

**Committee Name:**

**Assembly Committee – Rural Affairs and Forestry  
(AC-RAF)**

**Appointments**

01hr\_AC-RAF\_Appt\_pt00

**Committee Hearings**

01hr\_AC-RAF\_CH\_pt00

**Committee Reports**

01hr\_AC-RAF\_CR\_pt00

**Clearinghouse Rules**

**01hr\_AC-RAF\_CRRule\_01-036**

**Executive Sessions**

01hr\_AC-RAF\_ES\_pt00

**Hearing Records**

01hr\_ab0000

01hr\_sb0000

**Misc.**

01hr\_AC-RAF\_Misc\_pt00

**Record of Committee Proceedings**

01hr\_AC-RAF\_RCP\_pt00

# MEMORANDUM

To: Assembly Committee on Rural Affairs and Forestry Members  
From: Chairperson John Ainsworth  
Date: July 17, 2001  
Re: Clearinghouse Rules 01-030 and 01-036

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On Tuesday, July 17, 2001, the following Clearinghouse Rules were referred to the Assembly Committee on Rural Affairs and Forestry:

**Clearinghouse Rule 00-030**, AN ORDER relating to the cooperating forester program and private forestry priorities for assistance.

**Clearinghouse Rule 00-036**, AN ORDER relating to administration of the forest crop law and the managed forest law.

The deadline for committee action on both of these rules is **August 16, 2001**. If you would like a copy of either rule, or are interested in requesting a hearing, please contact my office prior to that date.

DATE: July 17, 2001

TO: Kristina Boardman

Committee on Rural Affairs and Forestry

FROM: John Scocos, Assembly Chief Clerk

RE: Clearinghouse Rules Referral

The following Clearinghouse Rule has been referred to your committee.

### **CLEARINGHOUSE RULE 01-036**

AN ORDER to amend NR 46.30 (1) (e) 1.; and to repeal and recreate NR 46.30 (2) (a) to (c), relating to administration of the forest crop law and the managed forest law.

Submitted by **Department of Natural Resources.**

Report received from Agency on **July 10, 2001.**

To committee on **Rural Affairs and Forestry.**

Referred on **Tuesday, July 17, 2001.**

Last day for action - **Thursday, August 16, 2001.**

Under section 227.19 (4) of the Wisconsin Statutes, your committee has 30 days to take action or get an extension. The day **after** the official referral date is day one of your review period. Therefore, the 30th day should fall four weeks and two days after the referral date. For example, for Clearinghouse Rules referred on a Monday, a Wednesday would be your 30th day. For Clearinghouse Rules referred on a Tuesday, a Thursday would be your 30th day. For Clearinghouse Rules referred on a Wednesday, a Friday would be your 30th day. For Clearinghouse Rules referred on a Thursday or Friday, your 30th day would fall on a weekend. Therefore, your time would expire on the next working day (Monday) as provided for in s. 990.001 of the Wisconsin Statutes. Also, if the 30th day falls on a legal holiday, time would expire on the next working day.

Section 227.19 **requires** you to notify each member of your committee that you have received this Clearinghouse Rule. Although some committee chairs do so, you are not required to send a copy of the text of the rule to each member at this time. Your notice could state that members should contact you if they wish to receive a hard copy of the rule. (Please note that, unlike bills and amendments, the text of Clearinghouse Rules is not currently available online. However, LTSB is currently working on such a project.) Please put a copy of your official notification memo in the rule jacket.

Three copies of the Clearinghouse Rule and its accompanying documents are contained in the jacket. If you wish to have your Legislative Council attorney review the Clearinghouse Rule, send him/her a copy. I only need one copy remaining in the jacket when you report it out of committee at the end of the review period.

The identical process is happening simultaneously in the Senate. Keep track of their action on the rule.

For assistance with the Clearinghouse Rule process, please consult Ken Stigler (6-2406) or your Legislative Council attorney. If you wish to learn more on this subject, read section 227.19 of the Wisconsin Statutes or part 2 of the *Administrative Rules Procedures Manual* written by the Revisor of Statutes Bureau and the Wisconsin Legislative Council staff.

**NOTICE TO PRESIDING OFFICERS  
OF PROPOSED RULEMAKING**

Pursuant to s. 227.19, Stats., notice is hereby given that final draft rules are being submitted to the presiding officer of each house of the legislature. The rules being submitted are:

Natural Resources Board Order No. FR-14-01

Legislative Council Rules Clearinghouse Number 01-036

Subject of Rules Administration of the forest crop  
law and the managed forest law

Date of Transmittal to Presiding Officers July 10, 2001

Send a copy of any correspondence or notices pertaining to this rule to:

Carol Turner, Rules Coordinator  
DNR Bureau of Legal Services  
LS/5, 101 South Webster

Telephone: 266-1959  
e-mail: [turnec@dnr.state.wi.us](mailto:turnec@dnr.state.wi.us)

An electronic copy of the proposed rule may be obtained by contacting Ms. Turner

## REPORT TO LEGISLATURE

NR 46.30(2), Wis. Adm. Code  
Administration of the forest crop law and the managed forest law

Board Order No. FR-14-01  
Clearinghouse Rule No. 01-036

### Statement of Need

The proposed rule will make the annual stumpage rate adjustments as required in ss. 77.06(2) and 77.91(1), Stats., and update the cordwood conversion tables for timber harvested on forest tax lands.

The DNR Timber Sale Handbook was revised a few years ago for timber sales on public lands in Wisconsin. One of the revisions included was an updating of the cordwood weight conversion tables. The cordwood weight conversion table for the forest tax laws has not been updated within the forest tax program. The forest tax weight conversion table is being updated to bring the two sets of tables into a closer alignment. The new figures will more accurately reflect the true weights of cordwood being cut on tax law lands. The average weights will be reduced by approximately 3.8% for the current species and add four additional species. This would mean an increase in cordwood volumes being reported for those sales using weight to determine the volumes harvested.

For purposes of the Forest Crop Law and the Managed Forest Law, this rule repeals and recreates s. NR 46.30(2)(a) to (c) to revise annual stumpage values used to calculate severance and yield taxes due on timber cut during the period from November 1, 2001 through October 31, 2002. Thirteen separate zones reflect varying stumpage values for different species and products across the state. The average price change for sawtimber is a .29% increase in current rates. The pulpwood proposed prices are, on average, 6.85% higher compared to current prices.

### Modifications as a Result of Public Hearing

The average price for sawtimber was revised upward. The average price is now a .29% increase rather than a .72% decrease. The pulpwood prices, however, decreased slightly from an 6.98% average increase to a 6.85% average increase. The cordwood conversion rate was revised to be reduced by 7.6% for green wood rather than 3.8%.

### Appearances at the Public Hearing and Their Position

In support – none

In opposition:

William Hennigan, Biewer Wisconsin Sawmill, P.O. Box 341, Ishpeming, MI 49849  
Rob Kudick, Wausau-Mosinee Paper Corp., 100 Main Street, Mosinee, WI 54455  
David R. Stoiber, P.O. Box 385, Waupaca, WI 54981

As Interest May Appear:

Juris Repsa, Georgia Pacific Corp., 100 Wisconsin River Drive, Port Edwards, WI 54469  
Al Koeppel, Kretz Lumber Company, P.O. Box 160, Antigo, WI 54409

Response to Legislative Council Rules Clearinghouse Report

There were no comments or recommendations on the proposed rule.

Final Regulatory Flexibility Analysis

This rule does affect small business. Small private forest landowners and forest industries enrolled under the Forest Crop Law and the Managed Forest Law are required to pay 10% and 5% respectively of the stumpage value adopted in the zone for the species and wood product volume cut from their land. Existing compliance and reporting procedures are defined by statute.

ORDER OF THE STATE OF WISCONSIN  
NATURAL RESOURCES BOARD  
AMENDING, AND REPEALING AND  
RECREATING RULES

The Wisconsin Natural Resources Board proposes )  
an order to amend NR 46.30(1)(e); and to repeal and )  
recreate NR 46.30(2)(a) to (c), relating to the administration ) FR-14-01  
of the Forest Crop Law and the Managed Forest Law. )

Analysis Prepared by the Department of Natural Resources

Statutory authority: ss. 77.06(2), 77.91(1) and 227.11(2)(a), Stats.  
Statutes interpreted: ss. 77.06(2), and 77.91(1), Stats.

**Cordwood Weight Conversion Table Amendment:** Cordwood weight conversion tables within the forestry program have been revised in the past for public land timber sales and have not been updated within the forest tax program. The forest tax weight conversion table is being updated to bring the two sets of tables into alignment, except for Red Pine which continues with its current conversion rates. The new figures will more accurately reflect the true weights of cordwood being cut on tax law lands.

**Annual Stumpage Rate Adjustments:** For purposes of the Forest Crop Law and The Managed Forest Law, this rule repeals and recreates s. NR 46.30(2)(a) to (c) to revise annual stumpage values used to calculate severance and yield taxes due on timber cut during the period from November 1, 2001 through October 31, 2002. Thirteen separate zones reflect varying stumpage values for different species and products across the state. The average price change for sawtimber is a .29% increase over current rates. The pulpwood proposed prices are, on the average, 6.85% higher compared to current prices.

**SECTION 1.** NR 46.30(1)(e) is amended to read:

**NR 46.30(1)(e)** Cordwood products measured by weight will be converted to and reported as rough cord products.

1. The following table of weights will be used for conversion to cords:

Species	Weight per Cord	
	Green	Seasoned
Cedar	3,150	3,050
Balsam Fir	<del>5,000</del> 4,250	<del>4,200</del> 4,050
Hemlock	<del>5,200</del> 4,800	<del>4,300</del> 4,650
Jack Pine	<del>4,700</del> 4,250	<del>4,300</del> 4,100
Red Pine	4,700	4,400
White Pine	<del>4,700</del> 4,200	<del>4,200</del> 4,000
Spruce	<del>4,500</del> 4,000	<del>4,300</del> 3,820
Tamarack	<del>5,200</del> 4,650	<del>4,400</del> 4,450
Aspen	<del>4,600</del> 4,500	<del>4,000</del> 4,300
White Birch	<del>5,200</del> 4,800	<del>4,800</del> 4,600
Yellow Birch	5,350	5,150
Basswood	3,850	3,650
Red Oak, all species	<del>5,600</del> 5,500	<del>5,000</del> 5,350
White Oak	5,850	5,650
Mixed Hardwood	5,300	4,900

2. Seasoned wood is that which is dried 2 or more months during the period April 1 to October 31 before weighing.

**SECTION 2.** NR 46.30(2)(a) to (c) are repealed and recreated to read:

(see attached pages)



The foregoing rules were approved and adopted by the State of Wisconsin Natural Resources Board on June 27, 2001.

The rules shall take effect the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin \_\_\_\_\_

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES

By \_\_\_\_\_  
Darrell Bazzell, Secretary

(SEAL)

### Fiscal Estimate — 2001 Session

- Original       Updated  
 Corrected       Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number NR 46 (FR-14-01)

**Subject**

Revision of Timber Stumpage Tables in NR 46.30(2)(a) to (c) and the Cordwood Weight Conversion table in NR 46.30(1)(e).

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

- Increase Costs — May be possible to absorb within agency's budget.  
      Yes       No  
 Decrease Costs

Local:  No Local Government Costs

- |  |   |
|--|---|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input checked="" type="checkbox"/> Increase Revenues<br><input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                       |

5. Types of Local Governmental Units Affected:
- Towns     Villages     Cities  
 Counties    Others  
 School Districts       WTCS Districts

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

Affected Chapter 20 Appropriations

**Assumptions Used in Arriving at Fiscal Estimate**

**Bill Summary:** This Administrative Rule change addresses the annual stumpage rate changes used in the calculation of severance and yield tax collections under the Forest Crop Law and Managed Forest Law when timber is harvested from these private lands. Also in the rule change is a revision of the weight conversion table used to convert weight measurements of wood purchased to cordwood volumes. This revision updates the tables to more closely align with the public timber sale conversion tables used for state and county timber sales.

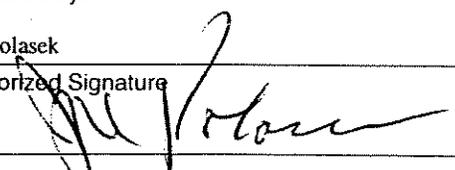
**Fiscal Estimate:** The new 2002 stumpage rate schedule includes an average .29% increase in sawtimber prices and an increase of 6.85% in cordwood prices. The severance and yield tax collection in CY 2000 was \$1,330,734.22. Of this, about 20% of the gross revenue is from sawtimber harvests. Eighty percent of the revenue was related to cordwood harvests. As a result, a .29% increase in sawtimber prices will produce an increase in gross revenue of about \$772. A 6.85% increase in cordwood values will generate an increase of \$72,924 in revenue. The net result would be an increase of \$73,696. The gross receipts are shared between the Town and State, with each receiving about 50%.

The changes in the conversion factors will have an impact on the volumes reported due to an average weight reduction of 3.8% for the current species listed, including green and seasoned wood. This would in turn mean an average increase in volume of 3.8%. It also established weights for four additional species. This only applies to cordwood. A small portion of the cordwood volumes are determined by weight, although it is expanding as a method. Red pine is a common species measured by weight and the current conversion weight is being maintained. We do not have a method of determining what the full fiscal impact will be.

The net fiscal effect of the rule change will be about \$36,848 increase in state revenue and a \$36,848 increase in local revenue.

**Long-Range Fiscal Implications**

None

Prepared By:	Telephone No.	Agency
Joe Polasek	266-2794	Department of Natural Resources
Authorized Signature	Telephone No.	Date (mm/dd/ccyy)
	266-2794	05/30/2001

**Fiscal Estimate Worksheet — 2001 Session**  
 Detailed Estimate of Annual Fiscal Effect

Original       Updated  
 Corrected       Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number NR 46 (FR-14-01)

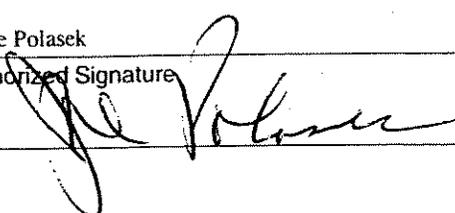
Subject  
 Revision of Timber Stumpage Tables in NR 46.30(2)(a) to (c) and the Cordwood Weight Conversion table in NR 46.30(1)(e).

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):  
 None

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations — Salaries and Fringes		\$	\$ -
(FTE Position Changes)		( FTE )	( - FTE )
State Operations — Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
<b>Total State Costs by Category</b>		\$	\$ -
<b>B. State Costs by Source of Funds</b>			
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Revenue	Decreased Revenue
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S		36,848	-
<b>Total State Revenues</b>		\$ 36,848	\$ -

**Net Annualized Fiscal Impact**

	State	Local
Net Change in Costs	\$	\$
Net Change in Revenues	\$ 36,848	\$ 36,848

Prepared By: Joe Polasek	Telephone No. 266-2794	Agency Department of Natural Resources
Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 05/30/2001



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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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**Ronald Sklansky**  
*Clearinghouse Director*

**Richard Sweet**  
*Clearinghouse Assistant Director*

**Terry C. Anderson**  
*Legislative Council Director*

**Laura D. Rose**  
*Legislative Council Deputy Director*

### CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

#### CLEARINGHOUSE RULE 01-036

AN ORDER to amend NR 46.30 (1) (e) 1.; and to repeal and recreate NR 46.30 (2) (a) to (c), relating to administration of the forest crop law and the managed forest law.

Submitted by **DEPARTMENT OF NATURAL RESOURCES**

04-06-01 RECEIVED BY LEGISLATIVE COUNCIL.  
04-30-01 REPORT SENT TO AGENCY.

RNS:SPH:jal

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached      YES       NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached      YES       NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached      YES       NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached      YES       NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached      YES       NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached      YES       NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached      YES       NO