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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2003-04

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Forestry...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (July 2013)

Assembly

Record of Committee Proceedings

Committee on Forestry

Assembly Bill 323

Relating to: the Managed Forest Land Program, providing funding for grants for land acquisition for outdoor recreation, requiring the exercise of rule-making authority, and making an appropriation.

By Representative Friske; cosponsored by Senators Welch and Breske.

May 13, 2003 Referred to Committee on Forestry.

May 13, 2003 **PUBLIC HEARING HELD**

Present: (6) Representatives Friske, Ainsworth, Seratti, M.
 Williams, Hubler and Boyle.
Absent: (0) None.

Appearances For

- Paul DeLong and Bob Mather – Department of Natural Resources – Division of Forestry.
- Colette Mathews – Wisconsin County Forests Association.

Appearances Against

- Allan Waelchli, Shawano.

Appearances for Information Only

- None.

Registrations For

- Eugene Roark – Wisconsin Woodland Owners Association.
- Senator Bob Welch, (14th).
- Allison Bussler – Wisconsin Counties Association.

Registrations Against

- None.

July 8, 2003 **PUBLIC HEARING HELD**

Present: (4) Representatives Friske, Ainsworth, M.
 Williams and Hubler.
Absent: (2) Representatives Seratti and Boyle.

Appearances For

- Paul DeLong, Department of Natural Resources Division of Forestry.
- Henry L Anderson, Wisconsin Woodland Owners Association.
- Gene Francisco, Wisconsin Professional Loggers Association.
- Gene Schmit, Wisconsin County Forests Association.
- Marvin Meier, President Wisconsin Woodland Owners Association.
- Earl Gustafson, Wisconsin Paper Council.
- John Beam, Janesville, WI.

Appearances Against

- John T Schewe, Merrill, WI.
- Norma Belliveau, Tomahawk, WI.
- Paul Keinitz, Merrill, WI.
- Clyde Samsel, Hancock, WI.
- David Jackson, Gleason, WI.
- Ann Hockerman, Black River Falls, WI.
- Dale and Beverly Schendel, Wheeler, WI.
- Brian Hubbard, West Bend, WI.
- Allan Waelchli, Wisconsin Consulting Foresters.
- Jim Heerey, New Auburn, WI.
- John P Czerwonka, Wittenberg, WI.
- Gene Lasch, Shawano, WI.
- Bill Belliveau, Rhinelander, WI.

Appearances for Information Only

- Al Romportl, Department of Revenue.
- Rick Stadelman, Wisconsin Towns Association.
- Tim Tollefson, Wisconsin Rapids, WI.

Registrations For

- Rob Kudick, Wausau Mosinee Paper.

Registrations Against

- Lance Nienow, Merrill, WI.
- Dan Lemke, Plum Creek.
- Mike Schendel, Menomonie, WI.
- Sally Schendel, Menomonie, WI.
- Michael Gehrke, Winter, WI.
- Joe Belliveau, Tomahawk, WI.
- Carl Theiler, Tomahawk, WI.
- Brad Bishop, Tomahawk, WI.
- Alan Bishop, Tomahawk, WI.

October 14, 2003

EXECUTIVE SESSION HELD

Present: (5) Representatives Friske, Ainsworth, Seratti, M. Williams and Hubler.

Absent: (0) Representative Boyle.

Chairman Friske asked for unanimous consent to introduce Assembly Substitute Amendment 1 **LRBs0714/1**.

Unanimous consent was granted.

Representative Hubler asked for unanimous consent to introduce Assembly Amendment 1 to Assembly Substitute Amendment 1 **LRBa1144/1**.

Unanimous consent was granted.

Representative Seratti asked for unanimous consent to introduce Assembly Amendment 2 to Assembly Substitute Amendment **LRBa1190/1**.

Unanimous consent was granted.

Moved by Representative Hubler, seconded by Representative Seratti that **LRBa1144/1** be recommended for adoption.

Ayes: (5) Representatives Friske, Ainsworth, Seratti, M. Williams and Hubler.

Noes: (0)

Moved by Representative Seratti, seconded by Representative Hubler that **LRBa1190/1** be recommended for adoption.

Ayes: (5) Representatives Friske, Ainsworth, Seratti, M. Williams and Hubler.

Noes: (0)

Moved by Representative Hubler, seconded by Representative Ainsworth that **LRBs0714/1** be recommended for adoption.

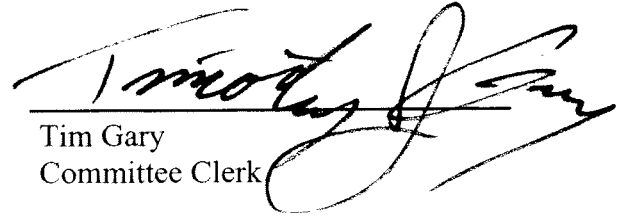
Ayes: (5) Representatives Friske, Ainsworth, Seratti, M. Williams and Hubler.

Noes: (0)

Moved by Representative Friske, seconded by Representative Ainsworth that **Assembly Bill 323** be recommended for passage as amended.

Ayes: (5) Representatives Friske, Ainsworth, Seratti,
M. Williams and Hubler.

Noes: (0)



Tim Gary
Committee Clerk

Vote Record Committee on Forestry

Date: 10-14-03

Moved by: HUBLER

Seconded by: SERATTI

AB 323 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt 1 LRB 1144 to A/S Amdt 1

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Donald Friske, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Lorraine Seratti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Hubler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Frank Boyle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>

Motion Carried

Motion Failed

Vote Record Committee on Forestry

Date: 10-14-03

Moved by: SERATTI

Seconded by: HUBLER

AB 323 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt 2 Lorraine to A/S Amdt 1
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Donald Friske, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Lorraine Seratti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Hubler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Frank Boyle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>

Motion Carried

Motion Failed

Vote Record Committee on Forestry

Date: 10-14-03

Moved by: HUBLER

Seconded by: AINSWORTH

AB 323 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt 1 LRB 0714/1
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Donald Friske, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Lorraine Seratti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Hubler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Frank Boyle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>

Motion Carried

Motion Failed

Vote Record Committee on Forestry

Date: 10-14-03

Moved by: FRISKE

Seconded by: HUBLER

AB 323 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
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 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Donald Friske, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Lorraine Seratti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Hubler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Frank Boyle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>

Motion Carried Motion Failed



February 27 2003

Barron County Woodland Owners Assn., Inc.
P.O. Box 115
Barron, WI 54812

Representative Mary Hubler
Room 119 North, State Capitol
P.O. Box 8952
Madison, WI 53708

Subject: Proposed changes to the Managed Forest Law

Gentlemen and Gentlewomen,

A special Managed Forest Law Review Committee approved a report (Report) in December 2002 which recommended several changes in Wisconsin's Managed Forest Law. We understand that bills are being prepared for introduction in the legislature with the goal of implementing some or all of those recommendations. The Board of Barron County Woodland Owners Assn., Inc., meeting on February 18, 2003 agreed to petition you regarding several concerns we have with the proposed changes. We hereby submit our comments and request that you take them into consideration as you contemplate any proposed legislation.

We believe that any changes to MFL must be considered in the context of the existing Forest Mil Tax which already raises about \$64M from the citizens of Wisconsin to support a forest service. Also any changes must be considered in the context of the long tradition of diverting those monies for other purposes to the extent that, at last report, less than half reached Forestry. Wisconsin Forestry is so under-funded as to be incapable of delivering the range of forestry services needed to sustain Wisconsin's forest resource.

One of the Report's justifications for MFL changes is the need to increase fees to fund a more robust forestry service. However the monies raised by the Forest mil Tax are more than adequate to support a robust level of service. We ask that you rise to a new level of candor by acknowledging that adequate funds have already been raised via the mil tax to support Forestry and that you commit all those funds to Forestry. Then if weaknesses in the MFL statute or administration thereof need to be corrected, lets do so based on the merits of those proposed changes. If Wisconsin's budget is so broken that it can only be repaired on the backs of Non-Industrial Private Forestland Owners (NIPFOs), we ask you to admit that is the real reason for increasing fees. But please don't patronize us by saying the fees will support Forestry.

Let us comment on some of the changes proposed by the Report and also bring to your attention two changes not proposed by the report but which we believe will be beneficial to Wisconsin Forestry without burdening the state's coffers.

- 1) We believe raising the nonrefundable MFL application fee to \$300 will drive people away from the program. At a time of rapid ownership change and forest fragmentation, both forestry professionals and members of forestland owner organizations are struggling to attract

people into the sustainable management of their forestland. We need to entice forestland owners into MFL enrollment, not repel them as will occur with increased "front end" fees. Otherwise our state's largest (or one of its three largest, depending on who you are quoting) industry will decline due to mismanagement of the renewable natural resource on which it is dependant. Funded with all the proceeds of the Mil Tax Forestry will be able to deliver the needed management plans.

- 2) We believe that increasing the processing time of an application to 18 months sends the wrong message regarding Wisconsin's Governmental efficiency. And worse, it discourages enrollment of lands in MFL. (We won't remind you that ours' is an instant gratification culture.) This is just a dumb idea.
- 3) We believe that instituting arbitrary financial penalties for delinquent mandatory management practices is destructive to the MFL program and fails to address the root problem. NIPFOs are not like industrial forestland owners who have professional staffs to prepare long term work plans and track task completions. It is the nature of NIPFOs to overlook management practices and to need reminding. We believe Wisconsin's foresters must be mentors to forestland owners who, often without the forester's nurturing and leadership, will not have the knowledge or motivation to engage in the sustainable management of their forestland. This proposal would replace the mentoring relationship between forester and forestland owner with an adversarial relationship. Alternatively, a fully funded and staffed forestry could easily monitor the performance of mandatory management practices and give necessary reminders. The present law provides adequate remedies for dealing with failure to carry out mandatory practices
- 4) We are troubled by the proposed substantial increase in closed acreage fees. We feel once again that it will reduce participation in MFL with unfortunate impact on the economy in the heavily forested parts of the state. In spite of the proposed increased limit on the maximum number of closed acres, many forestland owners close only a few acres and this increase will seem punitive to them. We request that you consider a stepped-up fee structure which, in combination with the opportunity to change open/closed status more frequently, would be more equitable and still achieve the desired outcome of soaking the landowner while opening more acreage. We propose retention of the current one dollar per acre fee for closing the first 40 acres, two times that fee for the second 40, three times etc. And why limit closing to 160 acres? Contemplate the tax revenue generated by the 10th 40 acre parcel closed in an entry. And that 40 would still be sustainably managed to produce an important industrial raw product for Wisconsin industry.

We believe that with our changes to the Report's recommendations, there is hope that any resulting legislation will have somewhere between a neutral and an improving effect on the MFL program rather than a degrading effect. Now our two additional changes which we believe will benefit Wisconsin forestry and the MFL program.

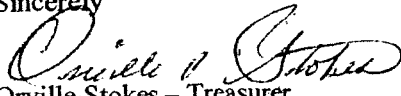
- 1) We propose that MFL be changed to eliminate the restriction on the number of times the open/closed status may be changed. Presently, and for no clear reason, such a change is limited to once during an enrollment (i.e., once during a 25 or 50 year period). We believe the present restriction promotes the "closing" of all the acreage from which a landowner anticipates he will ever feel a need to exclude the public. With this proposed relaxation he is likely to close fewer acres at any one time in the knowledge that, whenever the focus of his privacy needs changes, he may restructure his open/closed designation to better suit his current needs. We believe this change would create more "open" acres and abate potential

enrollees' concerns that under a MFL contract they are ceding too much control to the Government.

- 2) We believe that the goal of keeping forestlands under sustainable management will be better achieved to the extent that MFL enrollees are incentivized to enroll for 50 rather than 25 years. We recommend that any adjustments to the MFL fee structure result in a monetary incentive for the 50 year enrollment.

We respectfully request that you consider our comments when preparing your bills for introduction to the legislature and also when debating, amending and voting on the final version of any resulting legislation.

Sincerely



Orville Stokes - Treasurer

Legislative Districts 25/75

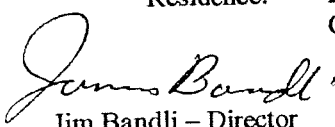
Residence: 1806 15th St.
Rice Lake, WI 54608



Jim Lenbom - Vice Pres.

Legislative Districts 25/75

Residence: 2478 11th Ave.
Cameron, WI 54822



Jim Bandli - Director

Legislative Districts 25/75

Residence: 1671 25th St.
Rice Lake, WI 54858



Ron Kilmer - Director

Legislative Districts 25/75

Residence: 1908 19th St.
Rice Lake, WI 54868

Jim Heerey - President

Legislative Districts 23/67

Residence: 144 27th St.
New Auburn, WI 54757

Brent Rystrom - Secretary

Legislative Districts 10/30

Residence: W8501760th Ave
River Falls, WI 54022

Clem Engen - Director

Minneapolis

Residence: 2100 30th Ave. S.
Minneapolis, MN 55406

Petitions mailed with constituent signatures to: Senators Harsdorf, Zien, and Jauch
Reps Hubler, Wood and Rhoades
Petitions mailed with all signatures to Senator Breske and Rep. Friske



Gary, Tim

From: marian e sabee
Sent: Wednesday, April 16, 2003 3:05 PM
To: Rep.Friske@legis.state.wi.us
Subject: forest land

Dear Representative Friske;

We have a family owned tree farm, and our taxes have increased 4-times on most of our land, and on one parcel, taxes have increased from a value of \$500 to \$8,000 per acre. Although the Farmland Advisory Council maintains the preservation of farmland is crucial, the present valuation and taxation of forest land forces the development of that land.

As I understand it, you are proposing to increase the amount of closed space acceptable to the Managed Forest Law.

The only problem I have with MFL is that a 25 or 50- year contract is required. Observing how the government honored their contracts with the Farmland Preservation Program, we are not eager to sign a contract with the government.

To require individuals over the age of 60 to sign a 25-year contract is not reasonable. I would suggest that a tax payback, similar to ag-use, be implemented if the land does not stay in forest for 25 years. This could be a sliding tax payback depending on the number of years the land is kept in forest.
(Tax payback: If the land is taken out of MFL before 25 years, the difference between the MFL tax and the non-MFL tax is paid back.)

On our south border we have planted black walnut trees. It was our hope that many generations later our heirs would harvest these trees. With the many uncertainties of today, the only thing that is guaranteed is taxes. If the forest taxes are not restored to equity those black walnut trees will be ploughed under for a subdivision.

I would appreciate it if you would take these suggestions into consideration.

Thank you,
Marian Sabee

07/06/2003



WISCONSIN CONSULTING FORESTERS (WCF)

Dedicated to high professional standards for forestry in Wisconsin

Page 1 of 2

May 12, 2003

Representative Friske Chairman
Representative Ainsworth Vice Chairman
Representatives Seratti, Williams, Hubler and Boyle

RE : Managed Forest Tax Law (MFL)

Dear Assembly Committee on Forestry Members :

I would like to introduce you to Wisconsin Consulting Foresters, Inc. (WCF), an organization composed of private professional consulting foresters. Members of the WCF provide forest management services to Wisconsin woodland owners, such as preparation of forest management plans, timber marking, timber sales administration, and tree planting. Collectively we implement sound, sustainable, ethical forest management throughout Wisconsin. Members of our organization also serve on numerous DNR forestry committees as liaisons for private sector forestry interests and the promotion of forest resources.

WCF supports the proposed changes to the Managed Forest Tax Law (MFL). The WCF has a strong interest in the MFL and would like to present our perspective of appropriate changes additional changes for the MFL.

Please consider the following :

1. Currently, entry (with the exception of a \$100.00 application fee) into the MFL program is offered to Wisconsin woodland owners as a "free" service from the DNR. A very important condition for MFL entry is to have a written forest management plan prepared. The plan can be prepared by a DNR forester at no cost ("free"), by a consulting forester for a fee or the landowner (rarely occurs).

2. There has and continues to be an overwhelming number of woodland owners who are entering into the MFL. Each time a township is reassessed where property taxes may rise by \$5.00 – 30.00 per acre or more, the DNR typically receives a huge inflow of new MFL applications. All of the new entries require a written management plan, which has resulted in a workload the DNR is finding difficult to accomplish. Consequently, it is our understanding that the DNR, which hired 23 new foresters last year, would prefer to continue at this pace for the next several years. In part, the burgeoning MFL program has been used by DNR to validate their need to hire and continue to hire. Consulting foresters have also been utilized by the DNR to accomplish the MFL workload. Specifically, the DNR has obtained funding to provide for contracting with private foresters to write MFL plans for the past several years.

3. WCF has performed a financial analysis to better determine the investment benefit for a woodland owner who chooses to enter acreage into the MFL and the tax implications for Wisconsin citizens. For example, a typical 60 acre entry can provide the property owner **\$100,000.00** savings over the course of 25 years. The present net value of this amount exceeds **\$18,000.00** (@ 7% interest). Please consider when a DNR forester prepares the required management plan for this 60 acre entry we estimate cost to taxpayers at \$900.00 (includes wages, benefits, office, vehicle and overhead) or \$15.00/acre. Assuming the DNR receives 4,000 new applications for 2005, there would be 240,000 acres @ \$15.00/acre which equals a **\$3,600,000.00 cost to the Wisconsin tax payers**. Our analysis is available for your review upon request.

In consideration of the forgoing the WCF would like to present position statements and a proposal regarding the MFL that will provide an efficient and economical means to better manage Wisconsin forests.

Position Statements :

1. Employing state foresters to perform a "free" MFL plan preparation service to woodland owners is not fiscally responsible when these owners receive substantial economic benefit and the state of Wisconsin has and continues to face a severe fiscal crisis. Consequently, the WCF opposes the use of DNR foresters to prepare MFL plans or hiring additional DNR foresters on the basis of their need to prepare MFL management plans. There is a need for the DNR to maintain oversight and administration of the program but not to actually write the required management plan for entry.

2. There is unfair competition between the small business owners (consulting foresters) and state employees (DNR foresters). Consulting foresters that provide a service to enter woodland owners into the MFL for a fee can not reasonably compete with a DNR forester who does the work for "free". If the DNR was not in the business of writing "free" MFL forest management plans, private consulting forester firms could expand and hire new foresters to write plans. Currently, we have a situation where government becomes larger at the expense of small business efforts to provide the same service.

3. We recognize that the DNR has utilized consulting foresters to assist the accomplishment of the MFL workload through contracts, however, the funding for contracting still taps taxpayer wallets.

4. We recognize that woodland entered into the MFL is not entirely about financial rewards or competition between private and public sectors. Clearly, acreage entered into this program becomes acreage under forest management. The multiple benefits of properly managed forests are too numerous to mention here.

WCF Proposal :

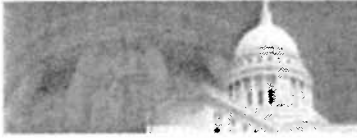
1. Consulting foresters stand ready to provide an efficient and competitive means to prepare the necessary forest management plans required for woodland owners to enter the MFL. Do not use current DNR foresters or hire additional DNR foresters to provide a taxpayer subsidized "free" service for entry into the MFL when the recipient will realize many thousands of dollars in return. Where necessary maintain existing DNR employees to administrate the MFL program. Further, there is no need to continue contracting with consulting foresters assuming DNR foresters stop preparing MFL plans. However, if the status quo continues, we believe contracting should also be continued to allow consulting forester firms to have at least some resemblance of equal footing with the DNR when we provide a MFL plan preparation service. *If this proposal is accepted the state budget deficit may be reduced by over \$3,000,000.00 annually when applying current estimates.* Also, proper, expedient forest management will be delivered to woodland owners at a reasonable and competitive fee.

The WCF would like to establish a dialogue with the Forestry Assembly Committee as we feel our organization can provide valuable input on significant forest resource management issues in Wisconsin. Your opinion on this MFL issue would be greatly appreciated and whether or not you can address our concerns. We are available to meet with you at your convenience.

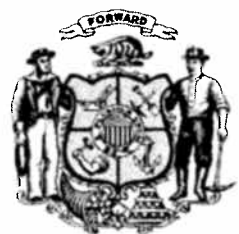
Sincerely,



Allan Waelchli, WCF Chairman
W7251 Belle Plaine Ave.
Shawano, WI. 54166
715-526-6020
forest2@frontiernet.net



WISCONSIN STATE LEGISLATURE





22 EAST MIFFLIN STREET, SUITE 900
MADISON, WI 53703
TOLL FREE: 1.866.404.2700
PHONE: 608.663.7188
FAX: 608.663.7189

MEMORANDUM

TO: Honorable Members of the Assembly Committee on Forestry

FROM: Allison Bussler, Senior Legislative Associate *ab*

DATE: May 13, 2003

RE: Assembly Bill 323

The Wisconsin Counties Association (WCA) thanks you for the opportunity to make a few brief comments regarding Assembly Bill 323, which makes several changes to the administration and funding of the Managed Forest Law Program.

As a member of the Managed Forest Law Review Committee appointed by the Wisconsin Governor's Council on Forestry, WCA would like to extend its support for this bill which incorporates the changes recommended by the Council. WCA is especially appreciative that the Committee recommended: 1) modifying the formula that determines the distribution of funds collected for the Yield and Withdrawal taxes; and 2) requiring that additional payments made by Managed Forest Law (MFL) land owners for closed MFL be used by DNR for grants to local governmental units for the acquisition of land for nature based-based outdoor recreation.

The MFL program has been extremely successful over the years in reaching its objectives of providing property tax relief to owners of private forestland while encouraging responsible forest management. However, many dynamics of the program have changed over the years in addition to the increasing demand for participation. Therefore, the provisions included in the bill are necessary to update the law, move the program forward and allow the Department of Natural Resources to administer the program in the most effective and efficient manner possible.

Therefore, we respectfully request your support for AB 323. Thank you for considering our comments.

If you have any questions, please do not hesitate to contact the WCA office.





Wisconsin Society of American Foresters

May 13, 2003

Chairman Donald R Friske
Assembly Forestry Committee
312 North Capitol
PO Box 8952
Madison, WI 53708-8952

Dear Representative Friske:

The proposed changes to the administration of Wisconsin's Managed Forest Law (MFL) contained in AB 323 would be welcomed by the professional forestry community in Wisconsin. Our membership recognizes that the Managed Forest Law provides a valuable mechanism for engaging private landowners in forest stewardship activities while expanding the land base available for many forest recreation pursuits. The MFL is also an important point of contact for private landowners seeking education and guidance with respect to improving their lands.

AB 323 contains several proposed changes that are certain to generate controversy, but on the whole I believe they represent a balance between providing important public benefits in a cost-effective manner while also protecting the rights of private forest landowners. Let me comment on a few of the most important provisions that document the 'give and take' nature of ensuring public rights in private land while protecting private interests in a publicly-funded program.

First, AB 323 would allow landowners to close up to 160 acres (up from the current limit of 80 acres) to public access. This provision will help reduce the amount of parcelization that has occurred within families as owners seek clever ways to close MFL land to public access. This represents a major change to the benefit of landowners and should lead to more coherent management plans. The potential loss of public access for recreation is offset by other proposed changes.

Second, AB 323 changes the mechanism by which acreage share payments and additional payments for closed acreage are calculated, and moves from the former 'flat fee' approach to a more equitable percentage (5% or 20%) of the average statewide property tax for such lands. In general, this change will increase (to the public's benefit) the payments made for both open (5%) and closed acreage (20%), but the change will not be effective for several years. The former method of calculation did not create enough of a revenue differential to encourage landowners to keep forestland open – this larger differential may be more successful. Some

Thank you for Supporting the Society of American Foresters

May 13, 2003

Page 2

forest land owners will not be pleased with any change that raises their MFL acreage share payment, but everyone will agree that the upward tendency to all Wisconsin land prices during most of the past decade makes some adjustment here overdue. Directing the increased payments made for 'closed' acres to a fund for local units of government to purchase recreation land provides an appropriate 'quid pro quo' in the private rights-public rights debate. To some extent this provision offsets the increase in 'closed' acreage permitted.

Third, one problem with administration of the MFL in recent years has been a tendency on the part of some participants to ignore completion of management practices contained in their forest plans. AB 323 provides a penalty of \$250 payable to the town in which the entry occurs, for willful non-compliance of the DNR-approved plans. This should not be a problem when weather or markets make it impractical to complete specified practices, but it will provide the DNR with an alternative to 'withdrawal' for landowners who agree to a management plan they do not intend to honor.

And finally, the requirement that all management plans be prepared by DNR foresters, or by "...plan writers certified..." by the DNR, will increase public confidence in the quality of the management plans that land owners receive. This point is, in part, behind the development of other pending legislation (AB 12) and ensures that plans are prepared by well-qualified professionals. AB 323 ensures that such professionalism carries over to plans provided for all MFL entries.

I want to commend the Governor's Council on Forestry, the Forestry Committee and other sponsors for introducing this important legislation. It indicates that you value Wisconsin's forest resources and are working to ensure their continued existence in perpetuity for the citizens of Wisconsin. If I can provide further information, please call me at 608-262-0449.

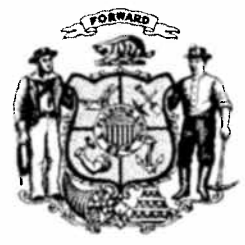
Sincerely,

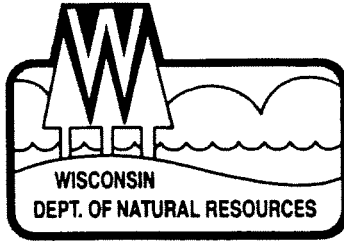
Raymond P. Guries
Professor of Forestry, University of Wisconsin-Madison, and
Chair, Policy and Legislation Committee, WI Chapter, SAF

cc P. DeLong, Div. of Forestry Administrator
R. Rogers, State Chair, Society of American Foresters



WISCONSIN STATE LEGISLATURE





**Testimony Before the
Assembly Forestry
Committee
May 13, 2003**

In Regards to AB 323

Good afternoon Chairman Representative Friske and other committee members. I am Bob Mather, Director of the Bureau of Forest Management, Division of Forestry, in the Department of Natural Resources. I want to thank you for this opportunity to come before you today in regard to AB 323. Let me start by stating that the Department of Natural Resources strongly supports this bill.

I would like to take a second and emphasize what Chief State Forester, Paul DeLong has just stated. The Managed Forest Law (MFL) is an extremely important tool to expanding the practice of sustainable forestry on the private forest lands of Wisconsin. Wisconsin has a higher percentage of private forest land managed under the guidance of a professional than in the nation as a whole, and the MFL program is a major reason why. However, we still only reach less than one-quarter of the non-industrial private forest landowners, the land base from which two-thirds of the timber is cut in Wisconsin. Clearly, we need to do more to reach additional landowners. MFL is an important tool to help address this need, however, it is neither the only tool, nor is it sufficient. It is both important to maintain this critical tool and identify mechanisms to increase the efficiency of program administration and return a higher percentage of revenues to local governments. It was the recognition of these issues that led the former Governor's Council on Forestry to assess the need for revisions to MFL.

I will provide the committee with a short back ground on the process used to develop the proposed recommendations for changes to the Managed Forest law. The Former Governor's Council on Forestry formed a task force in September 2002 to study possible changes or enhancements to the law. Former State Forester Gene Francisco agreed to chair the task force. The Task force membership represented various interests including the Wisconsin Woodland Owners Association, Wisconsin County Forest Association, Wisconsin Real Property Listers Association, Wisconsin Counties Association, Wisconsin Towns Association, and Council members, including two legislators. Department of Natural Resources staff from the Division of Forestry and Bureau of Legal Services provided assistance and information to the task force.

The changes identified in this bill can be divided into several categories: workload reduction measures, increasing revenues to municipalities and counties, improved enforcement tools, improvement in meeting the purposes of the law and improved recovery of administrative costs. I will speak only briefly about each category, following which we can discuss any or all of them in more detail, if you desire.

The primary workload reduction features for the Department are the increased application fee, the changed application deadline and the certified plan writer program. The application fee will provide additional funds to contract with private forestry consultants to prepare MFL management plans, freeing up DNR staff to work on other aspects of the program and ultimately to reach other private forest landowners who do not have any professional guidance. The deadline change will allow department and consultant foresters additional time to complete the required field inventories and preparation of the management plans, thereby increasing the number

of plans that can be contracted. The certified plan writer program will improve management plan quality and consistency and reduce the Department's review and approval time.

The MFL allows landowners to reduce their property taxes in return for a long-term commitment to sustainable forest management which generates ecological, economic and social benefits to all Wisconsin citizens. The bill increases the flow of revenue from the Department to municipalities and counties to more closely reflect the costs to those entities. The bill also changes the acreage share and closed area fee payment beginning in 2008 to more closely reflect increases in actual statewide property taxes charged for forest, swamp and waste lands not under the program.

This bill provides several improved enforcement tools for the department and local governments. They include allowing the towns an improved system to collect personal property taxes, and establishing a noncompliance assessment for failure to complete the required practice in a timely manner.

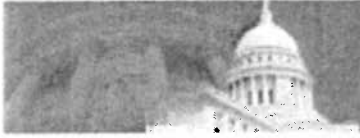
The bill addresses improving one of the purposes of the law by utilizing the closed area fees to establish a grant program to purchase additional public access for nature-based outdoor recreational activities. The grant program would first be available in late 2009 or early 2010, when the closed-area fee changes would first be implemented.

The proposed legislation also tries to recover a portion of the actual costs associated with administering the Managed Forest law. The sum total impact of the changes proposed in this bill will be to increase program efficiency, increase private sector capabilities and thereby expand the number of landowners reached by professional foresters. The bill also provides an increase in program compliance, and an increase in revenues to local units of government. This bill accomplishes these things while maintaining a strong fiscal incentive to landowners to enter the program.

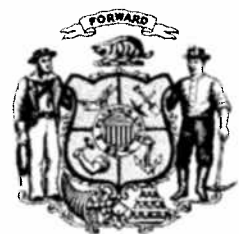
Mr. Chairman, I appreciate the leadership you have shown in advancing this bill, working with colleagues on both sides of the aisle in both legislative chambers. Given the complexities of this program, the bill does a very good job of capturing the concepts advanced by the Governor's Council on Forestry. There are a few changes that we believe need to be made to the bill, but overall it is very well done.

Finally, I want to acknowledge that, although there seems to be general support for making some changes to the MFL program, there are differences of opinion with respect to the extent and manner of change. The Department welcomes additional dialogue with you and interested parties as this moves through the legislative process.

Once again, I want to thank you for this opportunity to appear before you to discuss this important piece of legislation. The department is pleased to support this bill and I am willing to answer any questions you may have. Thank you.



WISCONSIN STATE LEGISLATURE



May 13, 2003

Representative Friske and members of the Assembly Committee on Forestry:

My name is Colette Matthews; I am Executive Secretary of the Wisconsin County Forests Association, located in Tomahawk, Wisconsin. I have come here today to lend the support of the Wisconsin County Forests Association to AB 323.

Gene Schmit, long-time President of our Association and twelve year member of the Governor's Council on Forestry, was a member of the subcommittee that drafted these proposed changes to the Managed Forest Law. I also participated as a member of that subcommittee.

The WCFA supports the testimony of the DNR Division of Forestry regarding AB 323; I will not take up your time by restating any of those facts.

There is one phase of these changes that I would like to address. That is the increase in entry fee from \$100 to \$300 per plan. That is not \$300 per year, but a one-time fee for processing the paper work connected with an entry, covering approximately one-half the cost to DNR.

If you consider what a person receives for this \$300 entry fee, it is quite a bargain.

Let me give you two examples.

In my home County of Lincoln, a friend entered three hundred sixty acres into the program, and this year received his first 'MFL' tax bill. He estimates that he saved, in the first year alone, more than \$4000 in property taxes on that land.

Another example. In northern Adams County some friends own several forty's which they use mainly for hunting, although they do practice proper forestry management. Due to the increase in property taxes, they finally agreed to enter it

into the MFL program under the 'closed' provision. Their tax bill will now be \$1.95 per acre, or \$78 per forty. Last year the taxes on this same property were \$983 per forty. This land has no utilities, is located on a dirt road, and is entered into conservancy. It also is six inches to water. You can easily see why they chose to enter it into the MFL program.

My final thought relates to any land entered into the MFL as 'closed to the public'. In addition to receiving a tax bill based at present on \$1.95 per acre, they have the ability, for instance, to lease their acres out to a hunting group willing to pay more than \$5.00 per acre per year for the privilege of exclusive hunting rights to the land. It is a win-win proposition.

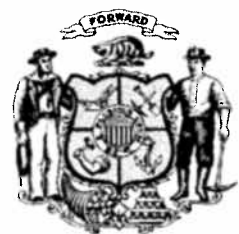
The Managed Forest Law is a good thing. WCFA is not opposed to it. In their opinion, however, it is in need of the adjustments included in AB 323.

Thank you for taking time to let me speak today.

Colette Matthews, Executive Secretary, Wisconsin County Forests Association, 518 W Somo Ave, Tomahawk, Wisconsin 54487.



WISCONSIN STATE LEGISLATURE



Gary, Tim

From: Amos and Jean Burrows
Sent: Thursday, June 12, 2003 3:59 PM
To: rep.friske@legis.state.wi.us
Subject: Assembly Bill 323

MAJOR PROBLEM WITH MFL ASSEMBLY BILL 323

From the Viewpoint of a Land Owner

When landowners signed a contract which was binding on both parties for a stated number of years (like 25 or 50 years) and provisions were made in the contract and in the accompanying written explanations for the method of making periodic cost increases (like every five years), including the method to be used in calculating the amount of those increases (like the average statewide change in property taxes), we trusted the DNR to abide to the agreement.

Assuming the State needs more money then all new participants in the MFL should be expected to pay whatever taxes are appropriate. Then they can decide if they want to join or not based on their personal cost-benefit analyses. Those who joined previously should be treated according to the agreement they signed when they joined.

The important issue is whether the government is going to comply with the rules previously agreed upon by both parties.

Amos and Jean Burrows,
Landowners and Tree Farmers,
Viola, WI

07/06/2003



Gary, Tim

From: Benson, Robert [BensonR@kpgraphics.com]
Sent: Wednesday, June 18, 2003 7:24 AM
To: 'rep.friske@legis.state.wi.us'
Subject: MFL

I'm a land owner who has had terrible experiences with the public on my land, and have decided to close it for that reason. I'm very much opposed to the increase in the fee for closed MFL. This will increase my taxes well over \$1,000.00. per year, and I feel I pay more than my fair share of taxes today. I'm strongly against any increase in taxes to anyone. I realize my opinions are not important to any politician and will not change anything, but I felt compelled to give you not just mine, but the opinion of most that I have spoken to.

Robert Benson



14502 Burrows Lane
Viola, WI 54664
June 24, 2003

Representative Donald Friske
Assembly Committee on Forestry Chair
State Capitol
PO 8952
Madison, WI 53708

Dear Mr. Friske:

We are unable to attend your Public Hearing on AB 323, so we are sending you 8 copies of this letter and want these comments to be entered into the public record.

As a World War II combat veteran I fought for freedoms and rights like the private ownership of property. Such rights include protection from unilateral revocation of legally binding signed contracts and agreements by one party to the agreement without the consent of the other party.

We were accepted for participation in the Managed Forest Land program in 1989.

We feel that although we are the legal owners of our land, God is its real owner and He has given us stewardship responsibility for it. Therefore we gladly sought, received and followed the excellent guidance of the dedicated DNR foresters in the Richland County Forestry office. Proof of our sincere efforts to comply with the DNR foresters' leadership is our totally unexpected receipt in 1992 of the "Richland County Outstanding Tree Farmer Award" and the Southern Area LCC "Tree Farmer of the Year Award".

When we signed an agreement with the DNR for 50 years, provisions were made in the agreement and the accompanying written explanations for making periodic cost increases in our property taxes every five years and calculating the amount of those increases on the actual percentage increase statewide in property taxes. Now the provisions of AB 323 would contradict our 1989 agreement on computing property taxes. Assuming the State needs more money than all NEW PARTICIPANTS in the MFL should be expected to pay whatever taxes are appropriate. Then, like we did years ago, they can decide on their own cost-benefit analysis if they want to join. Those who joined previously should be treated according to whatever agreement they signed.

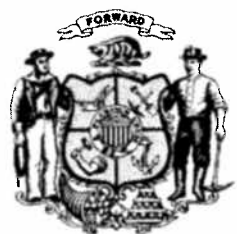
Sincerely,

Amos T. Burrows, Jr. Jean T. Burrows

Amos T. Burrows, Jr. and Jean T. Burrows



WISCONSIN STATE LEGISLATURE



Gary, Tim

From: Helm, Daryl [DHelm@appletoncoated.com]
Sent: Tuesday, June 24, 2003 10:39 AM
To: 'rep.friske@legis.state.wi.us'
Cc: Helm, Daryl; 'sen.welch@legis.state.wi.us'; 'sen.breske@legis.state.wi.us';
Subject: Assembly Bill 323 -Concerned Forest Land Owner

Dear Representative Friske,

I am sending you this email to express my concerns over Assembly Bill 323. I am very disappointed in the fact that when I signed up for the Managed Forest Law, there were very specific rules and terms that I had to agree to and follow in exchange for reduced property taxes. At that time I signed my name to the required documents, and put my land into the program because I agreed with the list of "rules", that went along with signing up for the program, even though I was signing up for 25 years (that's a very long time to sign a contract/agreement for). I did so with the belief that the terms of the agreement I was signing were "formal and protected". That is why I signed on for so long. It disturbs me greatly that the government can come back later and "change the terms" of the agreement I and countless other land owners signed for in the past.

I understand why you want to make changes. But I don't agree with putting those changes on pre-existing contracts. At least you could "grandfather" already existing contracts (rate calculations and terms), or give the land owner the option to be either grandfathered or go along with the proposed changes.

The item of proposed changes that most upsets me, is the tremendous "real" increase in the actual taxes that I would pay. According to the information I have, on closed acreage, I would see a 237% increase in my actual taxes for those lands I have designated as closed in the program. (current \$.74 + \$.100 = \$1.74/acre) vs. (proposed \$1.17 + \$4.69 = \$5.86) or a real increase of \$4.12 per acre or 237%. This is way too much of an increase.

I own my land to keep it in forest and manage it according to all the latest "good stewardship" practices. In order to do this and keep the land in forest (i.e. don't sell it off to developers/realtors, etc., who are always sending me stuff wanting to buy my land for purposes other than large tract forest management), I need to keep my taxes down to very reasonable levels. I will not see any timber sale "income" from this land, perhaps only once in my lifetime. I have put many thousands of dollars and countless man hours of work, "into" the land to improve the actual forestland for future generations. I have planted approximately 10,000 trees, all by hand, planted some small native prairies, developed some wetlands, plus spent many years in timber stand improvement to my land. All of these activities are a "cost" to me. As I understood it, the MFL was designed to help keep forests in forests. I want to do that and my activities are all consistent with the good reasoning behind the original MFL intent. However, if these rates go through, I will be strained with that much of an increase in taxes. I might even need to consider other long term options or uses for the land, other than forest(s)? The current MFL tax that I pay is the single largest financial reason I still have and keep the land in forests.

I do not approve of changing the terms or rules of the current MFL agreement.
My primary objection to this Bill is the increase in "closed" acreage taxes and rates. They are totally unacceptable to me !

Please consider and enter into the record my concerns as this Bill is debated.

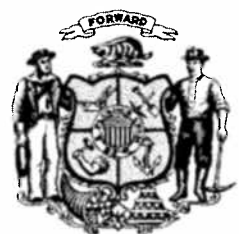
Sincerely,

Daryl Helm
Concerned Forest Land Owner (Forest acreage in Adams County)
W6028 Dahlia Drive
Appleton, WI 54915

07/06/2003



WISCONSIN STATE LEGISLATURE



W11693 Bluebell Road
Deerbrook WI 54424

6-24-03

Assembly Committee on Forestry
State Capitol
P.O. Box 8952
Madison WI 53708

Dear Committeemen

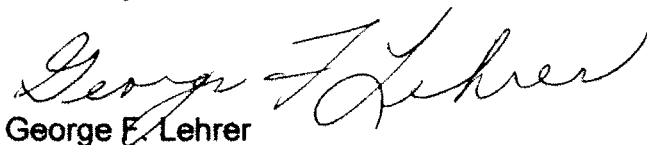
I am writing to comment on AB 323. I am the owner of approximately 220 acres of Langlade County Forested lands, of which 133 acres is entered in the MFL program and closed to unlimited public access. This land is dedicated to growing commercial timber crops and produces all the benefits (wood, water, recreation, wildlife, jobs, clean air) of wooded lands. I and my four sons hunt these lands and I have given numerous others permission to hunt there. I have never refused permission for access for other outdoor recreation, such as hiking, berry picking and bird watching. When I or others are recreating on my lands, we are relieving pressure on public lands (of which Wisconsin has a blessed and badly underutilized abundance).

Just as public agencies regulate recreational pressure by various means, I want to retain the option to limit numbers or times of access and refusing access to some. Nor do I want my lands listed in countywide or statewide publications, as open to unlimited public access.

Because closed lands provide nearly all the same benefits as open lands, pays the same severance, and require no additional governmental services the difference in tax payment if any, should be minimal, with the 10% rate as proposed by WWOA as an absolute maximum.

In addition, the use of the additional funds raised by the assessment to create a grant program for land acquisition for nature based recreation is not equitable in that it taxes those few land owners who provide all but the unlimited public access benefits of sustained woodland stewardship, to provide benefits enjoyed by all. Such universal benefits should be paid for by the entire tax paying body.

Sincerely


George E. Lehrer



Gary, Tim

From: Dennis Waterman
Sent: Thursday, June 26, 2003 11:30 AM
To: Rep. Donald Friske
Cc: Rep. Mary Hubler
Subject: Managed Forest Law bill - AB 323

Dear Representative Friske and other Assembly Committee on Forestry Members,

I regret not being able to attend the rescheduled hearing on MFL changes on July 8th, but I have a previous commitment to the American Tree Farm organization on that date. I thank the Committee for continuing with this hearing to obtain input regarding changes to the Managed Forest Law, and hope you will take the time to review the comments I have attached. The main text of my comments was prepared in March regarding the recommendations prepared by the special Committee appointed by the Governor's Council on Forestry. Comments printed in red have been added for this response to your Committee.

Thank you for your time, and please feel free to call on me if you have any questions regarding my comments.

Helping to Manage Our Children's Forests,

Dennis

Dennis L. Waterman
Waterman Forestry, LLC
886 - 20th Street
Cameron, WI 54822
Telephone: (715) 458-2684

To whom it may concern:

Below please find my initial thoughts regarding the actions to change the Managed Forest Law recommended by a special Committee appointed by the Governor's Council on Forestry December 5, 2002. Proposed changes are now in the hands of the legislature and any concerns will need to be brought to the attention of our legislators. I have been informed that Senator Breske and Rep. Friske of the Wisconsin legislature are having these recommendations drafted into bill form, and that public hearings on the introduced bill(s) will be held.

I have tried to consider these proposals wearing 3 different hats – as a former DNR forester, as a forest landowner, and as a Cooperating Consultant Forester.

The changes in our property tax formula's regarding agricultural land combined with the rapid increase in forest land values have increased local (Barron County) property taxes by approximately 300%. Annual property tax payments of \$800.00 or more per forty are common. These costs are greater than the forest income we can expect from most of our woodlands, and of course we may have to wait up to 50 years to see any kind of return. The Managed Forest Law is probably the best alternative available to a private forest owner if they wish to continue ownership of these woodlands and are concerned with sustainable forest management concepts. Other alternatives may be to pasture the woods, or cash in on all merchantable timber and sell the land. Neither of which is an alternative for anyone with any concern for our Children's inheritance – these are their forests too.

At the same time there remains an uncertainty by many landowners of relinquishing control of their woodlands, especially to the government. However, the increase in property taxes has outweighed this fear, as can be seen with the dramatic increases in applications to enter lands under the MFL as taxes increase. The bottom line therefore, has been that the increase in property taxes on woodlands is steering more and more land to be managed under a sustainable forestry plan – the silver lining in the cloud. However, high fees and penalties could reverse this trend. I hope this is not the intent of some of the Committees recommended actions.

➤ **Issue 1 - Raise the non-refundable MFL application fee from \$100.00 to \$300.00.**

Although I firmly believe in user fees, the question many landowners have is why can't additional funds from the forestry mill tax be used to cover the costs for preparing MFL Plans? As we were recently told by the State Forester, "the distribution of the funds from the forestry account is a very complicated matter" – or more simply put it is politics. The forestry mill tax is another major issue, but the 2 are certainly related and an explanation as to why additional funds are needed to fund the MFL plans should be part of any increase in any fees associated with the MFL.

Applications offer the landowner a choice of having their MFL plan written by the DNR or by a Consultant Forester. Currently the fee is reduced only if a MFL plan is submitted with the application. A reduced application fee (suggest retaining the old fee of \$20.00) for those electing to hire a consultant forester to write the plan should be available and still allow that plan to be written within a reasonable time period following the application deadline. Landowners should not have to pay for a written plan twice.

It appears that AB 323 has addressed this issue by retaining the \$20.00 fee for plans prepared in advance by consultant foresters, but with the new application deadlines landowners who elect to have a consultant forester prepare their plan are penalized by having to wait an additional year before they submit their application with the required management plan. Consultant forester prepared plans should have time to prepare the plan after submission of the MFL application – August 1st would still allow time for the DNR Forester to review these plans.

➤ **Issue 2 - Move the application deadline to July 1 (18 months before effective date).**

Such actions may reduce the number of landowners who later withdraw their request to enter the land under MFL, but only at the expense of the majority of the individuals who sign a plan and fulfill their management requirements. This could be an additional ±\$800 for another year of regular taxes on your

forty – now your application fee has actually risen to \$1000.00 above the current fee (\$300 less current fee of \$100 plus \$800 for having to wait an additional year)!

Additional steps may have to be taken to increase landowner education on the MFL, but 11 months from time of application to date of entry should be adequate time to process the applications. Informational meetings, informational CD's, etc. should be made available. Also, the DNR should not have to take on all of the responsibility for this education. Organizations such as WWOA, BCWOA, Tree Farm System, etc. are available and in fact were formed to help spread the word to other landowners and the public – let's use these external partners.

With the reduced application fee for plans to be prepared by a consultant forester, I believe more plans will be completed using the private sector and the additional 6 months may not be required for the DNR to complete such plans. If application fees are increased the DNR will also have additional funds to contract with consultant forester to complete more plans submitted with the \$300.00 fee.

➤ **Issue 3 - Provide a penalty/fine for failure to complete a mandatory practice.**

Currently there are compliance/enforcement procedures, including the use of a *Notice of Investigation*, and finally a recommendation to withdraw the entry with penalties, which can be used where necessary.

I worked with the forest tax laws for 33 years and only can recall two cases where landowners refused to comply and had to be withdrawn from the program. Generally, it simply requires a little cooperation from both sides - working with the landowner if you will, to bring a plan into compliance. Unfortunately there are situations where a plan may be written and then the landowner is forgotten until after the practice compliance date is past. Care must be taken not to penalize an individual in this case without trying to work out a reasonable solution over a reasonable period of time.

Such a penalty, at least if simply stated as it is in the recommended action, could easily sway/scare landowners from entering their lands under the MFL, even if they have every intention of complying with the mandatory practices outlined in their management plan.

AB 323 proposes a \$250.00 noncompliance assessment if a practice is not completed by the designated date in the plan, with No grace period mentioned. Availability of professional assistance, markets, weather, breakdowns of equipment etc., etc. can all affect the cutting of a scheduled harvest. If such an assessment is deemed necessary, I suggest a grace period of not less than 3 years from the plan date be allowed prior to any type of penalty.

➤ **Issue 5 – Yield Tax**

Unfortunately, the Committee did not reach consensus on the yield tax. The current 5% of the average stumpage rate is unfair to all, as few landowners receive the average. This results in some landowners paying 2 or 3% of their receipts and others paying 6, 8, or 10% of their receipts. If the yield tax is to remain, it should be based on actual stumpage payments received, not on averages.

➤ **Issue 7 – Change the closed acreage fee to 20% of average tax per acre on class 5 & 6 lands.**

Here again, we are increasing the costs for landowners to put their land under the MFL. My experience in Barron County was that many landowners, who elected to leave their lands “open” for public use, later changed the designation to “closed” because of the large amount of hunting pressure during gun deer season. When 10 hunters show up opening day to hunt on a forty it spoils everyone's hunt and is not safe!

I suggest that instead of increasing the acreage fee for closed designation, perhaps a program similar to the *Project Respect* program, which was sponsored by the DNR Bureau of Wildlife in the past, be adopted for

the Managed Forest law. This program provided private lands open to public use, but allowed the landowner to control the number of users. Such a program, especially during the gun deer season would increase lands open for hunting, while retaining both a quality hunt and a safe hunt.

➤ **Issue 7 – Increase allowable acreage to be closed to 160 acres per municipality.**

A great idea, which as explained in the report will save a great deal of work by doing away with the current gerrymandering of ownership. This change, without fee increases, will surely increase the acreage entered under the MFL and in turn increase forest lands under sustainable management.

➤ **Issue 8 – Increase MFL Transfer fee.**

Here we go again with increased fees to scare away applicants. You paid \$1,000.00 in extra taxes and an application fee and now your son/daughter have to pay another \$300.00 just to keep the land in the family. If the new owner is going to continue with the program, the transfer costs should be minimal. Are monies from the mill tax unable to cover these transfer costs?

➤ **Certification.**

AB 323 calls for certification of non DNR plan writers. I would suggest that all plan writers, including DNR, be certified.

➤ **Withdrawal & Yield Tax Distribution**

I applaud the proposed change to distribute all of these taxes to the Town/Village & County.

➤ **Acreage Share and Closed Acreage Payments**

It is unclear if the new calculations will be strictly for new MFL applications or if the changes would affect existing contracts. Language making all changes applicable to only new applications would reassure landowners that their contracts will not be changed.



Subj: **Assembly Bill 323 MFL and TRUST!**
 Date: 6/29/2003 11:07:10 AM Central Standard Time
 From: DSchen2835
 To: rep.friske@legis.state.wi.us
 CC: sen.welch@legis.state.wi.us; sen.breske@legis.state.wi.us

Dear Representative Friske:

TRUST! This is the reason we are concerned about AB 323 and the proposed changes for MFL participants.

We are landowners of 39 years, beginning with 274 acres in 1964. We have added adjacent parcels as they became available and now own a total of 480 contiguous acres of forestland in Dunn County, WI. Our forestry adventure began in 1966 on the advice of our country DNR forester to plant red pine to prevent soil erosion. It continues today with 300,000 planted pines, wetland improvement and wildlife habitat in natural woodlands through the guidance and TRUST in our DNR foresters and our MFL contracts. Without either, we could not and would not have committed our land and our lives to 25 and 50 year contracts for forestry management.

Our concerns are that MFL contracts are and should be honored as "legally binding" contracts. Any thought of retro active changes to any part of existing MFL contracts is inconsistent with the word "contract" which is a "written agreement enforceable by law". Changes should only apply to new MFL enrollees. This will maintain TRUST with current MFL participants and ensure TRUST with new MFL enrollees.

The proposed changes in the taxes for "open" and "closed" lands of 57% and 237% respectively, are increases that are unaffordable and unacceptable. We are required to comply with mandatory practices in our MFL contracts that are becoming increasingly costly. An example: A current 2 day timber stand improvement to remove diseased trees from one plantation at a cost of \$1,000 per day and we are about 1/2 done.

"Yield Tax" payment should be based on ACTUAL total income of the sale rather than on a statewide "average" basis. Different areas, different soils produce different quality timber. On a recent sale of clearcut, undesirable species, unmanaged timber on a new 40 acquired in 2000, the total of the ACTUAL sale was \$13,000 and we paid 5% yield tax on \$20,000 "average" basis. This cut was a regeneration harvest to remove diseased and fallen timber and promote regeneration of natural species that will grow on our soils. We will not see another harvest on this 40 acres in our lifetime. Annual crops are not a product of timberlands. The current YIELD TAX basis takes needed dollars that we would use to improve our forests.

We committed to and in good faith signed MFL contracts of 25 and 50 years and we trusted in these documents as written. Changes in existing contracts will create a deep mistrust not only in our state legislators but in the DNR as well.

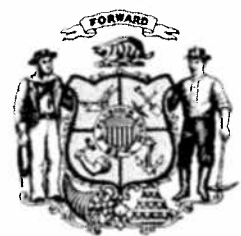
We do not approve of any changes to the current MFL contract.

Please consider and enter into the record my concerns as this Bill is debated.

Sincerely, Dale and Beverly Schendel Schendel Family Timberland
 PO Box 33 Wheeler, WI 54772 dschen2835@AOL.com



WISCONSIN STATE LEGISLATURE



7-1-03

Rep. Donald Friske
State Capitol
P.O.Box 8952
Madison, Wi. 53708

Included are some comments I would like to make concerning AB323 and its efforts to amend the Managed Forest Law. All in all I appreciate your efforts, but of the recommendations for change, I can only agree with the raising the amount of acres a landowner can "Close" to 160 acres. It will reduce the paperwork for all concerned while help keep manageable sized woods together.

Raising the application fee to discourage applications? Why are you doing that? Can it really be a deterrent? do you really want to do that? In this day of "Smart Growth", this has been the only game in town for decades. If there is a perception of a problem with landowners not going through after a plan is written. That is very minor. Would it be better to push people into something the state will regret later. Good communication between the landowner and DNR Forester will solve this. People who have worked with the Forester beforehand rarely don't go through with it. Maybe, not making applications so easy to get(internet) would be a better no-cost answer. Go see the Forester, first.

I am vehemently against moving the application deadline to summer. That is the height of the Forester's work on the applications from the year before. This would add another workload as the Foresters have to stop and help the landowners get signed-up. Madison DNR staff has "slack" time in the summer as they wait for applications to be processed. January is a better time for landowners to get their deeds, tax bills, etc. together. Foresters have more time to help them find things and answer questions. Can you find your tax bill in June, or do you even think of it at that time of year?

Requiring landowners to have all the paperwork perfect before an application is accepted, should not be in law. The Forester still has to check through all the documents to see what is even needed for a complete application. Most times it is easier to get documents from the courthouse because the Forester knows what they are looking for. Do you know what a CSM is? How about the PIN number of your property? The difference between a Land Contract or a Life Estate?

Providing a fine for failure to perform a Mandatory Practice on time is a step backward. Withdrawl and the penalty that it brings is the ultimate incentive, and it has worked well. A fine and its investigation will require much more time for the Forester without guaranteeing the practice will be done. Would you do it after the Forester has hauled you to court? In fact, most times the withdrawal will ensue. This would also require some very expensive law enforcement training for the DNR Foresters as they switch to being a "Woods Cop" from being the "partner" that landowners can turn to for advice.

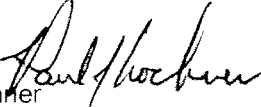
Messing with the formulas for taxes and dividing the money is like shooting at a moving target. The present problem with taxes is shifting of assessed value that is happening from this "use value" system. What will it be 5 years from now? Can you ever satisfy the government's lust for more money, especially when almost all don't know the Managed Forest Law and are vowed opponents of it.

I'll give you some real life scenarios of what growing trees and the tax system is. There are parts of 9 counties in central Wis. called the Central Sands. The major timber type is called Scrub Oak. Those Black and Bur Oaks grow at the rate of 1/8 cord of salable wood per acre per year, and the trees are not merchantable until age 80. At today's prices, that is about \$1.25 of wood per year. Taxes are typically \$12.00 per acre and rising daily. There is no way anyone can make money growing those trees. Some say, "cut them and replant Red Pines that may make money". Such a project could easily cost \$400.00 per acre and give no payback for another 25 years.

I, myself have a 104 acre Northern Hardwoods woodlot in Crawford County. It produces 1/4 cord of wood per acre per year at a value of \$3.00. I owned it for 20 years before I could harvest any trees in 1994. I took in a gross of \$16,000 after paying over \$22,000 in taxes alone. I work a lot in my woods to make it better so I've spent at least that much more in time and equipment over that 20 years. I am committed to growing trees, and the MFL is the biggest help to keeping that woodlot together and healthy.

The Managed Forest Law is a tool to help woodlot owners afford to own and keep a viable sized woods. I know personally and hear it every day that the MFL is the only way any of us can afford to grow trees.

Sincerely,


Paul Lochner
2830 Plover Spring Dr. #26
Plover, Wi. 54467