

WISCONSIN DEPARTMENT OF NATURAL RESOURCES

Tax Law Section Update

Tuesday, September 17, 2024 | DNR.WI.GOV



OVERVIEW

- General Program Statistics
- Personnel Update
- Policy & Guidance Update
- Partnership Update
- Discussion and questions

PURPOSE OF MFL

s.77.80 Wis. Stats.,

“...to encourage the management of private forest lands for the production of future forest crops for commercial use through sound forestry practices, recognizing the objective of individual property owners, compatible recreational uses, watershed protection, development of wildlife habitat and accessibility of private property to the public for recreational purposes.”

Tax Law Statistics

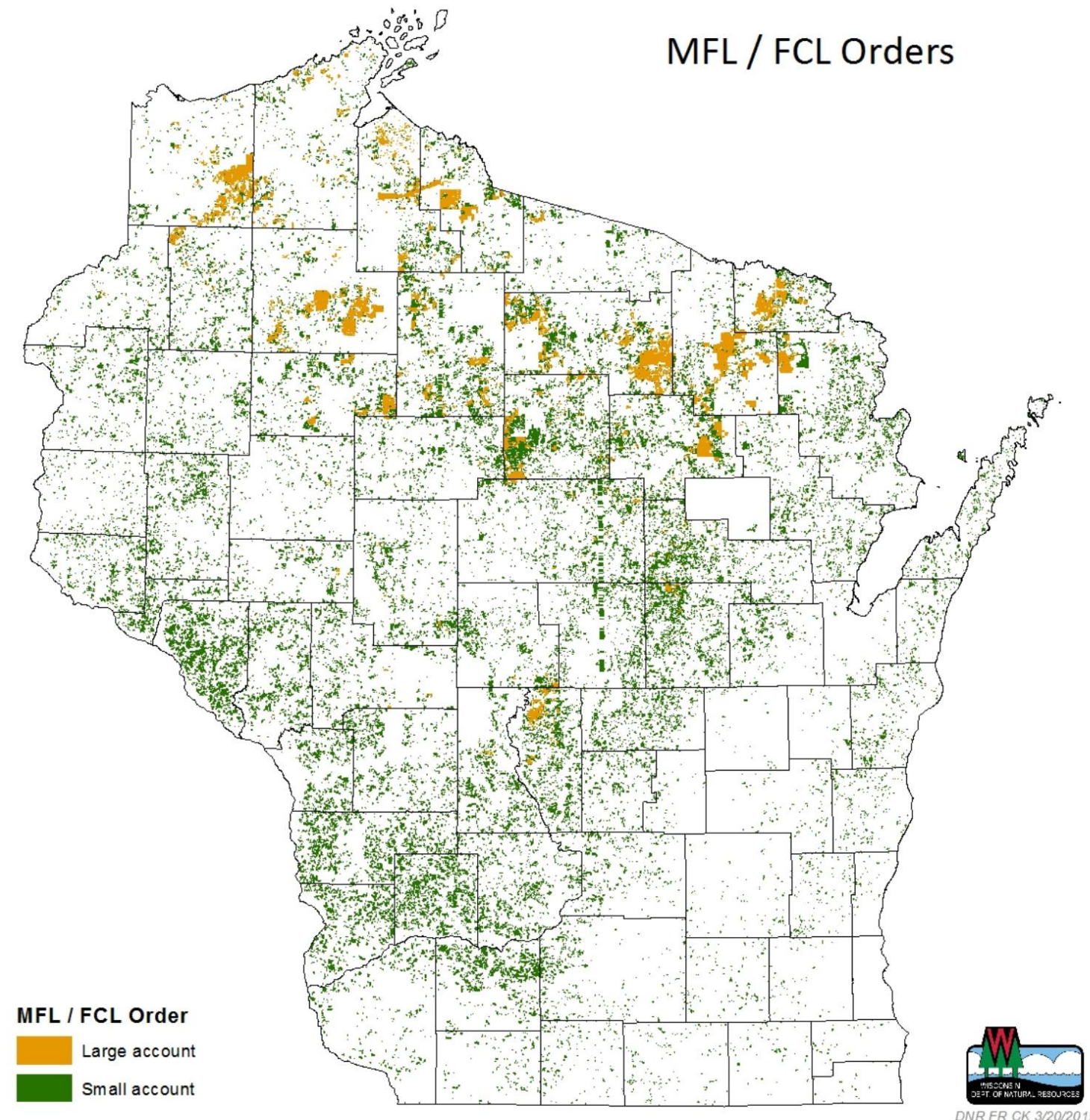
WI's Forest Tax Law Programs

Managed Forest Law (MFL)

- 3,485,191 Acres
- 50,468 Orders
- 26.5% (924,547 acres) open to public access

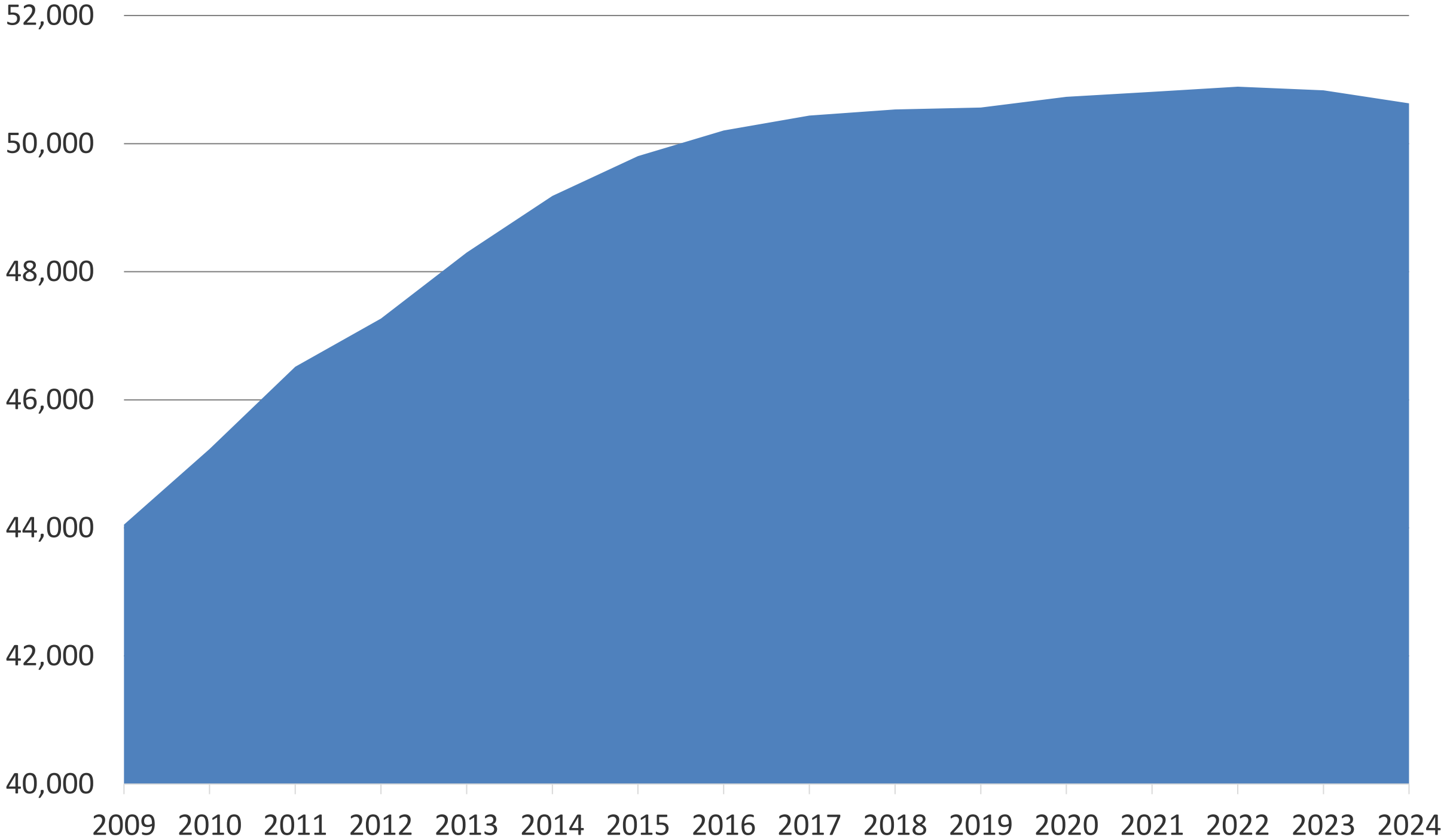
Forest Crop Law (FCL)

- 32,866 Acres
- 302 Orders
- Last plans expire in 2035



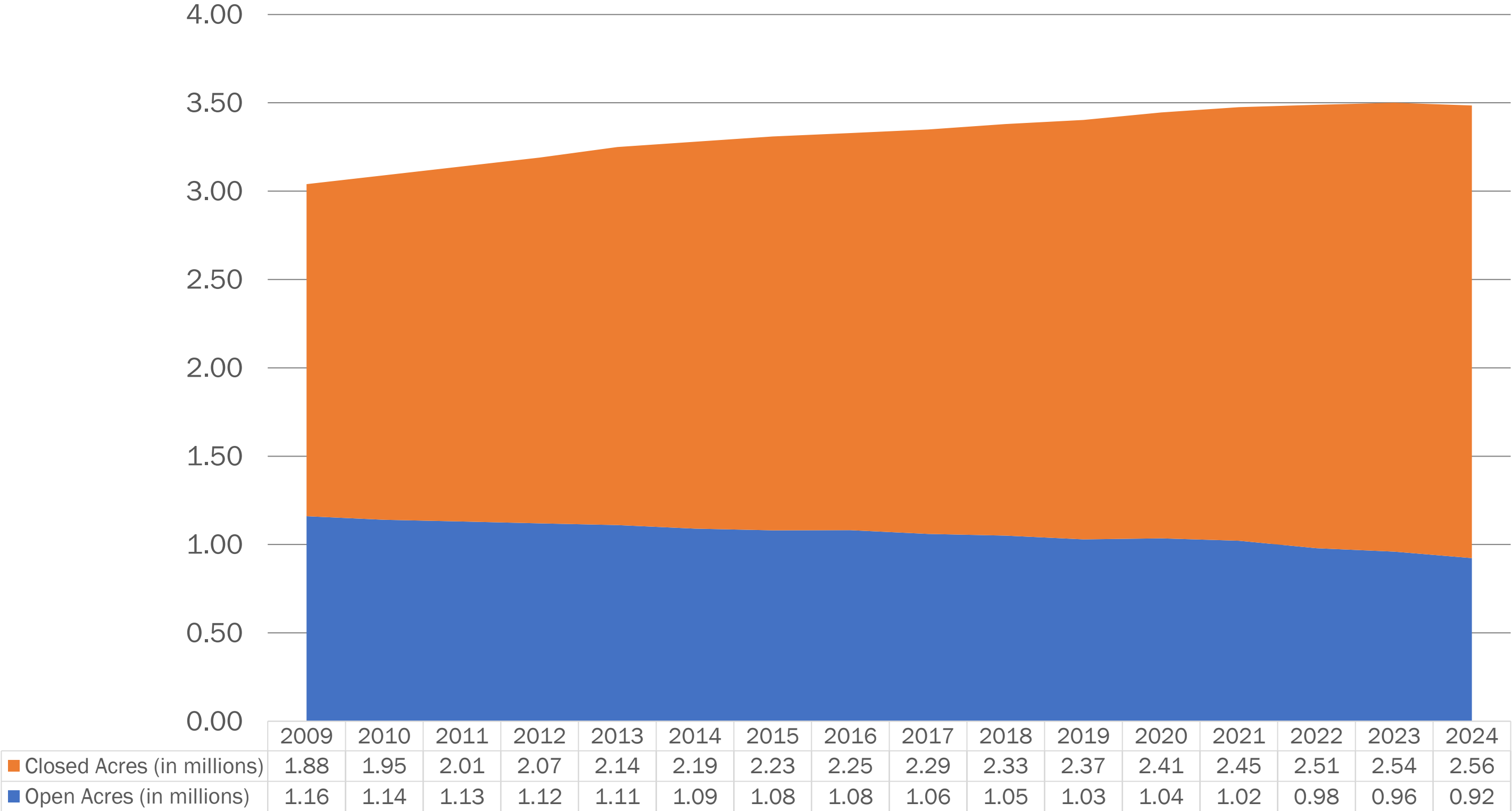
Tax Law Statistics

Number of MFL enrollments



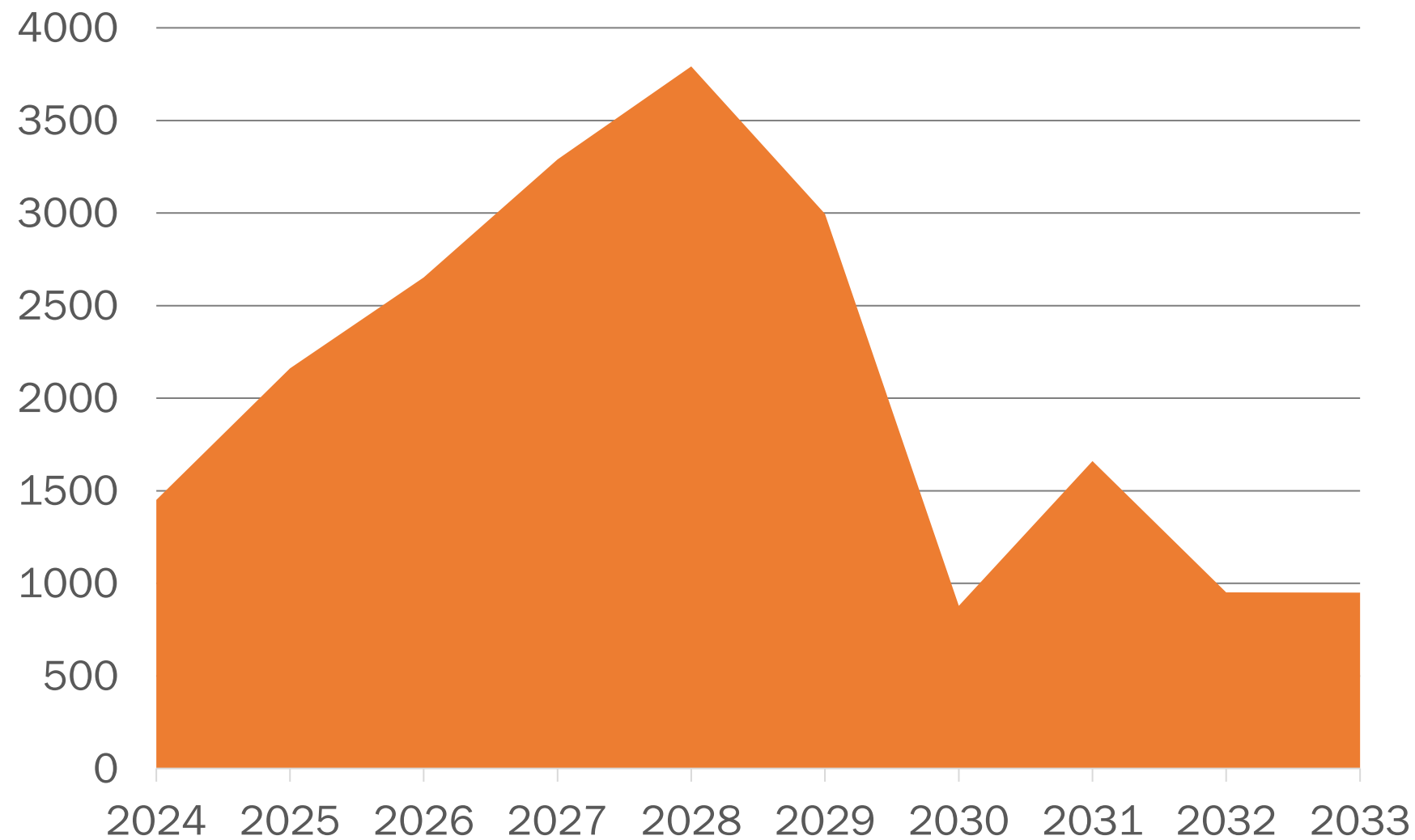
Tax Law Statistics

MFL enrolled acres

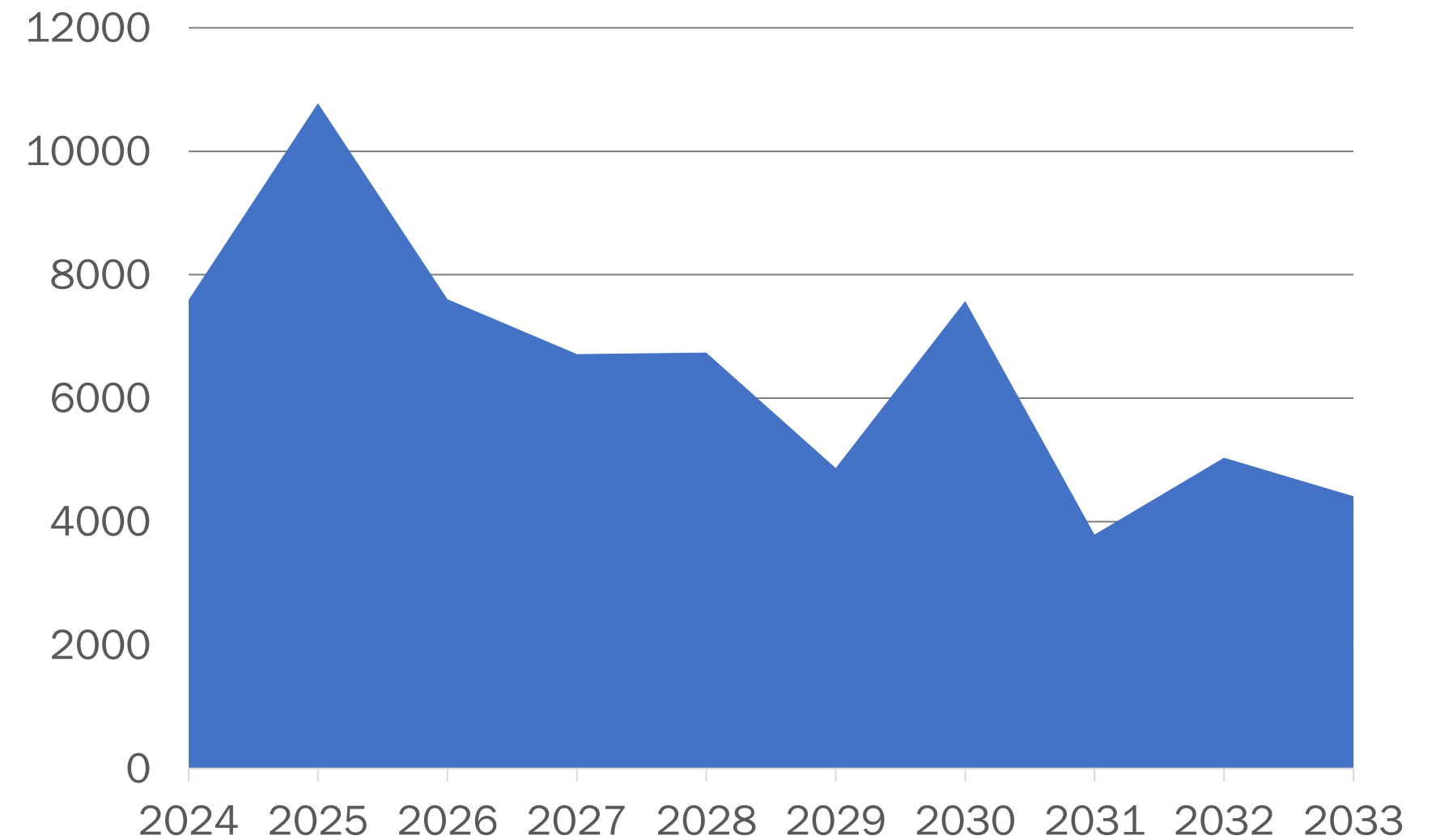


Tax Law Statistics

Count of orders expiring

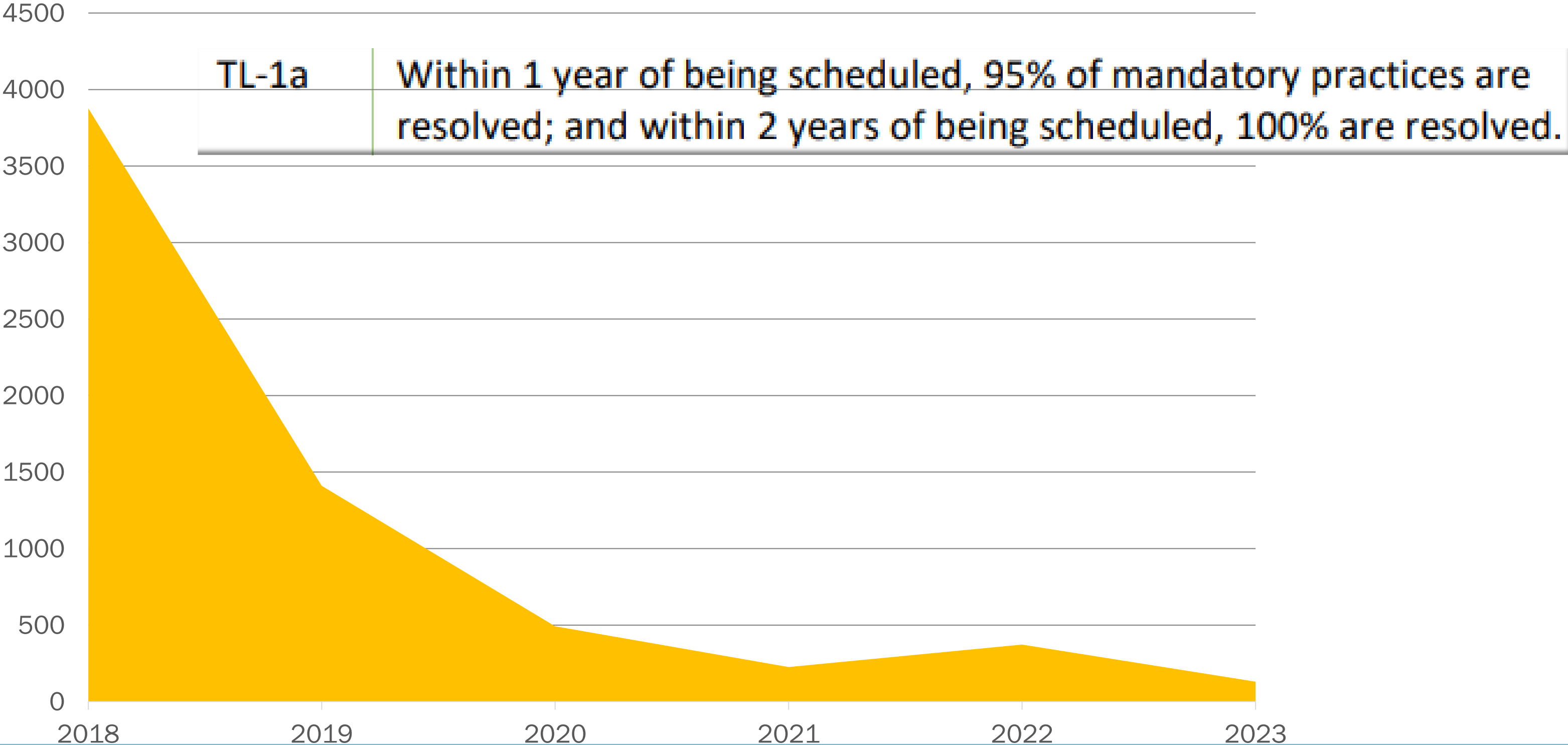


Count of mandatory practices scheduled



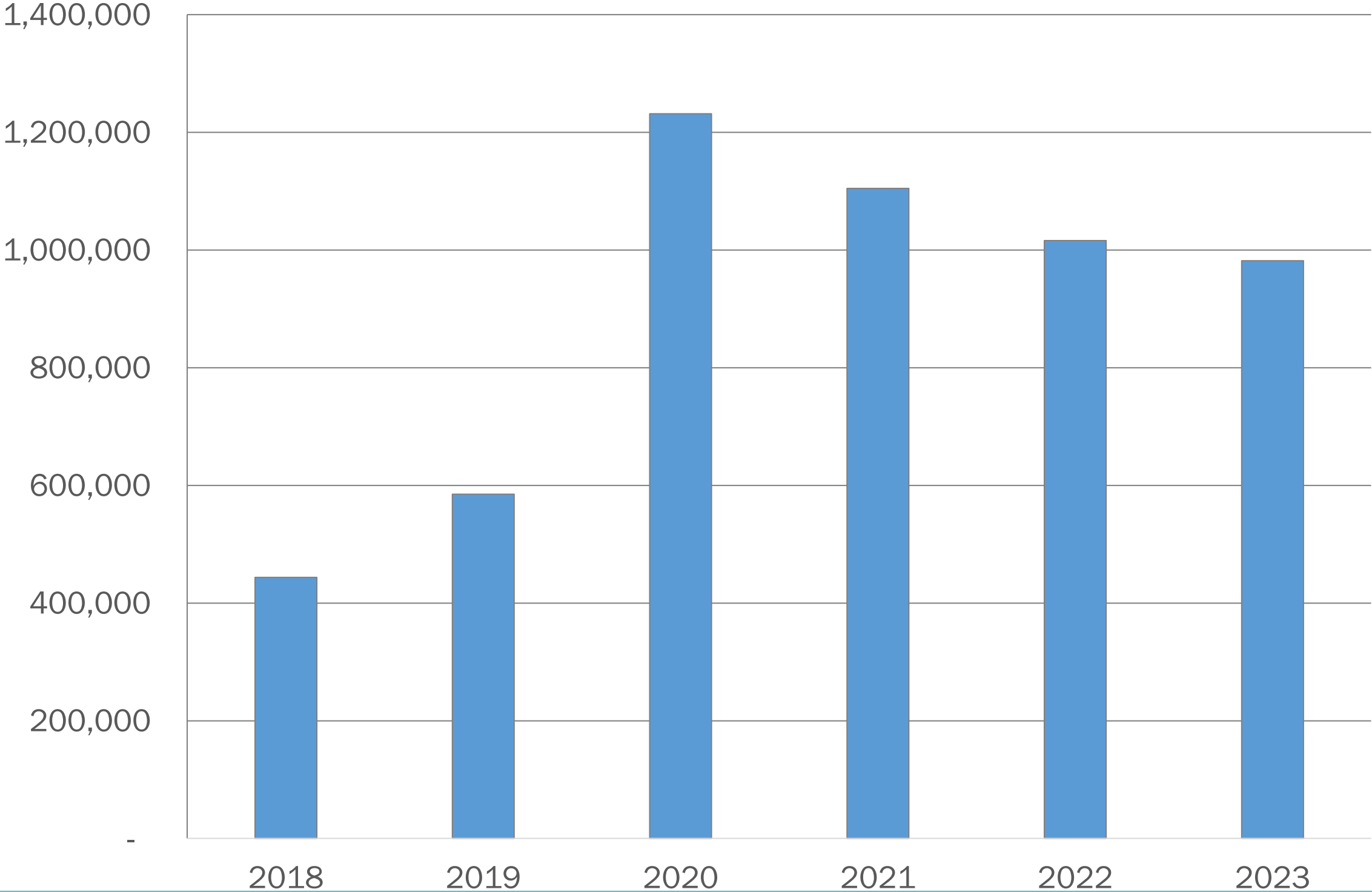
Tax Law Statistics

Planned Practices > 2 Years Overdue



Tax Law Statistics

Cord Equivalent Harvested



Tax Law Summary

MFL enrollment

- Enrollments decreased '23 & '24. '24 is first time acreage decreased
- Lands open to public recreation continues to decrease
- Total closed acres has increased despite total MFL acres decreasing past 2 years

Mandatory Practice

- Resolution rates of scheduled mandatory practices have increased
- Meeting SD 1 year resolution goal
- Non-compliant practices have decreased

Transactions

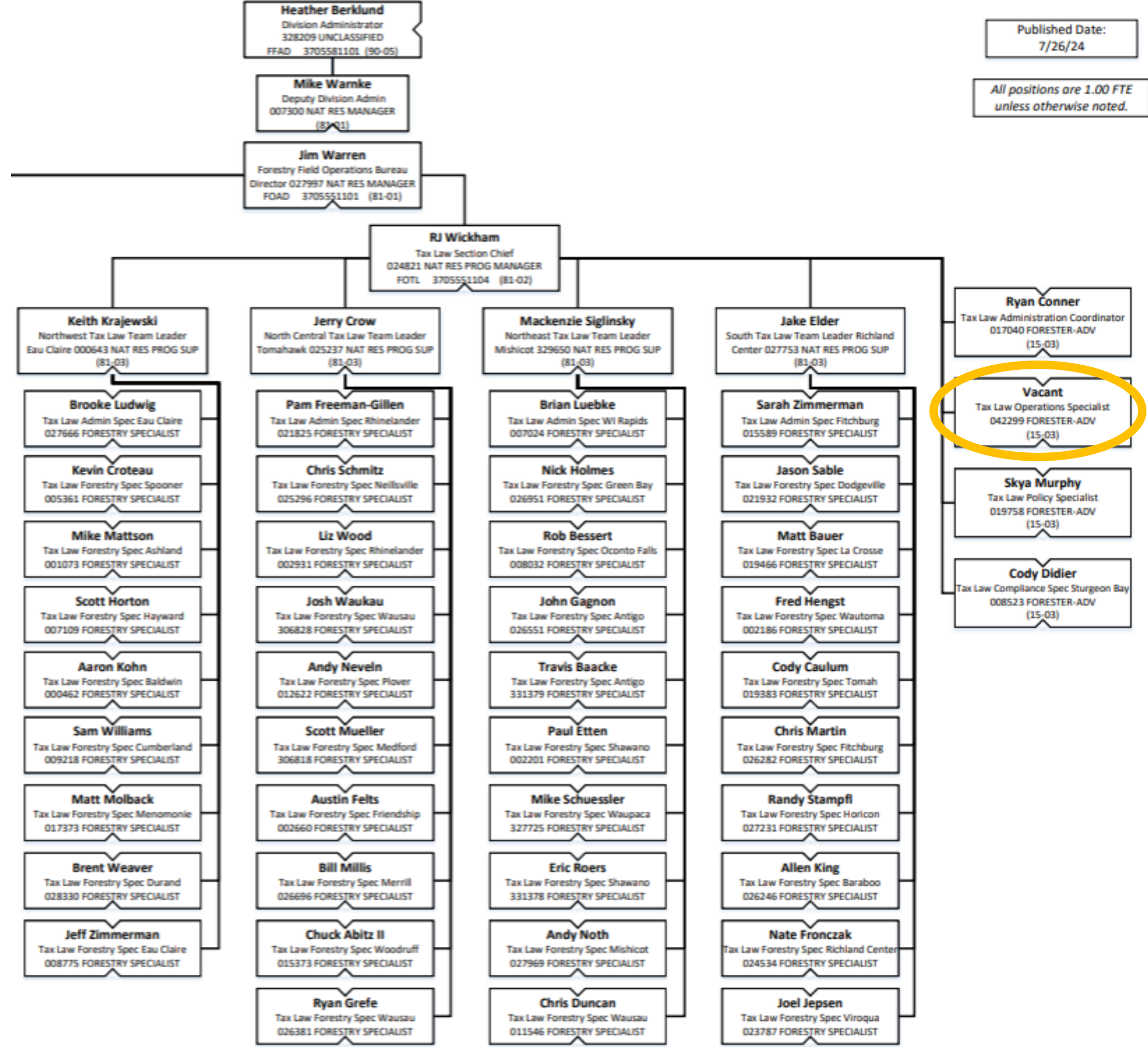
- Transfers peaked in '21 & decreased in '22/'23.... reflective of real estate market?
- Withdrawals plateau, primary drivers are 1-5 acres, P/S & new landowners.

Calendar Year	2019	2020	2021	2022	2023
Mandatory Practices					
Percentage of Previous Year Practices Resolved	93.77%	89.05%	93.69%	95.88%	96.20%
Percentage of Current Year Practices Resolved	72.52%	72.22%	76.22%	70.89%	69.27%
Planned Practices Due > 2 Years Ago	1,410	492	226	373	130
Practices Completed This Year	5,430	2,967	2,785	3,946	4,423
Cutting Notices					
Notices Submitted	5,543	1,939	2,056	2,585	2,423
Cutting Notices Landowner Review Requested	3,032	1,093	1,336	1,726	1,546
Average Days to Approve 1st Time	7.24	5.20	6.05	6.49	5.62
Approved Enrollments					
New Entries Approved	1,571	1,677	1,670	1,483	1,490
Transactions					
Transfers	2,530	2439	2,923	2901	2,540
Withdrawals	395	383	472	435	460
Amendment	260	454	342	574	439
Open/Closed Change	103	148	177	114	87
Harvest					
Cord Equivalent Harvested	585,021	1,231,799	1,104,924	1,016,152	981,772

Personnel

Published Date:
7/26/24

All positions are 1.00 FTE
unless otherwise noted.



Policy & Guidance

Public Access Lands (PALs)

- Includes all MFL & FCL Open lands.
- Open Private Forest Lands web mapping application retired.

Chapter 201 - Forest Tax Law Handbook

- Chapter 201 published to handbook in March 2024.
- Provides guidance for Certified Plan Writers (CPW) to submit MFL Applications and Management Plans.

Chapter 310 - Forest Tax Law Handbook

Dispute Resolution Process (DRP)

DRP Background

- Developed in 2015 as a Council on Forestry initiative.
- Required the retention of a 3rd party administrator.
- 2016-2024 received 14 contacts.
 - 3 were in scope but resolved outside the process.
 - 1 landowner made full use of process.

DRP - Why Change?

- Contract Expiration (June 30, 2024)
- Budget Considerations
- Low use
- Strategic Direction
- Implementation of the DRP is quite complex

DRP - Proposal Considerations

- Suspend the use of a 3rd party DRP Administrator.
- Continue to foster collaborative outcomes and facilitate mutual learning.
- Maintain the use of Cooperating Foresters and other forestry experts for consultation as needed.

Partnerships

BMP Training - South Tax Law Team

- Field Training with presentations from:
 - Nolan Kriegel, WDNR Forest Hydrologist
 - Cody Didier, WDNR Tax Law Compliance Specialist
- 13 Tax Law Staff and 20 external partners
(consultants, buyers, industrial foresters)

Certified Plan Writer (CPW) Certification

2024 CPW certification started with 18 candidates.

- 13 enrolled
- Combination self-study and virtual live sessions

FISTA Training

Evaluating collaboration with FIST to create;

- MFL Cutting Notice Training
- Forest Certification Training

WI Young Forest Partnership (WYFP)

- Tax Law and WYFP collaborating on outreach to MFL landowners with non-mandatory practices.
- Contribute to moving landowners further into the management continuum.

Aldo Leopold Foundation (ALF)

- Collaboration in cross-referencing Tax Law and ALF newsletters.
- Education of MFL landowners on the availability of State and Federal cost-sharing/grants to complete mandatory and non-mandatory practices.



QUESTIONS?

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"WILD WISCONSIN:
OFF THE RECORD"