

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

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Clearinghouse Rules

01hr_AC–RAF_CRule_02–047

Executive Sessions

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Misc.

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Record of Committee Proceedings

01hr_AC–RAF_RCP_pt00



John Ainsworth

State Representative • 6th Assembly District

Chair: Assembly Committee on Rural Affairs

MEMORANDUM

To: Members of the Assembly Committee on Rural Affairs and Forestry

From: Chairperson John Ainsworth

Date: July 16, 2002

Re: Clearinghouse Rule 02-047

On Tuesday, July 16, 2002, the following Clearinghouse Rule was referred to the Assembly Committee on Rural Affairs and Forestry:

Clearinghouse Rule 02-047, AN ORDER relating to the administration of the forest crop law and the managed forest law.

The deadline for committee action on this rule is **Thursday, August 15, 2002**. If you would like a copy of the rule, or are interested in requesting a hearing, please contact Kristina Boardman in my office at 266-3097 prior to that date.



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(608) 266-3097 • Fax: (608) 282-3606

DATE: July 16, 2002

TO: Kristina Boardman

Committee on Rural Affairs and Forestry

FROM: Patrick Fuller, Assembly Assistant Chief Clerk

RE: Clearinghouse Rules Referral

The following Clearinghouse Rule has been referred to your committee.

CLEARINGHOUSE RULE 02-047

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

Submitted by **Department of Natural Resources**.

Report received from Agency on **July 9, 2002**.

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

Referred on **Tuesday, July 16, 2002**.

Last day for action - **Thursday, August 15, 2002**.

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 the text of Clearinghouse Rules beginning with the prefix "01" is now available online in the Clearinghouse Rules infobase in FOLIO.)** 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.

REPORT TO LEGISLATURE

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

Board Order No. FR-21-02
Clearinghouse Rule No. 02-047

Statement of Need

For purposes of the Forest Crop and Managed Forest Laws, this rule repeals and recreates s. NR 46.30(2)(a) to (c) for the annual revision of the stumpage values used to calculate severance and yield taxes due on timber harvested during the period from November 1, 2002 through October 31, 2003. Thirteen separate zones reflect varying stumpage values for different species and products across the state. The average price change for sawtimber is a 1.40% increase in current rates. The pulpwood proposed prices are, on the average, 5.45% higher than current prices.

Modifications as a Result of Public Hearing

The average price change for sawtimber decreased from a 2.85% average increase to a 1.40% average increase; for pulpwood, the average price change decreased from a 8.63% average increase to a 5.45% average increase.

Appearances at the Public Hearing and Their Position

In support:

Scott Leonhardt, P.O. Box 576, Rhinelander, WI 54501

In opposition – none

As interest may appear:

Juris Repsa, Domtal Industries, Inc., 100 Wisconsin River Drive, Port Edwards, WI 54469
Jeff Plunkett, Weyerhaeuser, 200 Grand Avenue, Rothschild, WI 54474
Clifford A. Dahl, Jr., 5455 Silver Lake Road, Rhinelander, WI 54501

Response to Legislative Council Rules Clearinghouse Report

The Clearinghouse did not have any comments or recommendations on the proposed rule.

Final Regulatory Flexibility Analysis

Landowners cutting timber from Forest Crop and Managed Forest Law lands will pay severance and yield taxes based on the revised stumpage values. The forest products industries own approximately 40% of the forest tax law acreage and, therefore, will be affected as landowners. Small private forest landowners and forest industries enrolled under the Forest Crop Law and Managed Forest Law are required by statute 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.

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

The Wisconsin Natural Resources Board proposes an order to repeal and recreate NR 46.30(2)(a) to (c), relating to the administration of the Forest Crop Law and the Managed Forest Law.

FR-21-02

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.

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, 2002 through October 31, 2003. Thirteen separate zones reflect varying stumpage values for different species and products across the state. The average price change for sawtimber is a 1.40% increase over current rates. The pulpwood proposed prices are, on the average, 5.45% higher than current prices.

SECTION 1. NR 46.30(2)(a) to (c) are repealed and recreated to read:

NR 46.30 Stumpage Rates - 2003

2003 Rates - Effective Nov. 1, 2002

NR 46.30(2)(a) Stumpage Rates - Logs (stumpage value per thousand board feet measurement by the Scribner Decimal C log rule).

	1	2	3	4	5	6	7	8	9	10	11	12	13
	WAUKESHA	GREEN BAY	CRIVITZ	WAUSAU	WAU-TOMA	DODGE-VILLE	RHINE-LANDER	ADAMS	RICHLAND CENTER	HAY-WARD	EAU CLAIRE	RIVER FALLS	SPARTA
Cedar	100.00	131.25	131.25	131.25	131.25	100.00	125.00	130.00	100.00	125.00	130.00	130.00	130.00
Fir	NA	45.00	45.00	45.00	NA	NA	55.00	NA	NA	55.00	45.00	45.00	45.00
Hemlock	NA	79.00	80.00	80.03	NA	NA	80.15	NA	72.14	80.15	72.14	72.14	72.14
Pine													
Jack	40.36	60.00	60.00	60.00	60.00	40.36	65.00	65.00	55.00	65.00	65.00	55.00	65.00
Red	125.00	125.00	107.27	107.72	130.33	140.12	112.19	121.61	140.12	156.30	149.18	128.95	124.19
White	105.26	165.00	146.49	145.69	130.00	100.00	173.01	134.84	100.00	140.67	117.08	125.72	142.84
Spruce	81.35	69.00	120.00	100.00	90.00	81.35	90.00	81.35	81.35	80.00	81.35	81.35	81.35
Tamarack	62.42	62.42	62.42	62.42	62.42	62.42	62.42	62.42	62.42	62.42	62.42	62.42	62.42
Aspen	65.00	58.00	95.00	93.16	80.00	89.17	74.90	40.87	73.58	62.19	55.00	60.00	60.00
Ash	176.72	150.00	130.00	130.03	151.98	126.05	125.78	178.00	171.64	176.22	153.72	120.07	165.74
Basswood	150.00	95.00	152.11	187.94	123.20	253.39	154.48	151.95	136.52	155.75	159.47	148.58	119.84
Birch													
White	95.00	83.45	134.25	175.16	109.84	85.00	180.72	115.00	85.00	140.54	84.11	95.41	85.00
Yellow	186.01	122.00	175.00	137.75	166.88	186.01	178.15	120.00	186.01	135.81	120.00	120.00	120.00
Elm	101.95	87.56	83.71	100.00	117.50	119.18	74.99	70.36	74.35	74.99	70.36	116.00	112.50
Maple													
Sugar	375.00	280.00	331.96	384.29	441.95	374.08	341.95	361.10	403.84	334.97	396.80	337.84	235.00
Other	165.71	120.00	166.85	196.45	195.74	168.53	149.79	154.89	192.31	112.90	143.27	120.00	123.47
Oak													
Red	300.00	350.00	437.31	435.64	302.86	409.96	365.96	362.99	363.86	312.85	426.27	386.37	349.22
White	165.00	150.00	150.00	215.25	247.25	242.80	225.00	169.42	143.57	108.79	163.76	155.90	142.24
Other	125.00	150.00	210.53	164.43	105.84	225.75	185.00	135.10	180.00	90.00	155.00	166.49	166.06
Other Hardwood	215.00	110.00	162.65	104.51	147.34	215.00	161.11	116.20	245.00	146.56	115.00	139.65	128.70
Black Walnut	695.70	NA	NA	NA	NA	769.73	NA	NA	503.33	NA	459.62	350.00	460.00

NA - Not Applicable - This species/product is not normally harvested within this zone.

NR 46.30(2)(b) Cord Products - 128 cubic feet of wood, air and bark assuming careful piling.

	1	2	3	4	5	6	7	8	9	10	11	12	13
	WAUKESHA	GREEN BAY	CRIVITZ	WAUSAU	WAU-TOMA	DODGE-VILLE	RHINE-LANDER	ADAMS	RICHLAND CENTER	HAY-WARD	EAU CLAIRE	RIVER FALLS	SPARTA
Cedar	23.95	25.33	25.00	15.06	25.33	23.95	15.00	23.95	NA	15.00	23.95	23.95	23.95
Fir	NA	20.95	21.22	15.18	NA	NA	16.36	24.00	NA	23.18	10.00	20.00	20.01
Hemlock	NA	11.31	10.00	14.54	NA	NA	12.00	12.00	NA	10.00	12.00	12.00	12.00
Pine													
Jack	23.06	22.39	42.16	30.03	32.74	15.00	31.96	39.99	25.00	37.34	38.00	38.00	34.14
Red	22.50	30.75	48.33	36.15	44.48	25.01	38.16	38.14	34.00	44.85	43.36	30.00	40.56
White	20.00	20.77	27.93	21.20	35.19	17.23	18.26	19.83	27.12	22.56	23.01	24.60	18.20
Spruce	20.00	20.20	26.21	31.16	32.00	15.00	22.78	21.12	28.00	24.20	24.39	23.62	18.43
Tamarack	20.48	27.98	27.98	26.00	27.98	20.48	20.50	20.48	20.48	18.65	20.48	20.48	20.48
Aspen	12.22	12.25	26.88	22.14	10.36	15.95	17.98	18.10	15.95	23.53	23.12	21.84	17.88
Birch	20.05	20.89	20.89	20.15	20.89	20.05	18.38	13.85	20.05	19.15	17.04	10.88	13.85
Basswood	5.48	5.92	5.93	6.93	5.92	5.48	6.24	2.00	5.48	6.32	8.00	6.71	6.71
Oak	6.60	10.00	18.76	9.50	8.39	6.60	16.84	10.60	8.00	8.45	10.62	7.99	9.37
Other Hardwood	6.57	7.66	20.85	13.76	6.93	5.16	13.95	13.29	8.29	13.82	14.11	11.46	14.88
Fuelwood	10.00	7.45	7.45	8.00	7.45	10.00	8.69	8.00	10.00	8.69	7.78	7.78	7.00

NA - Not Applicable - This species/product is not normally harvested within this zone.

NR 46.30(2)(c) Piece products (stumpage value per piece).

	1	2	3	4	5	6	7	8	9	10	11	12	13
	WAUKESHA	GREEN BAY	CRIVITZ	WAUSAU	WAU-TOMA	DODGE-VILLE	RHINE-LANDER	ADAMS	RICHLAND CENTER	HAY-WARD	EAU CLAIRE	RIVER FALLS	SPARTA
Posts & Poles													
7 and 8 ft.	0.63	0.63	0.54	0.54	0.65	0.70	0.56	0.61	0.70	0.78	0.75	0.64	0.62
10 and 12 ft.	1.88	1.88	1.61	1.62	1.95	2.10	1.68	1.82	2.10	2.34	2.24	1.93	1.86
14 and 16 ft.	3.13	3.13	2.68	2.69	3.26	3.50	2.80	3.04	3.50	3.91	3.73	3.22	3.10
18 and 20 ft.	6.21	6.21	5.33	5.35	6.47	6.96	5.57	6.04	6.96	7.76	7.41	6.41	6.17
21 and 30 ft.	8.91	8.91	7.65	7.68	9.29	9.99	8.00	8.67	9.99	11.14	10.63	9.19	8.85
31 and 40 ft.	15.39	15.39	13.21	13.26	16.05	17.25	13.81	14.97	17.25	19.24	18.37	15.88	15.29
41 and 50 ft.	23.02	23.02	19.75	19.84	24.00	25.80	20.66	22.39	25.80	28.78	27.47	23.74	22.87
51 and 60 ft.	31.79	31.79	27.28	27.40	33.15	35.64	28.53	30.93	35.64	39.75	37.94	32.80	31.59
61 and 70 ft.	41.58	41.58	35.68	35.83	43.35	46.61	37.32	40.45	46.61	51.99	49.62	42.89	41.31
Christmas Trees													
Unsheared	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sheared	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22

The foregoing rules were approved and adopted by the State of Wisconsin Natural Resources Board on June 26, 2002.

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

Subject
 Revision of Timber Stumpage Tables in NR 46.30(2)(a) to (c).

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. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive 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

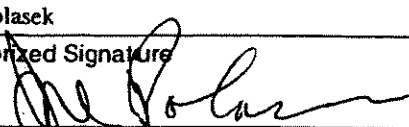
Bill Summary: This Administrative Rule change addresses the annual stumpage rate changes used in the calculation of severance and yield tax collections under the Forest Crop Law and Managed Forest Law when timber is harvested from these private lands.

Fiscal Estimate: The new 2003 stumpage rate schedule includes an average 1.40% increase in sawtimber prices and an increase of 5.45% in cordwood prices. The severance and yield tax collection in CY 2001 was \$1,173,746.76. 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 1.40% increase in sawtimber prices will produce an increase in gross revenue of about \$3,285. An 5.45% increase in cordwood values will generate an increase of \$51,175 in revenue. The net result would be an increase of \$54,460. The gross receipts are shared between the municipality and state, with each receiving approximately 50%. The municipality in turn shares 20% of their receipts with the county.

The net fiscal effect of the rule change will be about \$27,230 increase in state revenue and a \$27,230 increase in local revenue. The state revenue received from severance and yield taxes are deposited in the Forestry account of the Conservation Fund.

Long-Range Fiscal Implications

None

Prepared By: Joe Polasek	Telephone No. 266-2794	Agency Department of Natural Resources
Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 05/27/2002

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

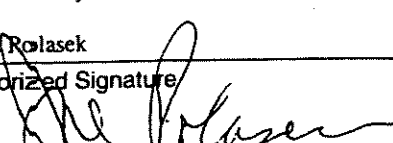
Subject
 Revision of Timber Stumpage Tables in NR 46.30(2)(a) to (c).

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
A. State Costs by Category			
State Operations — Salaries and Fringes		\$	\$ -
(FTE Position Changes)		(FTE)	(FTE)
State Operations — Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
Total State Costs by Category		\$	\$ -
B. State Costs by Source of Funds			
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		27,230	-
Total State Revenues		\$ 27,230	\$ -

Net Annualized Fiscal Impact

	State	Local
Net Change in Costs	\$	\$
Net Change in Revenues	\$ 27,230	\$ 27,230

Prepared By: Jod Polasek	Telephone No. 266-2794	Agency Department of Natural Resources
Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 05/28/2002