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# State of Misconsin 2007 - 2008 LEGISLATURE

LRB-3444/R2 MGG:wlj:jf

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### PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT to repeal 77.82 (2) (i), 77.82 (2m) (a) 2. and 77.82 (7) (c) 2.; to renumber 77.82 (2m) (a) 1.; to renumber and amend 77.82 (2m) (e) and 77.82 (3) (a); to amend 20.370 (1) (cx), 26.09 (1b) (j), 77.06 (5), 77.82 (title), 77.82 (1) (bn), 77.82 (1) (c), 77.82 (2) (intro.), 77.82 (2) (cm), 77.82 (2) (e), 77.82 (2) (e), 77.82 (2) (f), 77.82 (2) (i), 77.82 (2m) (title), 77.82 (2m) (a) 1., 77.82 (2m) (a) 2., 77.82 (2m) (am), 77.82 (2m) (c), 77.82 (2m) (d), 77.82 (2m) (dm) 1., 77.82 (2m) (e), 77.82 (3) (a), 77.82 (3) (c) (intro.), 77.82 (3) (g), 77.82 (4), 77.82 (4g) (a), 77.82 (4g) (b), 77.82 (4m) (a), 77.82 (4m) (b), 77.82 (4m) (d), 77.82 (5) (title), 77.82 (5) (a), 77.82 (5) (b), 77.82 (6) (a), 77.82 (6) (b) 2., 77.82 (7) (a) (intro.), 77.82 (7) (a) 2., 77.82 (7) (b) (intro.), 77.82 (7) (b) 1., 77.82 (7) (c) 1., 77.82 (7) (c) 3., 77.82 (7) (d), 77.82 (8), 77.82 (10), 77.82 (11), 77.82 (11g), 77.82 (12), 77.86 (1) (c), 77.86 (1) (d), 77.87 (1g) (a), 77.87 (1g) (d), 77.87 (3), 77.88 (2) (b), 77.88 (2) (d) 1., 77.88 (2) (e), 77.88 (4), 77.88 (5) (ab) 1., 77.88 (5) (am) (intro.), 77.88 (6), 77.90, 77.91 (1) and 170.12 (5); to repeal and recreate 77.82 (3) (f); and to create 77.125, 77.82 (2) (dm), 77.82 (2m) (ac), 77.82 (3) (am) and 77.88 (5g) of the statutes; relating to:

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petitions and management plans for the designation of managed forest land, transferrals of ownership of managed forest land, establishing stumpage values and estimating withdrawal taxes under the managed forest land program, signatures and authentication requirements for orders under the forest croplands program, granting rule-making authority, and making an appropriation.

#### Analysis by the Legislative Reference Bureau

Under current law, the Department of Natural Resources (DNR) administers the managed forest land (MFL) program and a similar program called the forest croplands program. The MFL program exempts an owner of land that is designated MFL from payment of municipal property taxes on the land in exchange for a lower payment per acre. In exchange, the owner must comply with certain forestry practices and must allow the public on the land under certain circumstances unless the landowner elects to pay an extra amount per acre to keep a limited number of acres closed. In addition, an owner of MFL must pay a withdrawal tax when the owner withdraws the land from the program before the order designating the land as MFL expires. Orders are for 25 or 50 years. This bill makes various changes to the MFL program, including the following:

1. The bill makes a terminology change by substituting the words "applicant" and "application" for "petitioner" and "petition" in the subchapter related to the MFL program. This change is nonsubstantive.

2. The bill changes the dates before which DNR must act on applications under the MFL program and changes the deadline for owners to file applications to renew MFL orders.

3. The bill requires that a forestry management plan for the MFL accompany the application and eliminates the requirement that DNR prepare the plan upon the request of the applying landowner. Under the bill, DNR must prepare the plan only if DNR determines that the applicant is not able to have a proposed management plan prepared by a certified independent plan writer. The bill requires DNR to promulgate rules establishing the criteria for when DNR will prepare the plan.

4. The bill requires DNR to prepare an estimate of the withdrawal tax that would be due if the MFL is withdrawn upon request of DNR or an MFL landowner. Under the bill, the Department of Revenue assists with the preparation of these estimates.

5. The bill eliminates the requirement that the stumpage value that is used to determine the amount of yield taxes and withdrawal taxes under the MFL program be established by rule.

6. The bill clarifies that when MFL is transferred to another owner, the person purchasing or otherwise receiving the land pays the transfer fee.

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7. The bill allows facsimile signatures and exempts documents from register of deeds authentication requirements under the forest croplands program. These provisions exist for the MFL program under current law.

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

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

**SECTION 1.** 20.370 (1) (cx) of the statutes is amended to read:

20.370 (1) (cx) Forestry — management plans. All moneys as calculated received under s. 77.82 (2m) (dm) 1. (ag) for payment for management plans prepared or completed by plan writers who are under contract with the department under s. 77.82 (3).

**SECTION 2.** 26.09 (1b) (j) of the statutes is amended to read:

26.09 (**1b**) (j) "Stumpage value" means the applicable stumpage rate <u>value</u> established by rule under s. 77.91 (1) or the fair market value of raw forest products less the cost of their harvesting, whichever is greater.

**SECTION 3.** 77.06 (5) of the statutes is amended to read:

77.06 (5) Tax Levy on Right to cut timber. The department of natural resources shall assess and levy against the owner a severance tax on the right to cut and remove wood products covered by reports under this section, at the rate of 10% of the value of the wood products based upon the stumpage value then in force established under s. 77.91 (1). Upon making the assessment, the department of natural resources shall mail a duplicate of the certificate by registered mail to the owner who made the report of cutting at the owner's last-known post-office address. The tax assessed is due and payable to the department of natural resources on the last day of the next calendar month after mailing following the date the certificate is mailed to the owner.

1	The proceeds of the tax shall be paid into the forestry account of the conservation
2	fund for distribution under s. 77.07 (3).
3	<b>Section 4.</b> 77.125 of the statutes is created to read:
4	77.125 Signatures. (1) The signature of an official or an employee of the
5	department of natural resources may be stamped, printed, or otherwise reproduced
6	on an order under ss. $77.01$ to $77.14$ after the official or employee adopts the stamped,
7	printed, or otherwise reproduced signature as his or her facsimile signature.
8	(2) The signature or the facsimile signature under sub. (1) of an official or an
9	employee of the department of natural resources meets the requirement under s.
10	706.05 (2) (a).
11	(3) The requirement of s. 706.05 (2) (b) does not apply to orders issued under
12	this subchapter.
13	SECTION 5. 77.82 (title) of the statutes is amended to read:
14	77.82 (title) Managed forest land; petition application.
15	<b>Section 6.</b> 77.82 (1) (bn) of the statutes is amended to read:
16	77.82 (1) (bn) For purposes of par. (b) 3., the department by rule shall define
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	"human residence" to include a residence of the petitioner applicant regardless of
18	"human residence" to include a residence of the <u>petitioner applicant</u> regardless of whether it is the <u>petitioner's applicant's</u> primary residence. The definition may also
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	whether it is the petitioner's applicant's primary residence. The definition may also
19	whether it is the petitioner's applicant's primary residence. The definition may also include up to one acre surrounding the residence for a residence that is not the
19 20	whether it is the petitioner's applicant's primary residence. The definition may also include up to one acre surrounding the residence for a residence that is not the petitioner's applicant's primary residence.
19 20 21	whether it is the petitioner's applicant's primary residence. The definition may also include up to one acre surrounding the residence for a residence that is not the petitioner's applicant's primary residence.  Section 7. 77.82 (1) (c) of the statutes is amended to read:

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1	filed that are located in the municipality or municipalities for which the petition
2	application is submitted filed shall be included in the petition application.
3	<b>Section 8.</b> 77.82 (2) (intro.) of the statutes is amended to read:
4	77.82 (2) PETITION APPLICATION. (intro.) Any owner of land may petition file ar
5	application with the department to designate any eligible parcel of land as managed
6	forest land. A petition An application may include any number of eligible parcels
7	under the same ownership. Each petition application shall include all of the
8	following:
9	SECTION 9. 77.82 (2) (cm) of the statutes is amended to read:
10	77.82 (2) (cm) A copy of an instrument that has been recorded in the office of
11	the register of deeds of each county in which the property is located that shows the
12	ownership of the land subject to the petition application.
13	<b>SECTION 10.</b> 77.82 (2) (dm) of the statutes is created to read:
14	77.82 (2) (dm) A proposed management plan.
15	Section 11. 77.82 (2) (e) of the statutes is amended to read:
16	77.82 (2) (e) A statement of the owner's forest management objectives for the
17	production of merchantable timber, in sufficient detail to provide direction for the
18	development and approval of a management plan. The petition application may also
19	state additional forest management objectives, which may include wildlife habitat
20	management, aesthetic considerations, watershed management and recreational
21	use.
22	Section 12. 77.82 (2) (e) of the statutes, as affected by 2007 Wisconsin Act
23	(this act), is amended to read:
24	77.82 (2) (e) A statement of the owner's forest management objectives for the
25	production of merchantable timber, in sufficient detail to provide direction for the

1	development and approval of a the proposed management plan. The application
2	may also state additional forest management objectives, which may include wildlife
3	habitat management, aesthetic considerations, watershed management and
4	recreational use.
5	<b>Section 13.</b> 77.82 (2) (f) of the statutes is amended to read:
6	77.82 (2) (f) Proof that each person holding any encumbrance on the land
7	agrees to the petition that the application may be filed.
8	Section 14. 77.82 (2) (i) of the statutes is amended to read:
9	77.82 (2) (i) If a proposed management plan is not submitted filed with the
10	petition application, a request that the department prepare a management plan.
11	The department may decline to prepare the plan.
12	SECTION 15. 77.82 (2) (i) of the statutes, as affected by 2007 Wisconsin Act
13	(this act), is repealed.
14	SECTION 16. 77.82 (2m) (title) of the statutes is amended to read:
15	77.82 (2m) (title) Fees for petitions applications and management plans.
16	SECTION 17. 77.82 (2m) (a) 1. of the statutes is amended to read:
17	77.82 (2m) (a) 1. A petition An application under sub. (2), (4m), or (12) shall
18	be accompanied by a nonrefundable application recording fee of \$20 unless a
(19)	different amount for the recording fee is established by the department by rule at an
20	amount equal to the average expense to the department for recording an order issued
21	under this subchapter.
22	<b>SECTION 18.</b> 77.82 (2m) (a) 1. of the statutes, as affected by 2007 Wisconsin Act
23	(this act), is renumbered 77.82 (2m) (a).
24	SECTION 19. 77.82 (2m) (a) 2. of the statutes is amended to read:

1	77.82 (2m) (a) 2. If a petition an application under sub. (2), (4m), or (12) is not
2	accompanied by a proposed management plan that meets the requirements under
3	par. (c), the department shall charge the plan preparation fee established under par.
4	(am) if the department agrees to complete the plan.
5	SECTION 20. 77.82 (2m) (a) 2. of the statutes, as affected by 2007 Wisconsin Act
6	(this act), is repealed.
7	SECTION 21. 77.82 (2m) (ac) of the statutes is created to read:
8	77.82 (2m) (ac) If the department prepares a management plan under sub. (3)
9	(a) 2, the department shall collect from the applicant the management plan fee
10	established under par. (am).
11	SECTION 22. 77.82 (2m) (am) of the statutes is amended to read:
12	77.82 (2m) (am) The department shall by rule establish on an annual basis a
13	nonrefundable fee that the department shall charge for a management plan
14	prepared or completed by the department, including any plan prepared by a certified
15	plan writer contracted by the department under sub. (3) (g). The fee shall be based
16	on the comparable commercial market rate that is charged for preparation of such
17	management plans.
18	SECTION 23. 77.82 (2m) (c) of the statutes is amended to read:
19	77.82 (2m) (c) A proposed management plan is exempt from the management
20	plan preparation fee under par. (a) 2. (ag) if it is prepared or completed by an
21	independent certified plan writer instead of by the department.
22	SECTION 24. 77.82 (2m) (d) of the statutes is amended to read:
23	77.82 (2m) (d) All of the recording fees collected under par. (a) 1. shall be
24	credited to the appropriation under s. 20.370 (1) (cr).
25	<b>Section 25.</b> 77.82 (2m) (dm) 1. of the statutes is amended to read:

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77.82 (2m) (dm) 1. Of each fee \$300 or the entire fee, whichever is less, that is collected under par. (a) or (e) that is not credited to the appropriation under s. 20.370 (1) (cr) (ag) shall be credited to the appropriation under s. 20.370 (1) (cx).

SECTION 26. 77.82 (2m) (e) of the statutes is amended to read:

77.82 (2m) (e) If a proposed management plan accompanying a petition an application filed under sub. (2), (4m), or (12) is not approved by the department under its initial review under sub. (3) (a), and if the department agrees to complete the management plan under sub. (3) (a), the department shall collect from the petitioner applicant the plan preparation fee established under par. (am), if the petitioner applicant has not previously paid the fee.

SECTION 27. 77.82 (2m) (e) of the statutes, as affected by 2007 Wisconsin Act .... (this act), is renumbered 77.82 (2m) (ag) and amended to read:

77.82 (2m) (ag) If a proposed management plan accompanying an application filed under sub. (2), (4m), or (12) is not approved by the department under its initial review under sub. (3) (a), and if the department agrees to complete the proposed management plan under sub. (3) (a), the department shall collect from the applicant the management plan preparation fee established under par. (am), if the applicant has not previously paid the fee.

**SECTION 28.** 77.82 (3) (a) of the statutes is amended to read:

77.82 (3) (a) A proposed management plan may shall cover the entire acreage of each parcel subject to the petition application. The department, after considering the owner's forest management objectives as stated under sub. (2) (e), shall review and either approve or disapprove the proposed management plan. If the department disapproves the plan, it shall inform the petitioner applicant of the changes necessary to qualify the plan for approval upon subsequent review. At the request

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1	of the petitioner applicant, the department may agree to complete the proposed
2	management plan that has been prepared by an independent certified plan writer.
3	The department shall complete any proposed management plan prepared by the
4	department.
5	SECTION 29. 77.82 (3) (a) of the statutes, as affected by 2007 Wisconsin Act
6	(this act), is renumbered 77.82 (3) (ag) and amended to read:
7	77.82 (3) (ag) A proposed management plan shall cover the entire acreage of
8	each parcel subject to the application and shall be prepared by an independent
9	certified plan writer or the department and par. (am) applies. The
10	(ar) For a proposed management plan prepared by an independent certified
11	plan writer, the department, after considering the owner's forest management
12	objectives as stated under sub. (2) (e), shall review and either approve or disapprove
13	the proposed management plan. If the department disapproves the proposed plan,
14	it shall inform the applicant of the changes necessary to qualify the plan for approval
15	upon subsequent review. At the request of the applicant, the department may agree
16	to complete the proposed management plan that has been prepared by an
17	independent certified plan writer. The department shall complete any proposed
18	management plan prepared by the department.
19	<b>SECTION 30.</b> 77.82 (3) (am) of the statutes is created to read:
20	77.82 (3) (am) If the department determines that an applicant is not able to

77.82 (3) (am) If the department determines that an applicant is not able to have a proposed management plan prepared by a certified independent plan writer, the department shall prepare the plan. The department shall promulgate rules establishing the criteria that shall be met in order to determine that an applicant is unable to prepare such a plan.

**SECTION 31.** 77.82 (3) (c) (intro.) of the statutes is amended to read:

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77.82 (3) (c) (intro.)	To qualify for approval, a management plan shall be
prepared by an independen	nt certified plan writer or prepared by the department and
shall include all of the follo	owing:

**SECTION 32.** 77.82 (3) (f) of the statutes is repealed and recreated to read:

77.82 (3) (f) A management plan may be amended either by an agreement entered into by the owner and the department or by the department in order to ensure the practice of sound forestry.

**Section 33.** 77.82 (3) (g) of the statutes is amended to read:

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

**SECTION 34.** 77.82 (4) of the statutes is amended to read:

designated as managed forest land under an order that takes effect on or after April 28, 2004, may petition file an application with the department to designate as managed forest land an additional parcel of land if the additional parcel is at least 3 acres in size and is contiguous to any of that designated land. The petition application shall be accompanied by a nonrefundable \$20 application fee unless a different amount for the fee is established by the department by rule at an amount equal to the average expense to the department of recording an order issued under this subchapter. The fee shall be deposited in the conservation fund and credited to the appropriation under s. 20.370 (1) (cr). The petition application shall be filed on

a department form and shall contain any additional information required by the department.

**SECTION 35.** 77.82 (4g) (a) of the statutes is amended to read:

77.82 (4g) (a) If an owner of land that is designated as managed forest land under an order that takes effect before April 28, 2004, wishes to have an additional parcel of land that is at least 10 acres in size and that satisfies the other requirements in sub. (1) designated as managed forest land, the owner may petition file an application with the department under sub. (2) for a new order covering the additional land.

**SECTION 36.** 77.82 (4g) (b) of the statutes is amended to read:

77.82 (4g) (b) If an owner of land that is designated as managed forest land under an order that takes effect before April 28, 2004, wishes to have designated as managed forest land an additional parcel of land that is at least 3 acres in size, that does not satisfy the requirements in sub. (1), and that is contiguous to any of that designated land, the owner may withdraw the designated land from the original order and may petition file an application with the department under sub. (2) for a new order covering both the withdrawn land and the additional land. The withdrawal tax and the withdrawal fee under s. 77.88 (5) and (5m) do not apply to a withdrawal under this paragraph.

**SECTION 37.** 77.82 (4m) (a) of the statutes is amended to read:

77.82 (4m) (a) An owner of land that is entered as forest croplands under s. 77.02 may petition file an application with the department under sub. (2) to convert all or a portion of the land to managed forest land, subject to sub. (1) (c).

**SECTION 38.** 77.82 (4m) (b) of the statutes is amended to read:

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1	77.82 (4m) (b) A petition An application under this subsection shall specify
2	whether the order designating the land as managed forest land will remain in effect
3	for 25 years or 50 years, as elected by the owner.
4	<b>SECTION 39.</b> 77.82 (4m) (d) of the statutes is amended to read:
5	77.82 (4m) (d) An owner of land who has filed a conversion petition application
6	under this subsection and for whom the department is preparing or completing a
7	management plan may withdraw the request and have it prepared by an
8	independent certified plan writer if the owner determines that the department is not
9	preparing or completing the management plan in a timely manner.
10	<b>Section 40.</b> 77.82 (5) (title) of the statutes is amended to read:
11	77.82 (5) (title) Notice of Petition Application; request for Denial.
12	<b>Section 41.</b> 77.82 (5) (a) of the statutes is amended to read:
13	77.82 (5) (a) Upon receipt of a petition an application under sub. (2), (4) or (4m),
14	the department shall provide written notice of the petition application to each clerk
15	of each municipality in which the land is located.
16	<b>Section 42.</b> 77.82 (5) (b) of the statutes is amended to read:
17	77.82 (5) (b) The governing body of any municipality in which the proposed
18	managed forest land is located or a resident or property tax payer of such a
19	municipality may, within 15 days after the notice under par. (a) is provided, request
20	the department to deny the petition application on the grounds that the land fails to
21	meet the eligibility requirements under sub. (1) or that, if the addition is approved

**Section 43.** 77.82 (6) (a) of the statutes is amended to read:

the entire parcel will fail to meet those eligibility requirements. The request shall

be in writing and shall specify the reason for believing that the land is or would be

1	77.82 (6) (a) The department shall conduct any investigation necessary to
2	reach a decision on a petition an application.
3	<b>SECTION 44.</b> 77.82 (6) (b) 2. of the statutes is amended to read:
4	77.82 (6) (b) 2. At least 10 days before the date of the hearing, the department
5	shall mail written notice of the date, time, and place of the hearing to the petitioner,
6	applicant, to each person who submitted a request under sub. (5) (b), and $\underline{to}$ the clerk
7	of each municipality in which the land is located.
8	Section 45. 77.82 (7) (a) (intro.) of the statutes is amended to read:
9	77.82 (7) (a) (intro.) After considering the testimony presented at the public
10	hearing, if any, the facts discovered by its investigation and the land use in the area
11	in which the land is located, the department shall approve a petition an application
12	under sub. (2) or (4m) if it determines all of the following:
13	SECTION 46. 77.82 (7) (a) 2. of the statutes is amended to read:
14	77.82 (7) (a) 2. That all facts stated in the petition application are correct.
15	SECTION 47. 77.82 (7) (b) (intro.) of the statutes is amended to read:
16	77.82 (7) (b) (intro.) After considering the testimony presented at the public
17	hearing, if any, and the facts discovered by its investigation, the department shall
18	approve a petition an application under sub. (4) if it determines all of the following:
19	SECTION 48. 77.82 (7) (b) 1. of the statutes is amended to read:
20	77.82 (7) (b) 1. That all facts stated in the petition application are correct.
21	SECTION 49. 77.82 (7) (c) 1. of the statutes is amended to read:
22	77.82 (7) (c) 1. Except as provided in par. (d), if a petition an application is
23	received on or before March 31 of any year from any petitioner other than a petitioner
24	an applicant who owns less than 1,000 acres or more in this state, the department
25	shall investigate and shall either approve the petition application and issue the order

under sub. (8) or deny the petition application before the following November 21. An
application received after March 31 from an applicant who owns 1,000 acres or more
in this state shall be acted on by the department as provided in this subdivision
before the November 21 of the year following the year in which the application is
received.

**SECTION 50.** 77.82 (7) (c) 2. of the statutes is repealed.

**Section 51.** 77.82 (7) (c) 3. of the statutes is amended to read:

77.82 (7) (c) 3. Except as provided in par. (d), if <u>a petition an application</u> is received on or before May 15 June 1 of any year from a petitioner an applicant who owns less than 1,000 acres in this state, who, before the deadline established by the department by rule, submitted a draft management plan prepared by an independent certified plan writer, and who submits a completed plan, as defined by the department by rule, with the petition, the department shall investigate and shall either approve the petition application and issue the order under sub. (8) or deny the petition application before the following November 21. An application received after June 1 from an applicant who owns less than 1,000 acres in this state shall be acted on by the department as provided in this subdivision before the November 21 of the year following the year in which the application is received.

**Section 52.** 77.82 (7) (d) of the statutes is amended to read:

77.82 (7) (d) The department shall approve or disapprove <u>a petition an</u> application under par. (a) that is submitted filed under sub. (4m) within 3 years after the date on which the petition is submitted to application is filed with the department.

**SECTION 53.** 77.82 (8) of the statutes is amended to read:

77.82 (8) Order. If a petition an application under sub. (2), (4m), or (12) is
approved, the department shall issue an order designating the land as managed
forest land for the time period specified in the petition application. If a petition an
application under sub. (4) is approved, the department shall amend the original
order to include the additional parcel. The department shall provide the petitioner
applicant with a copy of the order or amended order and shall also file a copy with
the department of revenue, the supervisor of assessments, and the clerk of each
municipality in which the land is located, and shall record the order with the register
of deeds in each county in which the land is located.

**Section 54.** 77.82 (10) of the statutes is amended to read:

77.82 (10) DENIAL. If the department denies <u>a petition an application</u>, it shall notify the <u>petitioner applicant</u> in writing, stating the reason for the denial.

**SECTION 55.** 77.82 (11) of the statutes is amended to read:

77.82 (11) DURATION. An order under this subchapter remains in effect for the period specified in the <u>petition application</u> unless the land is withdrawn under s. 77.84 (3) (b) or 77.88. An amendment to or repeal of this subchapter does not affect the terms of an order or management plan, except as expressly agreed to in writing by the owner and the department and except as provided in sub. (11m).

**Section 56.** 77.82 (11g) of the statutes is amended to read:

77.82 (11g) WITHDRAWAL TAX ON CONVERTED FOREST CROPLANDS PROHIBITED. No tax or interest may be assessed under s. 77.10 (2) (a) on land converted to managed forest land pursuant to <u>a petition</u> an application approved under sub. (7) (d).

**SECTION 57.** 77.82 (12) of the statutes is amended to read:

77.82 (12) Renewal. An owner of managed forest land may petition file an application with the department under sub. (2) for renewal of the order. A petition

An application filed by an owner of 1,000 acres or more in this state shall be filed no
later than the March 31 before the expiration date of the order. A petition An
application filed by an owner of less than 1,000 acres in this state shall be filed no
later than the 2nd July 1 June 1 before the expiration date of the order, except that
if the owner satisfies the requirement in sub. (7) (c) 3., the petition shall be filed no
later than the May 15 before the expiration date of the order. The petition application
shall specify whether the owner wants the order renewed for 25 or 50 years. The
provisions under subs. (5), (6), and (7) do not apply to a petition an application under
this subsection. The department may deny the petition application only if the land
fails to meet the eligibility requirements under sub. (1), if the owner has failed to
comply with the management plan that is in effect on the date that the petition
application for renewal is filed, or if there are delinquent taxes on the land. If the
petition application is denied, the department shall state the reason for the denial
in writing.

**Section 58.** 77.86 (1) (c) of the statutes is amended to read:

77.86 (1) (c) If the proposed cutting conforms to the management plan <u>and is</u> consistent with sound forestry practices, the department shall approve the request.

**Section 59.** 77.86 (1) (d) of the statutes is amended to read:

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

Section 60. 77.87 (1g) (a) of the statutes is amended to read:

77.87 (1g) (a) An order converting forest cropland to managed forest land pursuant to a petition an application approved under s. 77.82 (7) (d).

**SECTION 61.** 77.87 (1g) (d) of the statutes is amended to read:

77.87 <b>(1g)</b> (d)	A An order petitioned	<del>l for <u>for which an</u> a</del>	application is	<u>filed</u> under
s. 77.82 (4g) (b).				

**Section 62.** 77.87 (3) of the statutes is amended to read:

77.87 (3) PAYMENT. A tax assessed under sub. (1) or (2) is due and payable to the department on the last day of the <u>next</u> month following the date the certificate is mailed to the owner. The department shall collect interest at the rate of 12% per year on any tax that is paid later than the due date. Amounts received shall be credited to the conservation fund.

**SECTION 63.** 77.88 (2) (b) of the statutes is amended to read:

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

**Section 64.** 77.88 (2) (d) 1. of the statutes is amended to read:

77.88 (2) (d) 1. Within 10 30 days after a transfer of ownership, the former owner transferee shall, on a form provided by the department, file with the department a report of the transfer signed by the former owner and the transferee. The report shall be accompanied by a \$100 fee which transferee shall pay a \$100 fee that will accompany the report. The fee shall be deposited in the conservation fund. Twenty dollars of the fee or a different amount of the fee as may be established under

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1	subd. 2. shall be credited to the appropriation under s. 20.370 (1) (cr). The
2	$department shall immediately notify each person entitled to notice under s.\ 77.82\ (8).$
3	<b>Section 65.</b> 77.88 (2) (e) of the statutes is amended to read:
4	77.88 (2) (e) The transferred land shall remain managed forest land if the
5	transferee, within 30 days after the transfer, certifies to the department an intent
6	to comply with the existing management plan for the land and with any amendments
7	agreed to by the department and the transferee to the plan, and provides proof that
8	each person holding any encumbrance on the land agrees to the designation. The
9	transferee may designate an area of the transferred land closed to public access as
10	provided under s. 77.83. The department shall issue an order continuing the
11	designation of the land as managed forest land under the new ownership.
12	<b>SECTION 66.</b> 77.88 (4) of the statutes is amended to read:
13	77.88 (4) Nonrenewal. If an owner does not petition file with the department
14	an application to renew a managed forest land order, the department shall order the
15	land withdrawn at the expiration of the order. No withdrawal tax under sub. (5) or
16	withdrawal fee under sub. (5m) may be assessed.
17	<b>SECTION 67.</b> 77.88 (5) (ab) 1. of the statutes is amended to read:
18	77.88 (5) (ab) 1. "Expanded order" means an order approved under s. $77.82$ (8)
19	that is petitioned for for which an application is filed under s. 77.82 (4g) (b).
20	SECTION 68. 77.88 (5) (am) (intro.) of the statutes is amended to read:
21	77.88 (5) (am) (intro.) For land that is withdrawn within 10 years after the date

**SECTION 69.** 77.88 (5g) of the statutes is created to read:

the higher of the following:

on which an initial managed forest land order was issued under s. 77.82 (8) for -a

petition an application approved under s. 77.82 (7) (d), the withdrawal tax shall be

77.88 (5g) Estimates of withdrawal tax. (a) Upon the request of an owner of
managed forest land, the department of revenue, with the assistance of the
department, shall prepare an estimate of the amount of withdrawal tax that would
be assessed under sub. (5) if the department issued an order to withdraw the land
under this section.
(b) A request from an owner under this subsection shall be accompanied by a
nonrefundable fee of \$100 or the alternative nonrefundable fee calculated under part (c), whichever is greater.  (c) The alternative nonrefundable fee shall be calculated by multiplying the
total number of whole and partial acres by \$5.
<b>SECTION 70.</b> 77.88 (6) of the statutes is amended to read:
77.88 (6) Determination of stumpage value. In determining the stumpage
value of merchantable timber for purposes of this section, an estimator agreed upon
by the parties or, if they cannot agree, a forester appointed by a judge of the circuit
court in the county in which the land is located shall estimate the volume of
merchantable timber on the land. The estimate obtained shall be final. The
department shall determine the current stumpage value of the merchantable timber,
based on the rule promulgated applicable stumpage value established under s. $77.91$
(1). The owner shall pay the entire cost of obtaining the estimate.
SECTION 71. 77.90 of the statutes is amended to read:
77.90 Right to hearing. A petitioner An applicant under s. 77.82 or an owner

of managed forest land who is adversely affected by a decision of the department

under this subchapter is entitled to a contested case hearing under ch. 227.

**SECTION 72.** 77.91 (1) of the statutes is amended to read:

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1	11.31 (1) WHE MAKING; STUMPAGE VALUE STUMPAGE VALUES. Each year the
2	department shall <del>promulgate a rule establishing a</del> <u>establish</u> reasonable stumpage
3	value values for the merchantable timber grown in the municipalities in which
4	managed forest land is located. If the department finds that stumpage values vary
5	in different parts of the state, it may establish different zones and specify the
6	stumpage value for each zone. The rule stumpage value shall take effect on
7	November 1 of each year. Notwithstandin LPS: The initial app.,
8	promulgate or have in effect rules that estal Subsection (1), Should
9	SECTION 73. 170.12 (5) of the statutes be in this order:
10	170.12 (5) RESERVATION OF VALUE. 7 the treatment
11	stumpage value, as established by the de 3. the renumbering
12	promulgated under s. 77.91 (1), of any log r 4. the renumbering and amend-
13	this section.  Ment  5. the amendment
14	SECTION 74. Initial applicability.
15	(1) Managed forest land applications and management plans. The treatment
16	of sections 20.370 (1) (cx) 77.82 (2) (dm), (2m) (ac), (am), (c), (d), (dm) 1, and (3) (a),
17	(am), (c) (intro.), and (g) of the statutes, the amendment of section 77.82 (2) (e) (by
18	SECTION 12) of the statutes the renumbering and amendment of section 77.82 (2m)
19	(e) of the statutes, the renumbering of section 77.82 (2m) (a) 1. of the statutes, and
20	the repeal of section 77.82 (2) (i) and (2m) (a) 2. of the statutes first apply to
21	applications filed on the 2nd June 1 after the effective date of this subsection.
22	(2) Investigations on applications. The treatment of section 77.82 (7) (c) 1., 2.,

(2) Investigations on applications. The treatment of section 77.82 (7) (c) 1., 2., and 3. of the statutes first applies to applications filed on the effective date of this subsection.



(3) Transfers of managed forest land ownership. The treatment of section
77.88(2)(d)1. of the statutes first applies to transfers of ownership that occur on the
effective date of this subsection.

(4) ESTIMATES OF WITHDRAWAL TAX. The treatment of section 77.88 (5g) of the statutes first applies to notifications of investigations for withdrawing managed forest land that are issued on the first day of the 4th month beginning after the effective date of this subsection.

(END

# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3444/22dn MGG:wlj:jf

Δλουίλιση

This draft is extremely complicated. Please review each change carefully. As to the provisions in s. 77.82 and related cross-references outside of s. 77.82, the change of the term "petition" to "application" takes effect immediately. The substantive changes relating to management plans apply to plans filed on the day 2nd June 1 after the effective date.

Second

Regarding the appropriations under s. 20.370 (1) (cr) and (cx). Under current law, the application fees to cover recording with the register of deeds go into the appropriation under s. 20.370 (1) (cr) to pay for recording costs. See ss. 77.82 (2m) (d) (4), 77.88 (2) (d) 1. and 2. and 77.91 (5). I don't think that the reference to s. 77.82 (2m) (a) in 77.82 (2m) (dm) 1. works unless it is envisioned that there could be an application recording fee, as opposed to a management plan fee, that exceeds \$300. So I have stricken the cross-reference to par. (a) and the phrase "that is not credited to the appropriation under s. 20.370 (1) (cr). For any management plan fee that exceeds \$300, the first \$300 will go to the appropriation under s. 20.370 (1) (cx) to pay certified plan writers working under contract with DNR, and the balance will go into the forestry fund. Let me know if my interpretation is incorrect or if you want any changes.

Mary Gibson-Glass Senior Legislative Attorney Phone: (608) 267-3215

# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3444/1dn MGG:wlj:pg

December 10, 2007

This draft is extremely complicated. Please review each provision carefully. As to the provisions in s. 77.82 and related cross-references outside of s. 77.82, the change of the term "petition" to "application" takes effect immediately. The substantive changes relating to management plans apply to plans filed on the second June 1 after the effective date.

Regarding the appropriations under s. 20.370 (1) (cr) and (cx): under current law, the application fees to cover recording with the register of deeds go into the appropriation under s. 20.370 (1) (cr) to pay for recording costs. See ss. 77.82 (2m) (d) and (4), 77.88 (2) (d) 1. and 2., and 77.91 (5). I don't think that the cross-reference to s. 77.82 (2m) (a) in s. 77.82 (2m) (dm) 1. works unless it is envisioned that there could be an application recording fee, as opposed to a management plan fee, that exceeds \$300. So I have stricken the cross-reference to par. (a) and the phrase "that is not credited to the appropriation under s. 20.370 (1) (cr)." For any management plan fee that exceeds \$300, the first \$300 will go to the appropriation under s. 20.370 (1) (cx) to pay certified plan writers working under contract with DNR, and the balance will go into the forestry fund. Let me know if my interpretation is incorrect or if you want any changes.

Mary Gibson-Glass Senior Legislative Attorney Phone: (608) 267-3215

#### Gibson-Glass, Mary

From:

Gary, Tim

Sent:

Monday, December 17, 2007 1:05 PM

To:

Gibson-Glass, Mary

Subject:

FW: Additional Revisions to New MFL Proposal

Attachments: LRB 3444 (MFL Revisions-December 13,2007209PM).doc

Could you please make the attached changes to the LRB draft?

Tim

From: DeLong, Paul J - DNR [mailto:Paul.DeLong@Wisconsin.gov]

Sent: Monday, December 17, 2007 12:45 PM

To: Gary, Tim

Cc: Mather, Robert J - DNR; Nelson, Kathryn J - DNR; Williams, Quinn L - DNR

Subject: Additional Revisions to New MFL Proposal

Attached is a latter requesting a few minor changes to the revised version.

Thanks to you and Mary for your work on this.

Paul

<<LRB 3444 (MFL Revisions-December 13,2007209PM).doc>>



Forest Tax Section Chief

Bureau of Forest Management

Wisconsin Department of Natural Resources

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### State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor Matthew J. Frank, Secretary 101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711

December 13, 2007

Tim Gary State Capitol, 312 North Madison, WI 53703

Subject: Department Comments on LRB-3444

Dear Tim:

Thank you for allowing us another opportunity to comment on the Managed Forest Law bill. This is an exciting bill that staff and the department has been looking forward to for some time and we are pleased with the proposed changes. Again, my appreciation to you and Mary Gibson-Glass for your work in working with this complex law.

In review of the proposed bill we like to make two more suggestions, based off of the sections and line number provided in the original draft of LRB-3444 that you provided to me. Please feel free to contact Bob Mather, Kathy Nelson or Forestry Attorney Quinn Williams with any questions or concerns regarding these suggestions.

Section 64, line 21, strike "the former owner and"

The department has no recourse against the former owner after lands have been sold. All responsibility to transfer MFL lands lie with the owner of record, which would be the transferee. If the transferee does not file the transfer form or pay the \$100 processing fee the department would withdraw the lands from the MFL program and the transferee would be liable for the withdrawal tax and fee.

Section 69, lines 4 and 5, strike "if the department issued an order to withdraw the land under this section."

The department's goal is to allow landowners to receive withdrawal tax estimates prior to them making decisions on land management, withdrawing, subdividing or selling property. While the wording is meant to let readers know that the withdrawal tax estimates are provided as if an actual withdrawal had taken place, it may be looked at as if withdrawal tax estimates are provided only when the declaration of withdrawal has been submitted. We believe that the meaning of the whole section stays the same without these additional words.

Section 69, lines 6, 7 and 8.

There is no information on where the money collected for processing of withdrawal tax estimates is to be deposited or who has spending authority of that money. Since the Department of Revenue is going to be calculating the withdrawal tax estimates should they be collecting the withdrawal tax estimate fee?

Again, thank you for your work on this proposal.

Sincerely,



Paul Dedony Paul DeLong, Administrator

Division of Forestry

Cc:

Bob Mather, FR/4

Kathy Nelson, FR/4 Quinn Williams, LS/5



#### State of Misconsin 2007 - 2008 LEGISLATURE

LRB-3444/1 MGG:wlj:pg



12/21

## 2007 BILL

AN ACT to repeal 77.82 (2) (i), 77.82 (2m) (a) 2. and 77.82 (7) (c) 2.; to renumber 77.82 (2m) (a) 1.; to renumber and amend 77.82 (2m) (e) and 77.82 (3) (a); to amend 20.370 (1) (cx), 26.09 (1b) (j), 77.06 (5), 77.82 (title), 77.82 (1) (bn), 77.82 (1) (c), 77.82 (2) (intro.), 77.82 (2) (cm), 77.82 (2) (e), 77.82 (2) (e), 77.82 (2) (f), 77.82 (2) (i), 77.82 (2m) (title), 77.82 (2m) (a) 1., 77.82 (2m) (a) 2., 77.82 (2m) (am), 77.82 (2m) (c), 77.82 (2m) (d), 77.82 (2m) (dm) 1., 77.82 (2m) (e), 77.82 (3) (a), 77.82 (3) (c) (intro.), 77.82 (3) (g), 77.82 (4), 77.82 (4g) (a), 77.82 (4g) (b), 77.82 (4m) (a), 77.82 (4m) (b), 77.82 (4m) (d), 77.82 (5) (title), 77.82 (5) (a), 77.82 (6) (a), 77.82 (6) (b) 2., 77.82 (7) (a) (intro.), 77.82 (7) (a) 2., 77.82 (7) (b) (intro.), 77.82 (7) (b) 1., 77.82 (7) (c) 1., 77.82 (7) (c) 3., 77.82 (7) (d), 77.82 (8), 77.82 (10), 77.82 (11), 77.82 (11g), 77.82 (12), 77.86 (1) (c), 77.86 (1) (d), 77.87 (1g) (a), 77.87 (1g) (d), 77.87 (3), 77.88 (2) (b), 77.88 (2) (d) 1., 77.88 (2) (e), 77.88 (4), 77.88 (5) (ab) 1., 77.88 (5) (am) (intro.), 77.88 (6), 77.90, 77.91 (1) and 170.12 (5); to repeal and recreate 77.82 (3) (f); and to create 77.125, 77.82 (2) (dm),

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77.82 (2m) (ac), 77.82 (3) (am) and 77.88 (5g) of the statutes; **relating to:** petitions and management plans for the designation of managed forest land, transferrals of ownership of managed forest land, establishing stumpage values and estimating withdrawal taxes under the managed forest land program, signatures and authentication requirements for orders under the forest croplands program, granting rule-making authority, and making an appropriation.

#### Analysis by the Legislative Reference Bureau

Under current law, the Department of Natural Resources (DNR) administers the managed forest land (MFL) program and a similar program called the forest croplands program. The MFL program exempts an owner of land that is designated MFL from payment of municipal property taxes on the land in exchange for a lower payment per acre. In exchange, the owner must comply with certain forestry practices and must allow the public on the land under certain circumstances unless the landowner elects to pay an extra amount per acre to keep a limited number of acres closed. In addition, an owner of MFL must pay a withdrawal tax when the owner withdraws the land from the program before the order designating the land as MFL expires. Orders are for 25 or 50 years. This bill makes various changes to the MFL program, including the following:

- 1. The bill makes a terminology change by substituting the words "applicant" and "application" for "petitioner" and "petition" in the subchapter related to the MFL program. This change is nonsubstantive.
- 2. The bill changes the dates before which DNR must act on applications under the MFL program and changes the deadline for owners to file applications to renew MFL orders.
- 3. The bill requires that a forestry management plan for the MFL accompany the application and eliminates the requirement that DNR prepare the plan upon the request of the applying landowner. Under the bill, DNR must prepare the plan only if DNR determines that the applicant is not able to have a proposed management plan prepared by a certified independent plan writer. The bill requires DNR to promulgate rules establishing the criteria for when DNR will prepare the plan.
- 4. The bill requires DNR to prepare an estimate of the withdrawal tax that would be due if the MFL is withdrawn upon request of DNR or an MFL landowner. Under the bill, the Department of Revenue assists with the preparation of these estimates.
- 5. The bill eliminates the requirement that the stumpage value that is used to determine the amount of yield taxes and withdrawal taxes under the MFL program be established by rule.

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- 6. The bill clarifies that when MFL is transferred to another owner, the person purchasing or otherwise receiving the land pays the transfer fee.
- 7. The bill allows facsimile signatures and exempts documents from register of deeds authentication requirements under the forest croplands program. These provisions exist for the MFL program under current law.

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

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

**SECTION 1.** 20.370 (1) (cx) of the statutes is amended to read:

20.370 (1) (cx) Forestry — management plans. All moneys as calculated received under s. 77.82 (2m) (dm) 1. (ag) for payment for management plans prepared or completed by plan writers who are under contract with the department under s. 77.82 (3).

**SECTION 2.** 26.09 (1b) (j) of the statutes is amended to read:

26.09 (1b) (j) "Stumpage value" means the applicable stumpage rate value established by rule under s. 77.91 (1) or the fair market value of raw forest products less the cost of their harvesting, whichever is greater.

**SECTION 3.** 77.06 (5) of the statutes is amended to read:

77.06 (5) Tax Levy on RIGHT to CUT TIMBER. The department of natural resources shall assess and levy against the owner a severance tax on the right to cut and remove wood products covered by reports under this section, at the rate of 10% of the value of the wood products based upon the stumpage value then in force established under s. 77.91(1). Upon making the assessment, the department of natural resources shall mail a duplicate of the certificate by registered mail to the owner who made the report of cutting at the owner's last-known post-office address. The tax assessed is due and payable to the department of natural resources on the last day of the next

ealendar month after mailing following the date the certificate is mailed to the owner.
The proceeds of the tax shall be paid into the forestry account of the conservation
fund for distribution under s. 77.07 (3).
SECTION 4. 77.125 of the statutes is created to read:
77.125 Signatures. (1) The signature of an official or an employee of the
department of natural resources may be stamped, printed, or otherwise reproduced
on an order under ss. $77.01$ to $77.14$ after the official or employee adopts the stamped,
printed, or otherwise reproduced signature as his or her facsimile signature.
(2) The signature or the facsimile signature under sub. (1) of an official or an
employee of the department of natural resources meets the requirement under s.
706.05 (2) (a).
(3) The requirement of s. 706.05 (2) (b) does not apply to orders issued under
this subchapter.
SECTION 5. 77.82 (title) of the statutes is amended to read:
77.82 (title) Managed forest land; petition application.
<b>SECTION 6.</b> 77.82 (1) (bn) of the statutes is amended to read:
77.82 (1) (bn) For purposes of par. (b) 3., the department by rule shall define
"human residence" to include a residence of the petitioner applicant regardless of
whether it is the petitioner's applicant's primary residence. The definition may also
include up to one acre surrounding the residence for a residence that is not the
petitioner's applicant's primary residence.
SECTION 7. 77.82 (1) (c) of the statutes is amended to read:
77.82 (1) (c) In addition to the requirements under pars. (a) and (b), for land
subject to a petition an application under sub. (4m), all forest croplands owned by

the petitioner applicant on the date on which the petition application is submitted

1	filed that are located in the municipality or municipalities for which the petition
2	application is submitted filed shall be included in the petition application.
3	SECTION 8. 77.82 (2) (intro.) of the statutes is amended to read:
4	77.82 (2) PETITION APPLICATION. (intro.) Any owner of land may petition file an
5	application with the department to designate any eligible parcel of land as managed
6	forest land. A petition An application may include any number of eligible parcels
7	under the same ownership. Each petition application shall include all of the
8	following:
9	SECTION 9. 77.82 (2) (cm) of the statutes is amended to read:
10	77.82 (2) (cm) A copy of an instrument that has been recorded in the office of
11	the register of deeds of each county in which the property is located that shows the
12	ownership of the land subject to the petition application.
13	SECTION 10. 77.82 (2) (dm) of the statutes is created to read:
14	77.82 (2) (dm) A proposed management plan.
15	SECTION 11. 77.82 (2) (e) of the statutes is amended to read:
16	77.82 (2) (e) A statement of the owner's forest management objectives for the
17	production of merchantable timber, in sufficient detail to provide direction for the
18	development and approval of a management plan. The petition application may also
19	state additional forest management objectives, which may include wildlife habitat
20	management, aesthetic considerations, watershed management and recreational
21	use.
22	Section 12. 77.82 (2) (e) of the statutes, as affected by 2007 Wisconsin Act
23	(this act), is amended to read:
24	77.82 (2) (e) A statement of the owner's forest management objectives for the
25	production of merchantable timber, in sufficient detail to provide direction for the

development and approval of -a- the proposed management plan. The application
may also state additional forest management objectives, which may include wildlife
habitat management, aesthetic considerations, watershed management and
recreational use.
SECTION 13. 77.82 (2) (f) of the statutes is amended to read:
77.82 (2) (f) Proof that each person holding any encumbrance on the land
agrees to the petition that the application may be filed.
SECTION 14. 77.82 (2) (i) of the statutes is amended to read:
77.82 (2) (i) If a proposed management plan is not submitted filed with the
petition application, a request that the department prepare a management plan.
The department may decline to prepare the plan.
SECTION 15. 77.82 (2) (i) of the statutes, as affected by 2007 Wisconsin Act
(this act), is repealed.  SECTION 16. 77.82 (2m) (title) of the statutes is amended to read:
77.82 (2m) (title) Fees for petitions applications and management plans.
SECTION 17. 77.82 (2m) (a) 1. of the statutes is amended to read:
77.82 (2m) (a) 1. A petition An application under sub. (2), (4m), or (12) shall
be accompanied by a nonrefundable application recording fee of \$20 unless a
different amount for the recording fee is established by the department by rule at an
amount equal to the average expense to the department for recording an order issued
under this subchapter.
SECTION 18. 77.82 (2m) (a) 1. of the statutes, as affected by 2007 Wisconsin Act
(this act), is renumbered 77.82 (2m) (a).
SECTION 19. 77.82 (2m) (a) 2. of the statutes is amended to read:

77.82 (2m) (a) 2. If a petition an application under sub. (2), (4m), or (12) is not
accompanied by a proposed management plan that meets the requirements under
par. $(c)$ , the department shall charge the plan preparation fee established under par.
(am) if the department agrees to complete the plan.
SECTION 20. 77.82 (2m) (a) 2. of the statutes, as affected by 2007 Wisconsin Act
(this act), is repealed.
SECTION 21. 77.82 (2m) (ac) of the statutes is created to read:
77.82 (2m) (ac) If the department prepares a management plan under sub. (3)
(am), the department shall collect from the applicant the management plan fee
established under par. (am).
SECTION 22. 77.82 (2m) (am) of the statutes is amended to read:
77.82 (2m) (am) The department shall by rule establish on an annual basis a
nonrefundable fee that the department shall charge for a management plan
prepared or completed by the department, including any plan prepared by a certified
plan writer contracted by the department under sub. (3) (g). The fee shall be based
on the comparable commercial market rate that is charged for preparation of such
management plans.
SECTION 23. 77.82 (2m) (c) of the statutes is amended to read:
77.82 (2m) (c) A proposed management plan is exempt from the management
plan preparation fee under par. (a) 2. (ag) if it is prepared or completed by an
independent certified plan writer instead of by the department.
SECTION 24. 77.82 (2m) (d) of the statutes is amended to read:
77.82 (2m) (d) All of the application recording fees collected under par. (a) 1.
shall be credited to the appropriation under s. 20.370 (1) (cr).
Spectron 25 77.82 (2m) (dm) 1 of the statutes is amended to read:

77.82 (2m) (dm) 1. Of each management plan fee, \$300 or the entire fee, whichever is less, that is collected under par. (a) or (e) that is not credited to the appropriation under s. 20.370 (1) (cr) (ag) shall be credited to the appropriation under s. 20.370 (1) (cx).

**SECTION 26.** 77.82 (2m) (e) of the statutes is amended to read:

77.82 (2m) (e) If a proposed management plan accompanying <u>a petition an</u> application filed under sub. (2), (4m), or (12) is not approved by the department under its initial review under sub. (3) (a), and if the department agrees to complete the management plan under sub. (3) (a), the department shall collect from the petitioner applicant the plan preparation fee established under par. (am), if the petitioner applicant has not previously paid the fee.

SECTION 27. 77.82 (2m) (e) of the statutes, as affected by 2007 Wisconsin Act .... (this act), is renumbered 77.82 (2m) (ag) and amended to read:

77.82 (2m) (ag) If a proposed management plan accompanying an application filed under sub. (2), (4m), or (12) is not approved by the department under its initial review under sub. (3) (a) (ar), and if the department agrees to complete the proposed management plan under sub. (3) (a) (ar), the department shall collect from the applicant the management plan preparation fee established under par. (am), if the applicant has not previously paid the fee.

Section 28. 77.82 (3) (a) of the statutes is amended to read:

77.82 (3) (a) A proposed management plan may shall cover the entire acreage of each parcel subject to the petition application. The department, after considering the owner's forest management objectives as stated under sub. (2) (e), shall review and either approve or disapprove the proposed management plan. If the department disapproves the plan, it shall inform the petitioner applicant of the changes

necessary to qualify the plan for approval upon subsequent review. At the request of the petitioner applicant, the department may agree to complete the proposed management plan that has been prepared by an independent certified plan writer. The department shall complete any proposed management plan prepared by the department.

**SECTION 29.** 77.82 (3) (a) of the statutes, as affected by 2007 Wisconsin Act .... (this act), is renumbered 77.82 (3) (ag) and amended to read:

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

(ar) For a proposed management plan prepared by an independent certified plan writer, the department, after considering the owner's forest management objectives as stated under sub. (2) (e), shall review and either approve or disapprove the proposed management plan. If the department disapproves the proposed plan, it shall inform the applicant of the changes necessary to qualify the plan for approval upon subsequent review. At the request of the applicant, the department may agree to complete the proposed management plan that has been prepared by an independent certified plan writer. The department shall complete any proposed management plan prepared by the department.

**Section 30.** 77.82 (3) (am) of the statutes is created to read:

77.82 (3) (am) If the department determines that an applicant is not able to have a proposed management plan prepared by a certified independent plan writer, the department shall prepare the plan. The department shall promulgate rules establishing the criteria that shall be met in order to determine that an applicant is unable to prepare such a plan.

**SECTION 31.** 77.82 (3) (c) (intro.) of the statutes is amended to read:

77.82 (3) (c) (intro.) To qualify for approval, a management plan shall be prepared by an independent certified plan writer or prepared by the department and shall include all of the following:

**SECTION 32.** 77.82 (3) (f) of the statutes is repealed and recreated to read:

77.82 (3) (f) A management plan may be amended either by an agreement entered into by the owner and the department or by the department to ensure the practice of sound forestry.

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

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

**SECTION 34.** 77.82 (4) of the statutes is amended to read:

77.82 (4) Additions to managed forest land under an order that takes effect on or after April 28, 2004, may petition file an application with the department to designate as managed forest land an additional parcel of land if the additional parcel is at least 3 acres in size and is contiguous to any of that designated land. The petition application shall be accompanied by a nonrefundable \$20 application recording fee unless a different amount for the fee is established by the department by rule at an amount equal to the average expense to the department of recording an order issued under this subchapter. The fee shall be deposited in the conservation fund and credited to the appropriation under s. 20.370 (1) (cr). The petition application shall

be filed on a department form and shall contain any additional information required by the department.

**Section 35.** 77.82 (4g) (a) of the statutes is amended to read:

77.82 (4g) (a) If an owner of land that is designated as managed forest land under an order that takes effect before April 28, 2004, wishes to have an additional parcel of land that is at least 10 acres in size and that satisfies the other requirements in sub. (1) designated as managed forest land, the owner may petition file an application with the department under sub. (2) for a new order covering the additional land.

**SECTION 36.** 77.82 (4g) (b) of the statutes is amended to read:

77.82 (4g) (b) If an owner of land that is designated as managed forest land under an order that takes effect before April 28, 2004, wishes to have designated as managed forest land an additional parcel of land that is at least 3 acres in size, that does not satisfy the requirements in sub. (1), and that is contiguous to any of that designated land, the owner may withdraw the designated land from the original order and may petition file an application with the department under sub. (2) for a new order covering both the withdrawn land and the additional land. The withdrawal tax and the withdrawal fee under s. 77.88 (5) and (5m) do not apply to a withdrawal under this paragraph.

**SECTION 37.** 77.82 (4m) (a) of the statutes is amended to read:

77.82 (4m) (a) An owner of land that is entered as forest croplands under s. 77.02 may petition file an application with the department under sub. (2) to convert all or a portion of the land to managed forest land, subject to sub. (1) (c).

**SECTION 38.** 77.82 (4m) (b) of the statutes is amended to read:

77.82 (4m) (b) A petition An application under this subsection shall specify
whether the order designating the land as managed forest land will remain in effect
for 25 years or 50 years, as elected by the owner.

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

77.82 (4m) (d) An owner of land who has filed a conversion petition application under this subsection and for whom the department is preparing or completing a management plan may withdraw the request and have it prepared by an independent certified plan writer if the owner determines that the department is not preparing or completing the management plan in a timely manner.

**SECTION 40.** 77.82 (5) (title) of the statutes is amended to read:

77.82 (5) (title) Notice of <u>Petition application</u>; request for Denial.

**SECTION 41.** 77.82 (5) (a) of the statutes is amended to read:

77.82 (5) (a) Upon receipt of a petition an application under sub. (2), (4) or (4m), the department shall provide written notice of the petition application to each clerk of each municipality in which the land is located.

**Section 42.** 77.82 (5) (b) of the statutes is amended to read:

77.82 (5) (b) The governing body of any municipality in which the proposed managed forest land is located or a resident or property tax payer of such a municipality may, within 15 days after the notice under par. (a) is provided, request the department to deny the petition application on the grounds that the land fails to meet the eligibility requirements under sub. (1) or that, if the addition is approved, the entire parcel will fail to meet those eligibility requirements. The request shall be in writing and shall specify the reason for believing that the land is or would be ineligible.

**Section 43.** 77.82 (6) (a) of the statutes is amended to read:

1	77.82 (6) (a) The department shall conduct any investigation necessary to
2	reach a decision on a petition an application.
3	<b>SECTION 44.</b> 77.82 (6) (b) 2. of the statutes is amended to read:
4	77.82 (6) (b) 2. At least 10 days before the date of the hearing, the department
5	shall mail written notice of the date, time, and place of the hearing to the petitioner,
6	<u>applicant, to</u> each person who submitted a request under sub. $(5)$ $(b)$ , and $\underline{to}$ the clerk
7	of each municipality in which the land is located.
8	SECTION 45. 77.82 (7) (a) (intro.) of the statutes is amended to read:
9	77.82 (7) (a) (intro.) After considering the testimony presented at the public
10	hearing, if any, the facts discovered by its investigation and the land use in the area
11	in which the land is located, the department shall approve a petition an application
12	under sub. (2) or (4m) if it determines all of the following:
13	SECTION 46. 77.82 (7) (a) 2. of the statutes is amended to read:
14	77.82 (7) (a) 2. That all facts stated in the petition application are correct.
15	SECTION 47. 77.82 (7) (b) (intro.) of the statutes is amended to read:
16	77.82 (7) (b) (intro.) After considering the testimony presented at the public
17	hearing, if any, and the facts discovered by its investigation, the department shall
18	approve a petition an application under sub. (4) if it determines all of the following:
19	SECTION 48. 77.82 (7) (b) 1. of the statutes is amended to read:
20	77.82 (7) (b) 1. That all facts stated in the petition application are correct.
21	SECTION 49. 77.82 (7) (c) 1. of the statutes is amended to read:
22	77.82 (7) (c) 1. Except as provided in par. (d), if a petition an application is
23	received on or before March 31 of any year from any petitioner other than a petitioner
24	an applicant who owns less than 1,000 acres or more in this state, the department
25	shall investigate and shall either approve the petition application and issue the order

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under sub. (8) or deny the petition application before the following November 21. An application received after March 31 from an applicant who owns 1,000 acres or more in this state shall be acted on by the department as provided in this subdivision before the November 21 of the year following the year in which the application is received.

**SECTION 50.** 77.82 (7) (c) 2. of the statutes is repealed.

**Section 51.** 77.82 (7) (c) 3. of the statutes is amended to read:

77.82 (7) (c) 3. Except as provided in par. (d), if a petition an application is received on or before May 15 June 1 of any year from a petitioner an applicant who owns less than 1,000 acres in this state, who, before the deadline established by the department by rule, submitted a draft management plan prepared by an independent certified plan writer, and who submits a completed plan, as defined by the department by rule, with the petition, the department shall investigate and shall either approve the petition application and issue the order under sub. (8) or deny the petition application before the following November 21. An application received after June 1 from an applicant who owns less than 1,000 acres in this state shall be acted on by the department as provided in this subdivision before the November 21 of the vear following the vear in which the application is received.

**Section 52.** 77.82 (7) (d) of the statutes is amended to read:

77.82 (7) (d) The department shall approve or disapprove <u>a petition</u> an application under par. (a) that is submitted filed under sub. (4m) within 3 years after the date on which the petition is submitted to application is filed with the department.

**Section 53.** 77.82 (8) of the statutes is amended to read:

77.82 (8) ORDER. If a petition an application under sub. (2), (4m), or (12) is
approved, the department shall issue an order designating the land as managed
forest land for the time period specified in the petition application. If a petition an
application under sub. (4) is approved, the department shall amend the original
order to include the additional parcel. The department shall provide the petitioner
applicant with a copy of the order or amended order and shall also file a copy with
the department of revenue, the supervisor of assessments, and the clerk of each
municipality in which the land is located, and shall record the order with the register
of deeds in each county in which the land is located.
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**Section 54.** 77.82 (10) of the statutes is amended to read:

77.82 (10) Denial. If the department denies a petition an application, it shall notify the petitioner applicant in writing, stating the reason for the denial.

**SECTION 55.** 77.82 (11) of the statutes is amended to read:

77.82 (11) DURATION. An order under this subchapter remains in effect for the period specified in the petition application unless the land is withdrawn under s. 77.84 (3) (b) or 77.88. An amendment to or repeal of this subchapter does not affect the terms of an order or management plan, except as expressly agreed to in writing by the owner and the department and except as provided in sub. (11m).

**Section 56.** 77.82 (11g) of the statutes is amended to read:

77.82 (11g) WITHDRAWAL TAX ON CONVERTED FOREST CROPLANDS PROHIBITED. No tax or interest may be assessed under s. 77.10 (2) (a) on land converted to managed forest land pursuant to <u>a petition</u> an application approved under sub. (7) (d).

**SECTION 57.** 77.82 (12) of the statutes is amended to read:

77.82 (12) Renewal. An owner of managed forest land may petition file an application with the department under sub. (2) for renewal of the order. A petition

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An application filed by an owner of 1,000 acres or more in this state shall be filed no
later than the March 31 before the expiration date of the order. A petition An
application filed by an owner of less than 1,000 acres in this state shall be filed no
later than the $2nd$ July $1$ June $1$ before the expiration date of the order, except that
if the owner satisfies the requirement in sub. (7) (c) 3., the petition shall be filed no
$later  than  the  \underline{May  15  before  the  expiration  date  of  the  order.   The  \underline{petition}  \underline{application}$
shall specify whether the owner wants the order renewed for 25 or 50 years. The
provisions under subs. (5), (6), and (7) do not apply to a petition an application under
this subsection. The department may deny the petition application only if the land
fails to meet the eligibility requirements under sub. (1), if the owner has failed to
comply with the management plan that is in effect on the date that the petition
application for renewal is filed, or if there are delinquent taxes on the land. If the
petition application is denied, the department shall state the reason for the denial
in writing.

**SECTION 58.** 77.86 (1) (c) of the statutes is amended to read:

77.86 (1) (c) If the proposed cutting conforms to the management plan and is consistent with sound forestry practices, the department shall approve the request.

**Section 59.** 77.86 (1) (d) of the statutes is amended to read:

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

**SECTION 60.** 77.87 (1g) (a) of the statutes is amended to read:

77.87 (1g) (a) An order converting forest cropland to managed forest land pursuant to a petition an application approved under s. 77.82 (7) (d).

**SECTION 61.** 77.87 (1g) (d) of the statutes is amended to read:

	77.87 (1g) (d) -A-An order petitioned for f	or which an	application i	<u>s filed</u> under
s. 7	77.82 (4g) (b).			

**SECTION 62.** 77.87 (3) of the statutes is amended to read:

77.87 (3) PAYMENT. A tax assessed under sub. (1) or (2) is due and payable to the department on the last day of the <u>next</u> month following the date the certificate is mailed to the owner. The department shall collect interest at the rate of 12% per year on any tax that is paid later than the due date. Amounts received shall be credited to the conservation fund.

**Section 63.** 77.88 (2) (b) of the statutes is amended to read:

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

**Section 64.** 77.88 (2) (d) 1. of the statutes is amended to read:

77.88 (2) (d) 1. Within 10 30 days after a transfer of ownership, the former owner transferee shall, on a form provided by the department, file with the department a report of the transfer signed by the former owner and the transferee. The report shall be accompanied by a \$100 fee which transferee shall pay a \$100 fee that will accompany the report. The fee shall be deposited in the conservation fund. Twenty dollars of the fee or a different amount of the fee as may be established under

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the higher of the following:

1	subd. 2. shall be credited to the appropriation under s. 20.370 (1) (cr). The
2	$department shall immediately notify each person entitled to notice under s.\ 77.82\ (8).$
3	SECTION 65. 77.88 (2) (e) of the statutes is amended to read:
4	77.88 (2) (e) The transferred land shall remain managed forest land if the
5	transferee, within 30 days after the transfer, certifies to the department an intent
6	to comply with the existing management plan for the land and with any amendments
7	agreed to by the department and the transferee to the plan, and provides proof that
8	each person holding any encumbrance on the land agrees to the designation. The
9	transferee may designate an area of the transferred land closed to public access as
10	provided under s. 77.83. The department shall issue an order continuing the
11	designation of the land as managed forest land under the new ownership.
12	<b>SECTION 66.</b> 77.88 (4) of the statutes is amended to read:
13	77.88 (4) Nonrenewal. If an owner does not petition file with the department
14	an application to renew a managed forest land order, the department shall order the
15	land withdrawn at the expiration of the order. No withdrawal tax under sub. (5) or
16	withdrawal fee under sub. (5m) may be assessed.
17	SECTION 67. 77.88 (5) (ab) 1. of the statutes is amended to read:
18	77.88 (5) (ab) 1. "Expanded order" means an order approved under s. 77.82 (8)
19	that is petitioned for for which an application is filed under s. 77.82 (4g) (b).
20	SECTION 68. 77.88 (5) (am) (intro.) of the statutes is amended to read:
21	77.88 (5) (am) (intro.) For land that is withdrawn within 10 years after the date
22	on which an initial managed forest land order was issued under s. 77.82 (8) for -a

**Section 69.** 77.88 (5g) of the statutes is created to read:

petition an application approved under s. 77.82 (7) (d), the withdrawal tax shall be

1	77.88 (5g) Estimates of Withdrawal Tax. (a) Upon the request of an owner of
2	managed forest land, the department of revenue, with the assistance of the
3	department, shall prepare an estimate of the amount of withdrawal tax that would
4	be assessed under sub. (5) if the department issued an order to withdraw the land
5	under this section. payable to the department of revenue
6	(b) A request from an owner under this subsection shall be accompanied by a
7	nonrefundable fee of \$100 or the alternative nonrefundable fee calculated under par.
8	(c), whichever is greater.
9	(c) The alternative nonrefundable fee shall be calculated by multiplying the
10	total number of whole and partial acres by \$5.
11	<b>Section 70.</b> 77.88 (6) of the statutes is amended to read:
12	77.88 (6) Determination of Stumpage value. In determining the stumpage
13	value of merchantable timber for purposes of this section, an estimator agreed upon
14	by the parties or, if they cannot agree, a forester appointed by a judge of the circuit
15	court in the county in which the land is located shall estimate the volume of
16	merchantable timber on the land. The estimate obtained shall be final. The
17	$department\ shall\ determine\ the\ current\ stumpage\ value\ of\ the\ merchantable\ timber,$
18	based on the rule promulgated applicable stumpage value established under s. $77.91$
19	(1). The owner shall pay the entire cost of obtaining the estimate.
20	SECTION 71. 77.90 of the statutes is amended to read:
21	77.90 Right to hearing. A petitioner An applicant under s. 77.82 or an owner
22	of managed forest land who is adversely affected by a decision of the department
23	under this subchapter is entitled to a contested case hearing under ch. 227.
24	SECTION 72. 77.91 (1) of the statutes is amended to read:

77.91 (1) Rule Making; Stumpage value Stumpage values. Each year the department shall promulgate a rule establishing a establish reasonable stumpage value values for the merchantable timber grown in the municipalities in which managed forest land is located. If the department finds that stumpage values vary in different parts of the state, it may establish different zones and specify the stumpage value for each zone. The rule stumpage value shall take effect on November 1 of each year. Notwithstanding s. 227.11, the department may not promulgate or have in effect rules that established stumpage values.

**SECTION 73.** 170.12 (5) of the statutes is amended to read:

170.12 (5) RESERVATION OF VALUE. The state reserves to itself 30% of the stumpage value, <u>as</u> established <del>by the department of natural resources by rule promulgated</del> under s. 77.91 (1), of any log raised pursuant to a permit issued under this section.

### SECTION 74. Initial applicability.

- (1) Managed forest land applications and management plans. The treatment of sections 20.370 (1) (cx) and 77.82 (2) (dm), (2m) (ac), (am), (c), (d), (dm) 1., and (3) (am), (c) (intro.), and (g) of the statutes, the repeal of section 77.82 (2) (i) and (2m) (a) 2. of the statutes, the renumbering of section 77.82 (2m) (a) 1. of the statutes, the renumbering and amendment of section 77.82 (2m) (e) and (3) (a) of the statutes, and the amendment of section 77.82 (2) (e) (by Section 12) of the statutes first apply to applications filed on the 2nd June 1 after the effective date of this subsection.
- (2) Investigations on applications. The treatment of section 77.82 (7) (c) 1., 2., and 3. of the statutes first applies to applications filed on the effective date of this subsection.

(3) Transfers of managed forest land ownership. The treatment of section
$77.88\left(2\right)\left(d\right)$ 1. of the statutes first applies to transfers of ownership that occur on the
effective date of this subsection.

(4) ESTIMATES OF WITHDRAWAL TAX. The treatment of section 77.88 (5g) of the statutes first applies to notifications of investigations for withdrawing managed forest land that are issued on the first day of the 4th month beginning after the effective date of this subsection.

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# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3444/2dn MGG:wlj:rs

December 19, 2007

In s. 77.88 (5g) (a), I thought to strike the last clause left the sentence somewhat incomplete. Let me know if my change fails to address your concerns.

Mary Gibson-Glass Senior Legislative Attorney Phone: (608) 267-3215

## **Duerst, Christina**

From:

Sent:

To:

Subject:

Gary, Tim Thursday, January 24, 2008 10:38 AM LRB.Legal Draft Review: LRB 07-3444/2 Topic: Managed forest land program changes

Please Jacket LRB 07-3444/2 for the ASSEMBLY.