



Jeff Mursau

STATE REPRESENTATIVE • 36TH ASSEMBLY DISTRICT

Assembly Committee on Forestry, Parks, and Outdoor Recreation
AB 909 – Managed Forest Law Program
February 2, 2022

Fellow Committee Members -

Thank you for the opportunity to testify in support of AB 909, related to changes to the Managed Forest Law (MFL) program.

The MFL program was created in 1985 to replace the less popular Forest Crop Law. Both laws were intended to encourage sustainable forestry practices to ensure a constant stream of fiber for the second largest industry in Wisconsin, while at the same time providing recreational opportunities for the general public.

To participate in the MFL program, landowners designate property as “Open” or “Closed” to public access for recreation, and commit to a 25 or 50 year sustainable forest management plan. The plan sets the schedule for specific forestry practices, which landowners must complete. In return, MFL participants pay a reduced property tax rate.

The forestry industry in Wisconsin supports more than 64,000 jobs and contributes over \$24 billion annually to the state’s economy. The forest products industry is the number one employer in ten Wisconsin counties, and one of the top ten employers in 31 counties.

These figures highlight a need to encourage enrollment in MFL by private landowners. They own more than sixty-percent of all forest lands; and, two-thirds of the wood harvested in Wisconsin comes from their forestlands. Our timber industry wouldn’t be what it is today without the commitment of private woodland owners to actively manage their woods for the ecological and economic health of our state.

In 2015, I introduced a bill along with Senator Tiffany that was a major overhaul of the MFL program. That is now 2015 WI Act 358. Now that a couple of years have passed we know the changes we made have been largely beneficial to the program, but we’re aware of some areas we need to tweak and that’s what bring us here today.

AB 909 is in most part a re-draft of the bill from last session (AB 856), which passed the full assembly but wasn’t voted on by the Senate because of the pandemic. The bill is a collaboration of efforts between the authors, the DNR, and private woodland owners to encourage even greater participation in the program.

During the rule-making process the department identified several areas where they felt it was necessary to clarify legislative intent. Those are most notably related to allowing leasing on MFL land, determining when something is a material change, and allowing the DNR flexibility on assessing a withdrawal tax and fee if part of the land in the program no longer meets eligibility.

Additional provisions include:

- Allows the 20-acre minimum enrollment requirement to be comprised of two 10 contiguous acre portions, that are not contiguous to each other, if they are on a tract of land under the same ownership
- Allows for buildings and improvements on MFL property if used exclusively for storage
- Allows for additions to existing parcels of any size if certain eligibility requirements are met
- Authorizes the DNR to provide flexibility for large ownerships (1,000 acres or more) of MFL land by promulgating rules that allow for alternative management plan requirements
- Clarifies the current understanding that cutting merchantable timber on MFL in a manner that is contrary to a management plan or cutting notice is prohibited and could be subject to a fine
- Allows for the transfer of ownership without penalty for a public purpose to a city, village, or town that is the taxing jurisdiction

My goal is, and has always been, to pass meaningful legislation that supports the sustainability of our forests while balancing the accessibility of private lands to the public for recreational purposes. I'm confident that together we can find that proper balance and move this bill forward.

I would be happy to try to answer any questions you may have.



MARY FELZKOWSKI

STATE SENATOR • 12TH SENATE DISTRICT

Testimony on Assembly Bill 909

Assembly Committee on Forestry, Parks and Outdoor Recreation
Senator Mary Felzkowski
12th Senate District
February 2, 2022

Good morning Chairman Mursau and Committee Members,

I apologize that I could not be before you today to testify on this bill. As you just heard from my co-author, Representative Mursau, this bill serves as an 'update' to the 2015 MFL program reforms.

Since that time, woodland owners and the DNR have been collecting suggestions on improvements and need clarifications, and have had time to assess what has been working well and what could use some tweaks. AB 909 is a reflection of all that work.

The bill included the following changes:

- Allows the 20-acre minimum enrollment requirement to be comprised of two 10-acre portions, that are not contiguous to each other, if they are on a tract of land under the same ownership
- Allows for buildings and improvements on MFL property if used exclusively for storage
- Allows for additions to existing parcels of any size if certain eligibility requirements are met
- Makes clear that leasing on MFL land is allowed
- Clarifies when something is a material change to the terms of the order
- Makes clear in what instances DNR is or is not required to assess a withdrawal tax and fee
- Authorizes the DNR to provide flexibility for large ownerships (1,000 acres or more) of MFL land by promulgating rules that allow for alternative management plan requirements
- Clarifies the current understanding that cutting merchantable timber on MFL in a manner that is contrary to a management plan or cutting notice is prohibited and could be subject to a fine
- Allows for the transfer of ownership without penalty for a public purpose to a city, village, town, or county that is the taxing jurisdiction

I want to thank Representative Mursau and his team for taking the lead on this issue and working collaboratively with stakeholders from across the timber industry to make these changes, which I believe will improve the efficacy of the Managed Forest Land program. Thank you for taking the time to read my testimony.



Assembly Committee on Forestry, Parks and Outdoor Recreation

2021 Assembly Bill 909 The Managed Forest Land Program February 2, 2022

Good morning Chairman Mursau and members of the Committee. My name is R. J. Wickham, and I am the Tax Law Section Chief with the Wisconsin Department of Natural Resources. With me today to help answer questions is Skya Murphy, the Tax Law Policy Specialist. Thank you for the opportunity to testify, for informational purposes, on Assembly Bill 909 (AB 909) relating to the Managed Forest Law (MFL) program.

AB 909 makes numerous changes to the MFL program, many of which include DNR recommendations to further clarify 2015 Wisconsin Act 358, which established added flexibility for MFL landowners.

Overall, the department is supportive of the changes included in the bill and appreciates the continued efforts of the bill author and the Committee to pursue legislation that will help improve the administration of the MFL program. Furthermore, the department is committed to better serving the people of Wisconsin and their resources by:

- Streamlining administrative processes;
- Upholding the intent and purpose of MFL to produce forest products through sound forestry;
- Maintaining public support of the program; and
- Maintaining municipal and local government support of the program.

On behalf of the Department of Natural Resources, we would like to thank you for your time today. We would be happy to answer any questions you may have.



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February 1, 2022

**Wisconsin Assembly Committee on Forestry, Parks and Outdoor Recreation
Public Hearing on February 2, 2022
WWOA in Support of AB 909 relating to the Managed Forest Law program.**

Dear Representative Mursau and Members of the Assembly Committee on Forestry,
Parks and Outdoor Recreation,

The Wisconsin Woodland Owners Association (WWOA) appreciates the opportunity to support and comment on Assembly Bill 909 relating to the Managed Forest Law program (MFL).

The WWOA organization consists of more than 1600 members owning more than 251,000 acres and represents the 350,000 plus private woodland owners owning more than 11 million acres in Wisconsin. WWOA has a stated mission to help conserve and enhance Wisconsin's 11 million acres of privately owned woodlands. WWOA understands the value of Wisconsin's Forest Tax Law programs and the role they play in assisting Wisconsin's private woodland owners in sustainably managing their woodlands.

WWOA notes that since 2015 Act 358 was enacted there have been several legislative and Wisconsin Department of Natural Resources changes made to the definition of "material change" and how it will be enacted. As MFL contract holders, we respectfully request that the Legislature and WI DNR provide those holding MFL contracts an opportunity to participate in these discussions. This provision was created to reassure MFL contract holders that they will have a choice when changes are made in the program to either agree to follow these changes and continue in the MFL program or to disagree with these changes and exit the MFL program without penalty. Woodland owners participating in the MFL program select either a 25- or 50-year contract period. "Material changes," whether created through legislation or rule, can have a significant impact on contract holders and the overall MFL program.

WWOA recognizes the value of the MFL program and the importance of woodland owners to retain certain rights while participating in an incentive program that provides forest crops for our state's forest product industries. By creating fair contracting provisions the MFL program becomes more palatable and less threatening, resulting in more woodland owners' participation and fulfillment of their contract obligations thus providing renewal resources for Wisconsin citizens and industries.

Respectfully,

Thomas P. Kempen
President