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(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2011-12

(session year)

Senate

(Assembly, Senate or Joint)

**Committee on Agriculture, Forestry, and Higher
Education...**

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**

Moved by Senator Hansen, seconded by Senator King that **Senate Amendment 1** be recommended for introduction and adoption.

Ayes: (7) Senators Schultz, Harsdorf, Kedzie, Moulton, Hansen, Shilling and King.

Noes: (0) None.

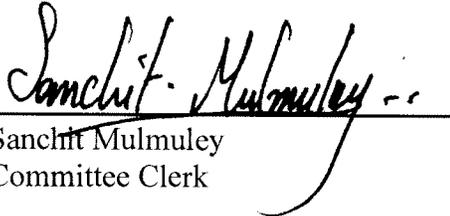
INTRODUCTION AND ADOPTION OF SENATE
AMENDMENT 1 RECOMMENDED, Ayes 7, Noes 0

Moved by Senator Shilling, seconded by Senator Hansen that **Senate Bill 126** be recommended for passage as amended.

Ayes: (7) Senators Schultz, Harsdorf, Kedzie, Moulton, Hansen, Shilling and King.

Noes: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 7, Noes 0


Sanclit Mulmuley
Committee Clerk

Vote Record

Committee on Agriculture, Forestry, and Higher Education

Date: 1/19/12

Moved by: Sen. Hansen

Seconded by: Sen. King

AB _____ SB 126 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt 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>
Senator Dale Schultz, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Sheila Harsdorf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Neal Kedzie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Terry Moulton	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Dave Hansen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jennifer Shilling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jessica King	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>

Motion Carried Motion Failed

Vote Record

Committee on Agriculture, Forestry, and Higher Education

Date: 1/19/12

Moved by: Sen. Shilling

Seconded by: Sen. Hansen

AB _____ SB 126 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

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

Committee Member	Aye	No	Absent	Not Voting
Senator Dale Schultz, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Sheila Harsdorf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Neal Kedzie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Terry Moulton	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Dave Hansen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jennifer Shilling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jessica King	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>

Motion Carried Motion Failed





JULIE LASSA

STATE SENATOR

Senate Bill 126 Testimony
Committee on Agriculture, Forestry, and Higher Education
Tuesday, January 10, 2012
1:00 PM
201 SE

Chairman Schultz and Committee Members:

Thank you for the opportunity to testify today in support of Senate Bill 126, which will allow landowners to apply for an extension of their managed forest land order if their land is affected by fire, insects, disease, ice, snow, wind or flooding. This issue was brought to my attention several years ago when managed forest land owned by one of my constituents, Nancy Livingston, was affected by the Cottonville Fire in 2005 and, as a result, she had no merchantable product when her MFL order expired last year.

For those of you who may remember, the Cottonville Fire started on May 5, 2005 in northern Adams County. After 11 hours, the fire was finally contained, but it had burned 3,410 acres—a swath one and a half miles wide and seven miles long through the towns of Big Flats, Preston, and Colburn. Nine year-round residences, 21 seasonal homes and at least 60 outbuildings were completely destroyed by the fire.

Nancy is a private, non-industrial tree farmer at the Full Cycle Tree Farm in Big Flats. 180 of her 280 acres were affected by the fire and 50- to 80-year-old Red and White pines were burned and had to be clear-cut. All these plantations were ready for thinning in 2005. After clear-cutting, Nancy had to prepare the site for new planting and then begin the process of replanting.

Tree farming is not like a regular farm crop where there is a yearly crop. It is one that evolves over the years: the first thinning takes place after 20-25 years and then a select thinning every 7-8 years, leaving crop trees for veneer lumber. Nancy was able to obtain cost-share help from the DNR for site prep and costs of replacement trees and tree planting. However, due to current law, when her MFL contract expired in 2011, her taxes per acre jumped almost four-fold; she had to re-enroll in the program; and have a new management plan written by a consulting forester.

Because the disaster destroyed her merchantable product, she did not receive any income at the end of her current contract—income that could have helped her pay for a new management plan and enroll in a new MFL order. She was forced to remortgage her

house and is now trying to sell 80 acres of her land because she will not have a product until that first thinning in 25 years (when she will be 96 years old).

This bill would allow MFL owners like Nancy to apply to the DNR for an extension of an MFL order by an additional 10 years if their land was affected by one of the catastrophic events listed above (fire, insects, disease, ice, snow, wind or flooding).

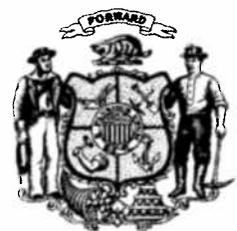
The bill allows a landowner to apply to the DNR for a 10-year extension of the due date of yield taxes if a catastrophic event causes a 50% or more reduction in the total stumpage value of one or more quarter-quarter-quarter sections of MFL land (tracts). These damaged tracts must make up at least 15% of the land under the MFL order. If a catastrophic event occurred within the last 15 years of the term of an MFL order, the bill would also allow a landowner to apply to continue to pay, for 10 years following the expiration of the MFL order in effect at the time of the catastrophic event, the annual per acre amount established under the order in effect at the time of the catastrophic event. This extension would only be available for land reenrolled in the MFL program and only for the damaged tracts.

This legislation will help managed forest land owners who have been affected by a catastrophic event get back on track. This bill will provide them with some leeway to begin growing new product while continuing to pay their current MFL order rate of taxation.

Thank you again for this opportunity. I would be happy to answer any questions.



WISCONSIN STATE LEGISLATURE





Wisconsin Woodland Owners Association, Inc.

P.O. Box 285, Stevens Point, WI 54481-0285

www.wisconsinwoodlands.org



Testimony on Senate Bill 126

Senate Committee on Agriculture, Forestry and Higher Education

Richard Wedepohl

Wisconsin Woodland Owners Association

January 10, 2012

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Mr. Chairman and Committee Members:

My name is Richard Wedepohl and I currently am the Chair of the Wisconsin Woodland Association's Government Affairs Committee. Thank you for this opportunity to testify and a special thanks to the bill's sponsors for the work they've done on this issue the past 7 years.

As you may be aware, WWOA represents the interests of private woodland owners who manage 59% of Wisconsin's forest land and provide 67% of the raw material needed to support the 60,000 jobs in Wisconsin's forest industry. We believe this bill is a step in the right direction to improve the Managed Forest Law.

The Wisconsin Woodland Owners Association (WWOA) requests your support of Senate Bill 126. This bill will allow Managed Forest Law (MFL) landowners to apply for an extension of their current MFL management plan and deferral of some yield taxes if they suffer a catastrophic loss of their forest near the end of their contract period. This option will allow the landowner some relief and hope during a very difficult time.

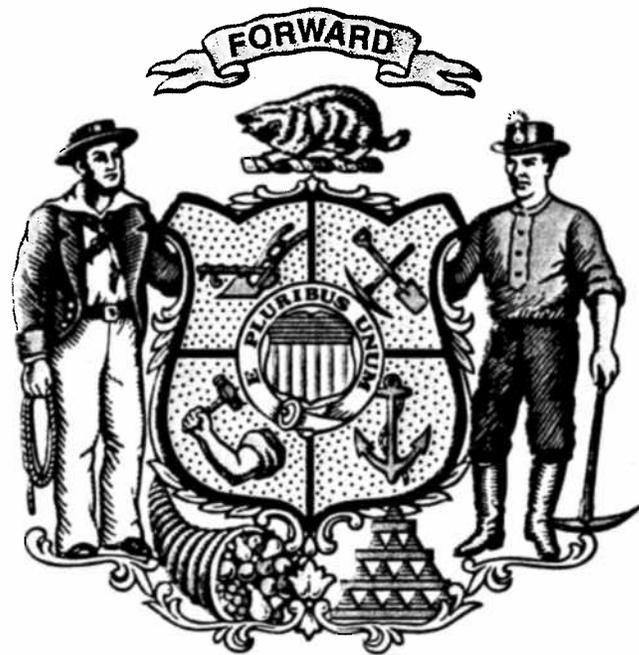
Many landowners invest time and energy to create sustainable forests under the Managed Forest Law program and when they suffer a catastrophic loss, they are heart broken in addition to financial losses as a result of these types of disasters. When landowners suffer a loss of this magnitude, they not only lose potential future income but also incur unexpected expenses such as clean up costs of downed forest materials, replanting of tree seedlings, or construction of roads and trails to clear downed materials. These additional and unexpected expenses can have a life altering effect.

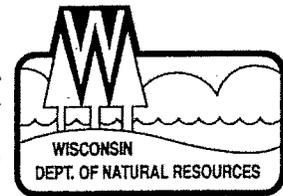
We would also ask that the committee consider some minor changes to this bill we believe would help make it more easily understood by the land owner and less time consuming and inefficient to administer.

As currently proposed we believe this bill unnecessarily limits the portions of land an owner could petition for extensions to only those areas sustaining catastrophic damage. We would ask that if extensions are offered they be applied to all the entered land where the catastrophic loss has occurred, rather than limiting it to a certain area which would require additional tracking effort by the landowner and unnecessary administrative effort by the Department's of Natural Resources and Revenue.

Additionally we would ask the committee to consider changing how the yield tax is computed from one that currently uses "book" stumpage values to one that is based, quite simply, on 5% of the proceeds a landowner receives from the ultimate sale of their timber. We believe this would significantly reduce department staff time and be more equitable to the landowner by reflecting actual proceeds.

Thank you for your careful consideration of this bill. By supporting Senate Bill 126 you will allow these MFL landowners the opportunity to get back on their feet after suffering a catastrophic loss, giving them time to adjust financially to their new forest's environmental conditions, while continuing in the MFL program.





2011 Senate Bill 126

Senate Committee on Agriculture, Forestry, and Higher Education

Department of Natural Resources Testimony
Bureau of Forest Management

Mr. Chairman and Committee Members:

Good afternoon. My name is Kathy Nelson and I am the Program and Policy for Forest Tax Program within the Department of Natural Resources. I appreciate this opportunity to appear before you to discuss Senate Bill 126.

SB 126 provides landowners who have had a catastrophic loss on their Managed Forest Law (MFL) lands two main benefits:

1. A 10 year extension on the due date for payment of yield tax.
2. The ability to pay the tax rate in effect at the time of the catastrophic loss for the first 10 years of an MFL renewal if the catastrophic event occurred within the last 15 years of their original MFL entry.

Living through a catastrophic event can be difficult from both a financial and emotional aspect. The department can understand and sympathize with the difficulties that survivors of catastrophic events face.

The department handles roughly 75 catastrophic loss claims for MFL landowners on an annual basis. Much of the support that the department provides landowners who have experienced a catastrophic event is written in NR 46, Wisconsin Administrative Code. In 2007 the NR 46 catastrophic loss provision was changed as a result of a large fire event, the Cottonville Fire, which occurred in Adams County in 2005. A larger catastrophic loss reduction was created for fire events and the qualifying acreage of catastrophic events was decreased from ten to five acres.

NR 46 allows landowner the ability to qualify for a catastrophic loss if 30% or more of the timber on 5 acres of land has had a loss of at least 30% of stumpage value based on the rates established annually by the Department. If a landowner has had a catastrophic loss as a result of tornados, floods, insects or disease the yield tax charged on a salvage harvest is reduced 30%. If the catastrophic loss is the result from a fire the yield tax charged is reduced 70%.

Yield taxes are actually property taxes that were deferred until harvesting occurred on tax law properties. The established stumpage rates are akin to the assessed values on a home or property and the yield tax rate of 5% is akin to the property tax rate. The assessed value of a home may or may not reflect the fair market value of that home if the home was sold, however the assessed value is used to calculate the property taxes a homeowner will pay. A similar process occurs with payment of deferred property taxes through the payment of the yield tax. Landowners pay their yield tax based on the assessed value of the timber, regardless of the fair market value of that timber. Yield taxes are returned to the local municipality and the county on an 80% - 20% split.

Actual timber sale data is collected and summarized; and the average value is proposed for the following year's rates. The proposed rates are mailed to DNR Foresters, Cooperators, Forest Industry organizations, and private woodland organizations for comments and amended based on the comments received. This public process allows for the assessed stumpage values to reflect market conditions as much as possible, similar to the reassessment of houses when large discrepancies between market value and assessed value occur.

Many catastrophic events show little reduction in the timber value, although the salvageable timber volume may be reduced. This can occur in straight line winds, insect and disease events and other events if the timber is harvested before rot and decay set in. The department determined that fires cause more value loss than other catastrophes and warrant a larger reduction in yield tax. Char on wood and bark reduces the number of markets that wood can be sold to when salvaging fire damaged forests, thus making it more difficult for landowners to salvage after a catastrophe.

The reduction in acreage (from 10 to 5 acres) necessary to qualify was done to make it easier for landowners to qualify for catastrophic loss and to encourage smaller areas of land to be cleaned up after such an event. This change was meant to encourage greater wood utilization and improve forest management of MFL lands.

SB 126 provides landowners an opportunity for additional compensation by freezing the annual acreage share tax rate. The bill would allow those affected by catastrophic events to continue to pay the current acreage share tax rate on their affected lands for a period of 10 years as long as the lands remain enrolled in MFL. Current statute requires the acreage share rate to be adjusted every five years to better reflect actual property taxes being paid by other non-tax law forest owners.

Since MFL strives to balance providing enough incentive for private landowners to want to enter the MFL program and the return on investment for the public to support the MFL program, there are several consequences with the implementation of SB 126.

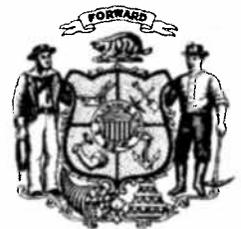
1. SB 126 is estimated to annually reduce the amount of acreage share tax that local municipalities would collect for providing services to residents by \$36,700 once the full extent of SB 126 is realized, which would be in 10 years following the date of the first extension. This reduction is because landowners would be paying the acreage share tax rate that was established prior to the change in the acreage share tax rate formula in 2004.

In 2003 Wisconsin Act 228 the legislature changed the tax rate formula so that landowners paid an acreage share rate that was equal to 5% of the average property tax rate for forested lands that are not entered into the MFL program. This acreage share rate is one dollar higher than the rate for early MFL entries.

2. SB 126 is estimated to annually reduce the amount of closed acreage fees that are collected by the department to fund the MFL Public Access Grant Program by \$91,800 once the full extent of SB 126 is realized, which again would be in 10 years following the date of the first extension. The new closed acreage rate formula is equal to 20% of the average property tax rate for forested lands that are not entered into the MFL program.



WISCONSIN STATE LEGISLATURE





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SHE LOST TREES, NOT RESOLVE FIRE RAVAGED HER TREES, BUT SHE PLANS TO BE AROUND WHEN THEY STAND TALL AGAIN IN THIRTY YEARS.

NATHAN LEAF nleaf@madison.com 608-252-6126 | Posted: Friday, September 28, 2007 12:00 am

As a strong breeze blows across the woods of central Wisconsin, the trees speak to Nancy Livingston.

The pines whistle and sigh, needles and branches rubbing against each other in conversation with the 67-year-old tree farmer.

"You can't even put a price on that sound," she says. "The wind in the trees? That's nature talking to me all the time."

It's one of Livingston's greatest pleasures in life. But that connection to her trees on the Full Cycle Tree Farm, in Adams County about 100 miles north of Madison, has made the last two years a difficult time.

In 2005, the Cottonville fire burned 180 acres of her 200-acre forest and forced a clear cut of trees more than half a century old. Last year, drought took the majority of the seedlings that had been replanted, and dry conditions this year threaten to do the same. But Livingston hasn't given up on her forest. She plans on being there when her white and red pines finally stand tall again in about 30 years.

5 minutes to leave Livingston was given five minutes to evacuate as the Cottonville fire approached her home in May 2005.

"I took a change of clothes and my medication" before she left her home behind.

Nearly 100 homes and buildings were lost as the fire moved from its starting point as controlled grass fire in Cottonville before raging out of control on a milewide path during its 11-hour trip seven miles northeast to Livingston's property.

But the fire didn't jump the Big Roche A Cri Creek, which runs just south of her home.

"I'm so grateful that it didn't jump the creek," Livingston said. "Now I say that. But at the time my house was fully insured. My trees were not." The loss put a dent in Livingston's retirement since she won't be able to harvest any wood for paper and pulp for the next three decades.

And while it would have been understandable for her to just sell off the land for development after losing her trees, Randy Sthokal, administrator of the Wisconsin Tree Farm Committee, isn't surprised Livingston decided to tough it out.

"For a lot of land owners, that woodland property represents their retirement," he said. "So that was a major setback for her. But true to her character she really put her own loss aside and helped the community."

One of those buoyed by that work ethic was Peggy Werner, who lives about two miles from Livingston. As a teacher at Adams Friendship Elementary, Werner had helped organize trips for her fourth-grade students to visit Livingston's land and plant seedlings each Arbor Day.

Werner remembers feeling driftless after the fire turned the area into a "moonscape" and burned 20 acres of her family's own tree farm. But Werner said Livingston quickly organized many to being replanting.

"She is just such an organizer and pusher," Werner said. "Once the shock wore off it was time for rebuilding, time for replanting. She didn't let anybody just sit around. She was a real driving force behind that. To see someone else who has certainly suffered much, much more than we ever did, yet she was picking herself up. I couldn't just sit back and feel sorry for myself."

\ Planted by CCC

When the fire cut through Livingston's land, it wiped out half a century of work that had been started by her father and mother, Spencer and Laura Munson. Spencer was an engineer at the U.S. Forest Products Laboratory in Madison and would bring Nancy up from the family home on the Near West Side to work on the tree farm. It had been traditional farm land before the Munsons bought it in 1954 and planted about 150,000 white and red pines. The fire also took a group of 80-year-old pines planted by the Civilian Conservation Corps.

Nancy Bezek, executive director of the Wisconsin Woodland Owners Association, remembers the heartbreak she saw in Livingston as they surveyed her land about a week after the fire.

"We went out to the area where the kids had just planted that spring," Bezek said. "You could still see the seedlings and you could see where the (children's) names were on the tongue depressors. It was very hard for her to see that work destroyed."

But Bezek saw that heartbreak quickly turn into drive as Livingston's trademark determination kicked in and she began the replanting process.

"You take a deep breath," Livingston said of her reaction after the fire. "You're a victim for about two days. Then you become a survivor and say 'Now what?' "

Bezek said Livingston's quick recovery was important for others affected by the fire. Livingston's capacity to help others in the face of her own problems shouldn't be surprising. In 2005 she retired from her career in activity therapy and as an advocate for people with disabilities.

"I think that because she spoke up right away ... she actually inspired a lot of people who were affected by the fire to jump in and be proactive and accomplish something," Bezek said. "She has encouraged people to take the bigger view and say 'We had a wonderful piece of land with forests and we can have that again if we work hard.' "

\ Letter winner

In turn many people from outside the area have volunteered to help Livingston replant her forest. As a longtime supporter of women's athletics at UW-Madison and a letter winner herself, Livingston received help from the Wisconsin women's basketball team last year to plant 30,000 seedlings. But with 80 percent to 90 percent of those lost to drought, Livingston organized volunteers to plant an additional 70,000 this year. Most of those would probably have been lost as well had she not convinced the local fire department to spray 11,000 gallons of water on them.

"They're coming up pretty darn nice," she said. "I see more green this year. Last time I would come through and they were all red."

With so many setbacks, did Livingston ever consider not replanting the forest?

"Never. I would not have been my father's daughter," she said. "I'm not in this for money. ... I'm doing this because I want it to continue (educating) and use it for outreach to show there can still be hope."

Tags: [Tree](#) | [Uw](#) | [Fire](#) | [Business](#) | [Big](#) | [Flats](#) | [Cottonville](#) | [Agriculture](#)

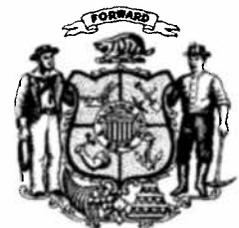
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WISCONSIN STATE LEGISLATURE



Order of testimony.

815 126

1. Sam. Karsa. ↑
2. Kathy Nelson ↑
3. Richard Wedepohl, Eugene ↑
(WOWA) Marilyn Beck ↑
- 4.

17

38:5 to end 101

Prof. Kussow ↑

claim.

(a) That P presence is due to agricultural run-off.

(b) 80% of P comes from snow ~~to~~ melt

(c) Shows no relationship b/w P presence in soil & the P applied to lawn.

@ Dave soil testing lab

check R.S. Kussov papers.

is

Munroe is major source of P.

Steve

Mr. Carpenter.

TV
You have a 2:30 interview

W/ ch. 27

David . PR

mainly

at end of morning (not @)

for not handling

comps of P. 102. (d)

then first wire work

phenolphthalein or similar (d)

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