 58. 77.86 (1) (c) of the statutes is renumbered 77.86 (1g) (b) and amended to read:

77.86 **(1g)** (b) If the ~~proposed~~ cutting proposed under par. (a) conforms to the management plan and is consistent with sound forestry practices, the department shall approve the request.

SECTION 59. 77.86 (1) (d) of the statutes is renumbered 77.86 (1g) (c) and amended to read:

77.86 **(1g)** (c) If the ~~proposed~~ cutting proposed under par. (a) does not conform to the management plan or is not consistent with sound forestry practices, the department shall assist the owner in developing an acceptable proposal before approving the request.

SECTION 60. 77.86 (1g) (title) of the statutes is created to read:

77.86 **(1g)** (title) APPROVAL BY DEPARTMENT.

SECTION 61. 77.86 (2) of the statutes is repealed.

SECTION 62. 77.86 (3) (title) of the statutes is repealed.

SECTION 63. 77.86 (3) of the statutes is renumbered 77.86 (1g) (d) and amended to read:

77.86 **(1g)** (d) All cutting specified in the notice under ~~sub. (1) (b)~~ par. (a) shall be commenced within one year after the date the proposed cutting is approved. The owner shall report to the department the date on which the cutting is commenced.

SECTION 64. 77.86 (4) of the statutes is amended to read:

77.86 **(4)** REPORTING. Within 30 days after completion of any cutting ~~approved under this section~~ subject to sub. (1g), the owner shall report to the department, on a form provided by the department, a description of the species of wood, kind of product and the quantity of each species cut as shown by the scale or measurement made on the ground as cut, skidded, loaded or delivered, or by tree scale certified by a forester acceptable to the department if the wood is sold by tree measurement.

SECTION 65. 77.86 (4m) of the statutes is created to read:

77.86 **(4m)** LARGE PROPERTIES. (a) The owner of a large property is exempt from the requirements under sub. (1g) if all of the following requirements are met:

1. The owner has received certification from an independent forestry organization that the owner is qualified to ensure that cutting of timber from the large property is consistent with sound forestry practices.

2. The department has recognized that the independent forestry organization under subd. 1. is qualified to make certifications under subd. 1. and under the rules promulgated under par. (b).

3. The owner complies with the rules promulgated under par. (c).

(b) The department shall promulgate rules that establish standards that an independent forestry organization shall meet in order to be recognized by the department for purposes of par. (a) 1.

(c) The department shall promulgate rules that establish cutting requirements that apply to owners of large properties. These rules shall include:

1. A requirement that proposed cuttings comply with the applicable management plans of owners of large properties and that they are consistent with sound forestry practices.

2. Requirements for cutting notices.

3. Time limits for the completion of cuttings.

4. Procedures for requesting variances from the requirements established under subds. 1. and 3.

5. Procedures to allow the department to audit the cutting of timber on the large property.

SECTION 66. 77.86 (5) (a) of the statutes is amended to read:

77.86 **(5)** (a) Any person who fails to file the notice required under sub. ~~(1) (b)~~ (1g) (a), who fails to file a report as required under sub. (4), ~~or~~ who files a false report under sub. (4), or who fails to comply with a rule promulgated under sub. (4m) (c) shall forfeit not more than $1,000.

SECTION 67. 77.86 (5) (b) of the statutes is amended to read:

77.86 **(5)** (b) Any owner who cuts merchantable timber in violation of this section or a rule promulgated under sub. (4m) (c) is subject to a forfeiture equal to 20% of the current value of the merchantable timber cut, based on the stumpage value established under s. 77.91 (1).

SECTION 68. 77.87 (1) of the statutes is amended to read:

77.87 **(1)** TAXATION. The department shall ~~assess a~~ determine the amount of yield tax to be assessed against ~~each~~ an owner who cuts merchantable timber in a given county and who files a report under s. 77.86. If the owner fails to timely file a report under s. 77.86 (4), the department shall determine the value of the merchantable timber cut ~~for the assessment of~~ and the yield tax. The department

shall then certify to each county in which the cutting occurred the amount of yield tax to be assessed by that county. The yield tax assessed by a county under this subsection shall equal 5% of the value of the merchantable timber cut, based on the stumpage value established under s. 77.91 (1). ~~The department~~ A county assessing a yield tax under this subsection or under sub. (2) shall mail a copy of the certificate of assessment to the owner at the owner's last–known address.

SECTION 69. 77.87 (1g) (d) of the statutes is repealed.

SECTION 70. 77.87 (2) of the statutes is amended to read:

77.87 **(2)** SUPPLEMENTAL YIELD TAX. At any time within one year after a report is filed under s. 77.86 (4), the department, after notifying the owner and providing the owner with the opportunity for a hearing, may determine whether the report is accurate. If the department determines that the quantity of merchantable timber cut exceeded the amount on which the tax was assessed under sub. (1), the department shall ~~assess a~~ certify to each county in which the timber was cut the amount of supplemental yield tax to be assessed by that county on the additional amount as provided under sub. (1).

SECTION 71. 77.87 (3) of the statutes is amended to read:

77.87 **(3)** PAYMENT. A tax assessed under sub. (1) or (2) is due and payable to ~~the department~~ each county in which the cutting of merchantable timber occurred on the last day of the next month following the date the certificate is mailed to the owner. The ~~department~~ county shall collect interest at the rate of 12% per year on any tax that is paid later than the due date. ~~Amounts received shall be credited to the conservation fund.~~

SECTION 72. 77.87 (5) of the statutes is amended to read:

77.87 **(5)** DELINQUENCY. If a tax due under this section is not paid on or before the last day of the August following the date specified under sub. (3), the ~~department~~ county shall certify to the ~~taxation district clerk~~ municipal clerk of each municipality in which the cutting occurred the description of the land, and the amount due for the tax and interest. The ~~taxation district~~ municipal clerk shall enter the delinquent amount on the property tax roll as a special charge.

SECTION 73. 77.876 (1) of the statutes is amended to read:

77.876 **(1)** ASSESSMENT. The department shall certify to each municipality in which the ~~property~~ land is located an owner's failure to complete a forestry practice during the period of time required under an applicable management plan, and the municipality shall impose a noncompliance assessment of $250 against the owner for each failure. The department shall mail a copy of the certificate of assessment to the owner at the owner's last–known address and to the municipality.

SECTION 74. 77.876 (4) of the statutes is amended to read:

77.876 **(4)** DELINQUENCY. If an assessment due under sub. (1) is not paid on or before the last day of the August following the date specified under sub. (2), the ~~municipality shall certify to the taxation district clerk the description of the land and the amount due for the assessment and interest. The taxation district~~ municipal clerk shall enter the delinquent amount on the property tax roll as a special charge.

SECTION 75. 77.88 (title) of the statutes is amended to read:

77.88 (title) ~~**Withdrawal**~~ **Withdrawals; transfer of ownership; ~~nonrenewal~~ expiration.**

SECTION 76. 77.88 (1) (b) 1. of the statutes is amended to read:

77.88 **(1)** (b) 1. Failure of the land to conform to an eligibility requirement under s. 77.82 (1), except as provided in sub. (2m).

SECTION 77. 77.88 (1) (c) of the statutes is amended to read:

77.88 **(1)** (c) If the department determines that land should be withdrawn, it shall issue an order withdrawing the land ~~as managed forest land and~~. The county in which the land is located shall determine the amount of the withdrawal tax under sub. (5). The county shall then assess ~~against the owner the tax under sub. (5) and~~ the withdrawal tax and the withdrawal fee under sub. (5m) against the owner of the land.

SECTION 78. 77.88 (2) (a) (title) of the statutes is created to read:

77.88 **(2)** (a) (title) *Authority to transfer.*

SECTION 79. 77.88 (2) (a) (intro.) of the statutes is renumbered 77.88 (2) (a) and amended to read:

77.88 **(2)** (a) ~~Except as provided in par. (am), an~~ An owner may sell or otherwise transfer ownership of all or part of a parcel of the owner's managed forest land ~~if the land transferred is one of the following:~~.

SECTION 80. 77.88 (2) (a) 1. of the statutes is repealed.

SECTION 81. 77.88 (2) (a) 2. of the statutes is renumbered 77.88 (3) (b) 1. a. and amended to read:

77.88 **(3)** (b) 1. a. All of ~~an~~ the owner's managed forest land within a quarter quarter section.

SECTION 82. 77.88 (2) (a) 3. of the statutes is renumbered 77.88 (3) (b) 1. b. and amended to read:

77.88 **(3)** (b) 1. b. All of ~~an~~ the owner's managed forest land within a government lot or fractional lot as determined by the U.S. government survey plat.

SECTION 83. 77.88 (2) (ac) (title) of the statutes is created to read:

77.88 **(2)** (ac) (title) *Transferred land; requirements met.*

SECTION 84. 77.88 (2) (am) of the statutes is amended to read:

77.88 **(2)** (am) *Transferred land; requirements not met.* If the land transferred under par. (a) does not meet the eligibility requirements under s. 77.82 (1) (a) and (b), the department shall issue an order withdrawing the land ~~from managed forest land designation and shall assess against the owner a~~. The county in which the land is located shall determine the amount of the withdrawal tax under sub. (5). The county shall then assess the withdrawal tax and the withdrawal fee under sub. (5m) against the owner of the land.

SECTION 85. 77.88 (2) (b) of the statutes is amended to read:

77.88 **(2)** (b) *Remaining land; requirements met.* If the land remaining after a transfer under par. (a) ~~is contiguous and~~ meets the eligibility requirements under s. 77.82 (1) (a) ~~2.~~ and (b), ~~it~~ the remaining land shall continue to be designated as managed forest land ~~until the expiration of the existing order, even if the parcel contains less than 10 acres. Notwithstanding s. 77.82 (12), an owner may not file an application with the department for renewal of the order if the parcel contains less than 10 acres. No withdrawal tax under sub. (5) or withdrawal fee under sub. (5m) may be assessed when the remaining land is withdrawn at the expiration of the order~~.

SECTION 86. 77.88 (2) (c) of the statutes is amended to read:

77.88 **(2)** (c) *Remaining land; requirements not met.* If the ~~remaining~~ land remaining after a transfer under par. (a) does not meet the eligibility requirements under s. 77.82 (1) (a) ~~2.~~ and (b), the department shall issue an order withdrawing the land ~~and~~. The county in which the land is located shall determine the amount of the withdrawal tax under sub. (5). The county shall then assess ~~against the owner the withdrawal tax under sub. (5) and~~ the withdrawal tax and the withdrawal fee under

sub. (5m) against the owner of the land. Notwithstanding s. 77.90, the owner is not entitled to a hearing on an order withdrawing land under this paragraph.

SECTION 87. 77.88 (2) (d) (title) of the statutes is created to read:

77.88 **(2)** (d) (title) *Report by transferee; fee.*

SECTION 88. 77.88 (2) (e) of the statutes is renumbered 77.88 (2) (ac) 1. and amended to read:

77.88 **(2)** (ac) 1. ~~The transferred~~ If the land ~~shall remain~~ transferred under par. (a) meets the eligibility requirements under s. 77.82 (1) (a) and (b), the land shall continue to be designated as managed forest land if the transferee, within 30 days after the transfer, certifies to the department an intent to comply with the existing management plan for the land and with any amendments to the plan, and provides proof that each person holding any encumbrance on the land agrees to the designation. The transferee may designate an area of the transferred land closed to public access as provided under s. 77.83. The department shall issue an order continuing the designation of the land as managed forest land under the new ownership.

SECTION 89. 77.88 (2) (f) of the statutes is renumbered 77.88 (2) (ac) 2. and amended to read:

77.88 **(2)** (ac) 2. If the transferee does not provide the department with the certification required under ~~par. (e)~~ subd. 1., the department shall issue an order withdrawing the land ~~and~~. The county in which the land is located shall determine the amount of the withdrawal tax under sub. (5). The county shall then assess ~~against the transferee~~ the withdrawal tax ~~under sub. (5)~~ and the withdrawal fee under sub. (5m) against the transferee. Notwithstanding s. 77.90, the transferee is

not entitled to a hearing on an order withdrawing land under this ~~paragraph~~ subdivision.

SECTION 90. 77.88 (2m) of the statutes is created to read:

77.88 **(2m)** DAMAGE TO LAND. (a) If a parcel of managed forest land has been damaged by a natural disaster, the owner of the parcel may notify the department, and the department shall establish a period of time that the owner of the parcel will have to restore the productivity of the land so that it meets the requirements under s. 77.82 (1) (a) 2.

(b) If the owner fails to complete the restoration in the applicable period of time, the owner may request that the department withdraw all or part of the land in accordance with sub. (3) or (3k), or the department may proceed with a withdrawal by department order under sub. (1).

(c) The department may promulgate a rule that establishes criteria to be used by the department for determining the length of time that an owner shall have to complete the restoration.

SECTION 91. 77.88 (3) (title) of the statutes is amended to read:

77.88 **(3)** (title) VOLUNTARY WITHDRAWAL; TOTAL OR PARTIAL.

SECTION 92. 77.88 (3) of the statutes, as affected by 2013 Wisconsin Act 81, is renumbered 77.88 (3) (b) (intro.) and amended to read:

77.88 **(3)** (b) (intro.) ~~An owner may~~ Upon request ~~that the department withdraw all or any~~ of an owner of managed forest land to withdraw part of ~~the owner's land meeting one of the requirements specified under sub. (2) (a) 1. to 3. If any remaining land meets the eligibility requirements under s. 77.82 (1)~~ a parcel of managed forest land, the department shall issue an order withdrawing the land subject to the request ~~and shall assess against the owner the withdrawal tax under~~

~~sub. (5) and the withdrawal fee under sub. (5m). If the land being withdrawn is within a proposed ferrous mining site, the department shall issue the order within 30 days after receiving the request.~~ if all of the following apply:

SECTION 93. 77.88 (3) (am) of the statutes is created to read:

77.88 **(3)** (am) *Entire parcels.* Upon request of an owner of managed forest land to withdraw an entire parcel of managed forest land, the department shall issue an order withdrawing the land.

SECTION 94. 77.88 (3) (b) (title) of the statutes is created to read:

77.88 **(3)** (b) (title) *Parts of parcels.*

SECTION 95. 77.88 (3) (b) 1. (intro.) and 2. of the statutes are created to read:

77.88 **(3)** (b) 1. (intro.) The land to be withdrawn is one of the following:

2. The land remaining after the withdrawal will continue to meet the eligibility requirements under s. 77.82 (1).

SECTION 96. 77.88 (3) (c) of the statutes is created to read:

77.88 **(3)** (c) *Withdrawal tax and fee.* Upon issuance of an order of withdrawal under this subsection, the county in which the land is located shall determine the amount of the withdrawal tax under sub. (5). The county shall then assess the withdrawal tax and the withdrawal fee under sub. (5m) against the owner of the land.

SECTION 97. 77.88 (3) (d) of the statutes is created to read:

77.88 **(3)** (d) *Ferrous mining site.* If the land being withdrawn under this subsection is within a proposed ferrous mining site, the department shall issue the order within 30 days after receiving the request.

SECTION 98. 77.88 (3g) (title) of the statutes, as created by 2013 Wisconsin Act 20, is amended to read:

77.88 **(3g)** (title) ~~WITHDRAWAL FOR~~ VOLUNTARY WITHDRAWAL; CONSTRUCTION OF A RESIDENCE.

SECTION 99. 77.88 (3g) (a) of the statutes, as created by 2013 Wisconsin Act 20, is repealed.

SECTION 100. 77.88 (3g) (am) (intro.) of the statutes, as created by 2013 Wisconsin Act 20, is amended to read:

77.88 **(3g)** (am) (intro.) Except as provided in par. (b), upon the request of an owner of managed forest land to withdraw at least one acre of the owner's land ~~as managed forest land~~, the department shall ~~order withdrawal of~~ issue an order withdrawing the land if all of the following apply:

SECTION 101. 77.88 (3g) (b) of the statutes, as created by 2013 Wisconsin Act 20, is amended to read:

77.88 **(3g)** (b) The department may not issue an order ~~withdrawal of~~ withdrawing land under par. (am) from a parcel of managed forest land if the department has previously ~~ordered withdrawal of~~ issued an order withdrawing land under par. (am) from that parcel of managed forest land during the term of the order designating the land as managed forest land.

SECTION 102. 77.88 (3g) (c) of the statutes is created to read:

77.88 **(3g)** (c) Upon issuance of an order withdrawing land under this subsection, the department shall assess against the owner of the land the withdrawal tax under sub. (5) and the withdrawal fee under sub. (5m).

SECTION 103. 77.88 (3g) (c) of the statutes, as created by 2013 Wisconsin Act .... (this act), is amended to read:

77.88 **(3g)** (c) Upon issuance of an order withdrawing land under this subsection, the ~~department~~ county in which the land is located shall determine the

amount of the withdrawal tax under sub. (5). The county shall then assess ~~against the owner of the land~~ the withdrawal tax ~~under sub. (5)~~ and the withdrawal fee under sub. (5m) against the owner of the land.

SECTION 104. 77.88 (3j) of the statutes is created to read:

77.88 **(3j)** VOLUNTARY WITHDRAWAL; OTHER CONSTRUCTION; SMALL LAND SALES. (a) Except as provided in par. (b), upon the request of an owner of managed forest land to withdraw part of a parcel of the owner's land, the department shall issue an order withdrawing the land subject to the request if all of the following apply:

1. The purpose for which the owner requests that the department withdraw the land is for the sale of the land or for a construction site, other than a construction site for a human residence.

2. The land to be withdrawn is not less than 1.0 acres and not more than 5.0 acres. Partial acres may not be withdrawn.

3. If the land is subject to a city, village, town, or county zoning ordinance that establishes a minimum acreage for ownership of land or for a construction site, the owner requests that the department withdraw not less than that minimum acreage.

(b) 1. For land that is designated as managed forest land under an order with a term of 25 years, the department may not issue an order of withdrawal under par. (a) if the department has previously issued an order of withdrawal under par. (a) from that parcel of managed forest land during the term of the order.

2. For land that is designated as managed forest land under an order with a term of 50 years, the department may not issue an order of withdrawal under par. (a) if the department has previously issued 2 orders of withdrawal under par. (a) from that parcel of managed forest land during the term of the order.

(c) Upon issuance of an order withdrawing land under this subsection, the department shall assess against the owner of the land the withdrawal tax under sub. (5) and the withdrawal fee under sub. (5m).

SECTION 105. 77.88 (3j) (c) of the statutes, as created by 2013 Wisconsin Act .... (this act), is amended to read:

77.88 **(3j)** (c) Upon issuance of an order withdrawing land under this subsection, the ~~department~~ county in which the land is located shall determine the amount of the withdrawal tax under sub. (5). The county shall then assess ~~against the owner of the land~~ the withdrawal tax ~~under sub. (5)~~ and the withdrawal fee under sub. (5m) against the owner of the land.

SECTION 106. 77.88 (3k) of the statutes is created to read:

77.88 **(3k)** VOLUNTARY WITHDRAWAL; PRODUCTIVITY. Upon the request of an owner of managed forest land to withdraw part of a parcel of the owner's land, the department shall issue an order of withdrawal if the department determines that the parcel is unable to produce merchantable timber in the amount required under s. 77.82 (1) (a) 2. The order shall withdraw only the number of acres that is necessary for the parcel to resume its ability to produce the required amount. No withdrawal tax under sub. (5) or withdrawal fee under sub. (5m) may be assessed.

SECTION 107. 77.88 (3L) of the statutes is created to read:

77.88 **(3L)** VOLUNTARY WITHDRAWAL; SUSTAINABILITY. Upon the request of an owner of managed forest land to withdraw part of a parcel of the owner's land, the department shall issue an order of withdrawal if the department determines that the parcel is unsuitable, due to environmental, ecological, or economic concerns or factors, for the production of merchantable timber. The order shall withdraw only the number of acres that is necessary for the parcel to resume its sustainability to

produce merchantable timber. No withdrawal tax under sub. (5) or withdrawal fee under sub. (5m) may be assessed.

SECTION 108. 77.88 (3m) of the statutes is amended to read:

77.88 **(3m)** WITHDRAWAL FOR FAILURE TO PAY PERSONAL PROPERTY TAXES. If an owner of managed forest land has not paid the personal property tax due for a building on managed forest land before the February settlement date under s. 74.30 (1), the municipality in which the building is located shall certify to the county in which the land is located and to the department that a delinquency exists and shall include the legal description of the managed forest land on which the building is located in the certification. Immediately after receiving the certification, the department shall issue an order withdrawing the land as managed forest land. The county shall determine the amount of the withdrawal tax under sub. (5) and shall assess ~~against the owner of the land~~ the withdrawal tax ~~under sub. (5)~~ and the withdrawal fee under sub. (5m) against the owner of the land. Notwithstanding s. 77.90, the owner is not entitled to a hearing on an order withdrawing land under this subsection.

SECTION 109. 77.88 (4) of the statutes is repealed.

SECTION 110. 77.88 (4m) of the statutes is created to read:

77.88 **(4m)** EXPIRATION OF ORDERS. The department shall maintain a list of orders designating managed forest lands that have expired. The department shall add a parcel to the list within 30 days after the date of expiration. For each expired order, the list shall provide a description of the land and shall identify each municipality in which the managed forest land is located.

SECTION 111. 77.88 (5) (a) (intro.) of the statutes is renumbered 77.88 (5) (ae) and amended to read:

77.88 **(5)** (ae) *Tax liability; general.* Except as provided in ~~pars.~~ par. (am), ~~(ar), and (b),~~ for land withdrawn during a managed forest land order, the withdrawal tax shall ~~be the higher of the following:~~ equal the amount of past tax liability that is applicable to the land.

SECTION 112. 77.88 (5) (a) 1. and 2. of the statutes, as affected by 2013 Wisconsin Act 81, are repealed.

SECTION 113. 77.88 (5) (ab) of the statutes is repealed.

SECTION 114. 77.88 (5) (ac) of the statutes is created to read:

77.88 **(5)** (ac) *Calculation of past tax liability.* For purposes of this subsection, the amount of past tax liability for land to be withdrawn from the managed forest land program shall be calculated by multiplying the total net property tax rate in the municipality in which managed forest land to be withdrawn is located in the year prior to the withdrawal of the land by an amount equal to the assessed value of the land for that same year, as calculated by the department of revenue, and by then multiplying that product by 10 years or by the number of years the land was designated as managed forest land, whichever number is fewer.

SECTION 115. 77.88 (5) (am) (title) of the statutes is created to read:

77.88 **(5)** (am) (title) *Converted forest croplands.*

SECTION 116. 77.88 (5) (am) 1. of the statutes is amended to read:

77.88 **(5)** (am) 1. The amount ~~calculated under par. (a)~~ of past tax liability for the land.

SECTION 117. 77.88 (5) (ar) of the statutes, as affected by 2013 Wisconsin Act 81, is repealed.

SECTION 118. 77.88 (5) (b) of the statutes, as affected by 2013 Wisconsin Act 81, is repealed.

SECTION 119. 77.88 (5) (c) of the statutes is repealed.

SECTION 120. 77.88 (5m) of the statutes is amended to read:

77.88 **(5m)** WITHDRAWAL FEE. The withdrawal fee assessed by ~~the department~~ a county under s. 77.84 (3) (b) and subs. (1) (c), (2) (ac) 2., (am), and (c)~~, and (f)~~, (3) (c), (3g), (3j), and (3m) shall be $300.

SECTION 121. 77.88 (6) of the statutes is repealed.

SECTION 122. 77.88 (7) of the statutes is amended to read:

77.88 **(7)** PAYMENT; DELINQUENCY. Taxes under sub. (5) and fees under sub. (5m) are due and payable to ~~the department~~ each county in which the land is located on the last day of the month following the effective date of the withdrawal order. ~~Amounts received shall be credited to the conservation fund.~~ If the owner of the land fails to pay the tax or fee, the ~~department~~ county shall certify to the ~~taxation district~~ municipal clerk of each municipality in which the land is located the amount due. The ~~taxation district~~ municipal clerk shall enter the delinquent amount on the property tax roll as a special charge.

SECTION 123. 77.88 (8) (b) of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

77.88 **(8)** (b) The department may not issue an order of withdrawal of land ~~remaining~~ that remains after a transfer of ownership is made under par. (a) 1., 2., or 3.~~,~~ or after a lease is entered into under par. (a) 3.~~, or after the department orders withdrawal of land under sub. (3g) (am)~~ unless the remainder fails to meet the eligibility requirements under s. 77.82 (1).

SECTION 124. 77.883 (3) of the statutes, as created by 2013 Wisconsin Act 1, is amended to read:

77.883 **(3)** Section 77.86 ~~(1) (c) and (d)~~ (1g) (b) and (c) do not apply to cutting of timber or another activity on managed forest land if all of the requirements in sub. (1) (a) to (d) are met.

SECTION 125. 77.885 (intro.) of the statutes is amended to read:

77.885 Withdrawal of tribal lands. (intro.) Upon request of an Indian tribe, the department shall issue an order ~~the withdrawal of~~ withdrawing the land that is owned in fee and that is designated as managed forest land from the managed forest land program. No withdrawal tax under s. 77.88 (5) or withdrawal fee under s. 77.88 (5m) may be assessed against an Indian tribe for the withdrawal of such land if all of the following apply:

SECTION 126. 77.89 (1) of the statutes is amended to read:

77.89 **(1)** ~~PAYMENT~~ PAYMENTS BY COUNTIES TO MUNICIPALITIES. By June 30 of each year, ~~the department, from the appropriation under s. 20.370 (5) (bv),~~ each county shall pay ~~100~~ 80 percent of each payment received under ss. 77.84 (3) (b) and 77.87 (3) and ~~100~~ 80 percent of each withdrawal tax payment received under s. 77.88 (7) to the treasurer of each municipality in which ~~is located~~ the land to which the payment applies is located and shall deposit the remainder in the county treasury.

SECTION 127. 77.89 (2) (title) of the statutes is amended to read:

77.89 **(2)** (title) ~~PAYMENT~~ PAYMENTS BY MUNICIPALITIES TO COUNTIES.

SECTION 128. 77.89 (2) (a) of the statutes, as affected by 2013 Wisconsin Act 81, is renumbered 77.89 (2) and amended to read:

77.89 **(2)** Each municipal treasurer shall pay 20% of each payment received ~~under sub. (1) and~~ under ss. 77.84 (2) (a), (am), and (bp), 77.85, and 77.876 to the county treasurer of the county in which the municipality is located and shall deposit the remainder in the municipal treasury. The payment to the county treasurer for

money received before November 1 of any year shall be made on or before the November 15 after its receipt. For money received on or after November 1 of any year, the payment to the county treasurer shall be made on or before November 15 of the following year.

SECTION 129. 77.89 (2) (b) of the statutes is renumbered 77.89 (3).

SECTION 130. 77.89 (3) (title) of the statutes is created to read:

77.89 **(3)** (title) MUNICIPAL PAYMENTS THROUGH COUNTIES TO DEPARTMENT.

SECTION 131. 77.91 (3) of the statutes is repealed.

SECTION 132. 77.91 (3m) of the statutes, as affected by 2013 Wisconsin Act 54, is amended to read:

77.91 **(3m)** REPORT TO LEGISLATURE. Beginning with calendar year ~~1992~~ 2013, the department shall calculate for each calendar year whether the amount of land exempt from penalty or tax under s. 77.10 (2) (c) or (d) or 77.88 (8) that is withdrawn during that calendar year under s. 77.10 ~~or~~, 77.88, or 77.885 exceeds 1% of the total amount of land that is subject to contracts under subch. I or subject to orders under this subchapter on December 31 of that calendar year. If the amount of withdrawn ~~or classified~~ land that is so exempt exceeds 1%, the department shall make a report of its calculations to the governor and the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3).

SECTION 133. Initial applicability.

(1) DISTRIBUTION OF MONEYS BY COUNTIES. The treatment of section 77.89 (1) of the statutes first applies to payments made by counties on the effective date of this subsection.

(2) DISTRIBUTION OF MONEYS BY MUNICIPALITIES. The treatment of section 77.89 (2) (title), (a), and (b) and (3) (title) first applies to payments made by municipalities on the effective date of this subsection.

(3) CALCULATION OF PAST TAX LIABILITY UPON WITHDRAWAL. The treatment of section 77.88 (5) (a) (intro.), 1., and 2., (ab), (ac), (am) (title) and 1., (ar), (b), and (c) and (6) of the statutes first applies to orders of withdrawal that are issued on the effective date of this subsection.

SECTION 134. Effective dates. This act takes effect on the day after publication, except as follows:

(1) ASSESSMENTS OF YIELD AND WITHDRAWAL TAXES AND FEES BY COUNTIES. The treatment of sections 77.84 (3) (b), 77.87 (1), (2), (3), and (5), 77.88 (1) (c), (2) (am), (c), and (f), (3) (c), (3m), (5m), and (7) of the statutes and the amendment of section 77.88 (3g) (c) and (3j) (c) of the statutes take effect on January 1, 2015.

(END)

Parisi, Lori

From: Gary, Tim
Sent: Wednesday, January 29, 2014 10:04 AM
To: LRB.Legal
Subject: Draft Review: LRB -3547/1 Topic: Compile of Council of Forestry's recommendations

Please Jacket LRB -3547/1 for the ASSEMBLY.