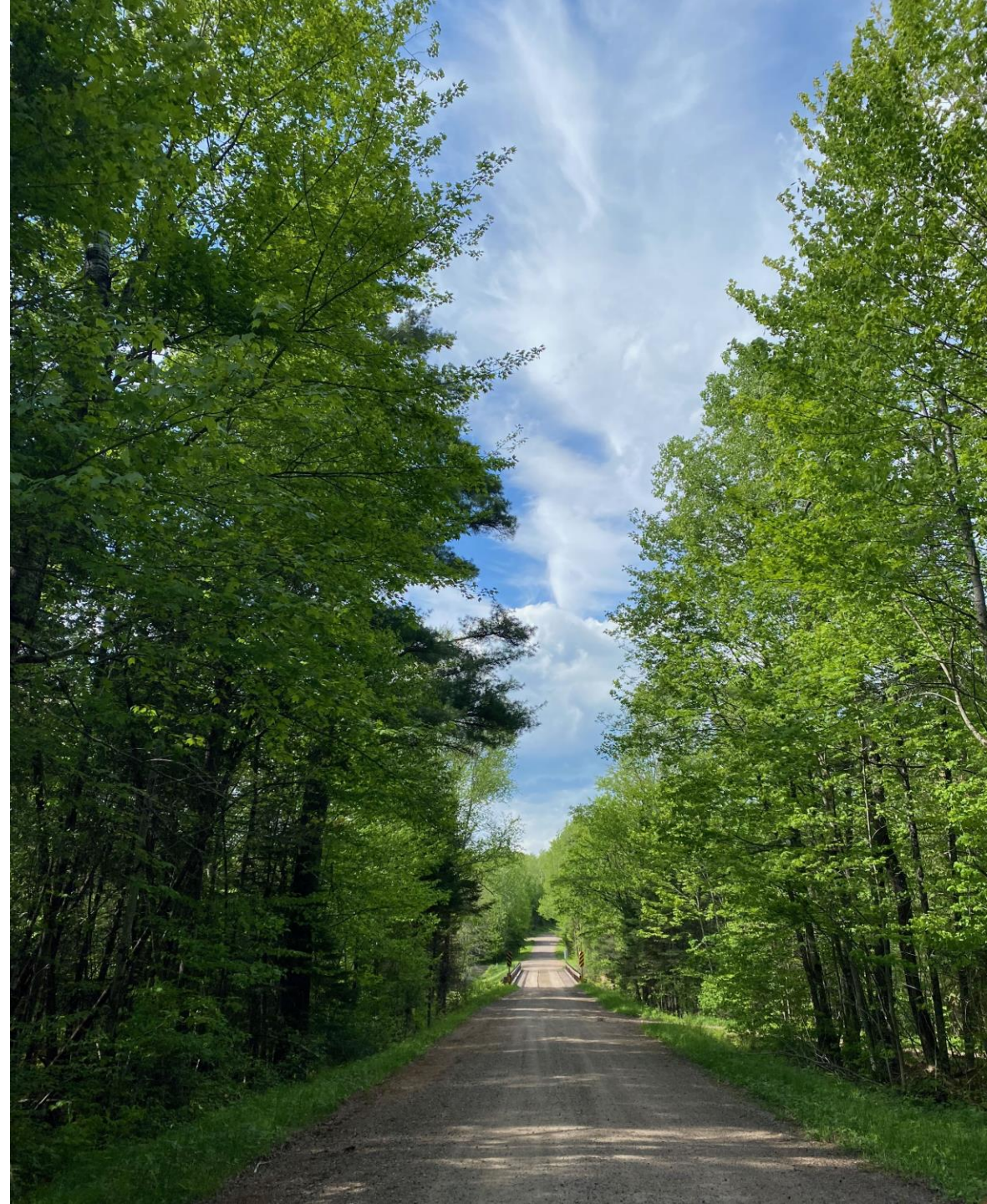


Local Economic Effect of Timberland Conservation Easements

Bob Smail, Ph.D. - Research Scientist
Forest Economics and Ecology Section
Applied Forestry Bureau - Division of Forestry
Wisconsin Department of Natural Resources

Wisconsin Council on Forestry Meeting
September 17, 2024 – Rhinelander, WI





- **Education and Background**

- B.A. History – Carroll College 1995
- M.S. Natural Resource Policy and Law – UWSP 2007
- Ph.D. Environmental Science – UW-Madison 2020
- Worked at WDNR since 2011 and in the Forestry Division since 2020

- **Research Topics and Tools**

- **Past Topics** – Outdoor recreation motivations and economics, valuation of ecosystem services, conservation easements, institutional accountability, water budget variation, economics of specialty crop production, etc...
- **Current Topics** – Urban forestry, loggers survey, forest regeneration monitoring, landcover conversion history, groundwater and forest health, remote sensing.
- **Research Tools** – Spatial analysis and modeling, economic analysis, social science methods, landscape and landcover modeling.

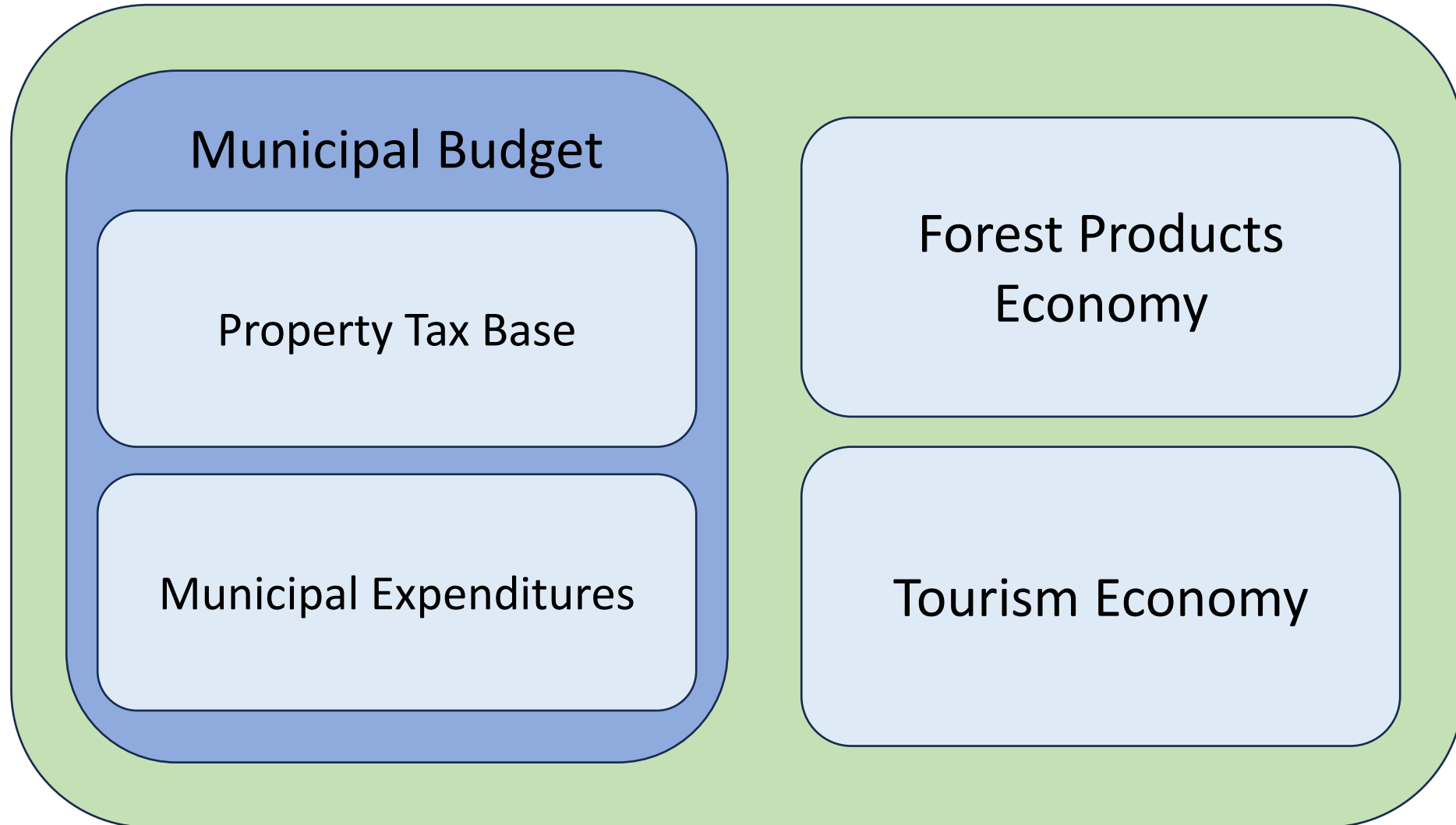
Question – What effect will a timberland conservation easement have on the local economy?



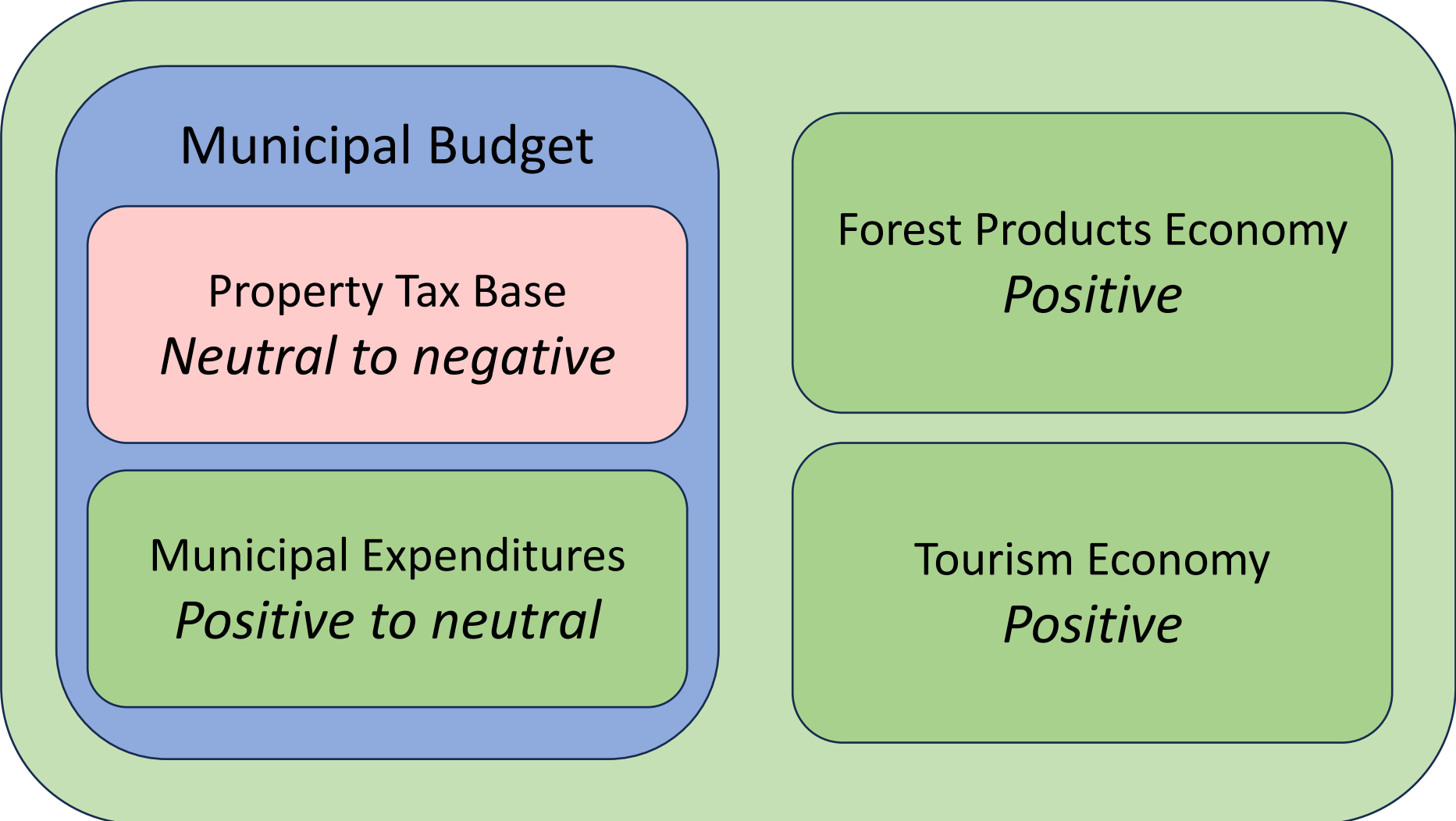
- Literature review conducted in 2023
 - 100's of peer-reviewed scientific publications reviewed
 - 80+ sources cited directly
 - Primarily drawn from research in the Great Lakes Region



Economic Effect of Timberland Conservation Easements



Economic Effect of Timberland Conservation Easements Compared to Parcelization and Development



Property Tax Base



With a Conservation Easement

- Value increase on neighboring and nearby properties

Property Tax Base



Without a Conservation Easement

- Overall value increase of subdivided and developed parcels
- Increased assessed acreage for parcels removed from MFL/FCL
- Loss of state MFL/FCL payment
- Value decrease on neighboring properties
- Value decrease due to market saturation

Property Tax Base



Summary

With a Conservation Easement

- Likely neutral to negative effect

Without a Conservation Easement

- Likely neutral to positive effect

Municipal Expenditures



With a Conservation Easement

- Long-term benefit of improved ecosystem services.

Municipal Expenditures

Without a Conservation Easement

- Increased road costs
- Increased school costs
- Increased public safety costs
- Increase human service costs
- Increased sanitation costs



Municipal Expenditures



Summary

***With* a Conservation Easement**

- Small positive benefit

***Without* a Conservation Easement**

- Large negative effect

Municipal Budget with a Conservation easement

Property Tax Base
↔

=

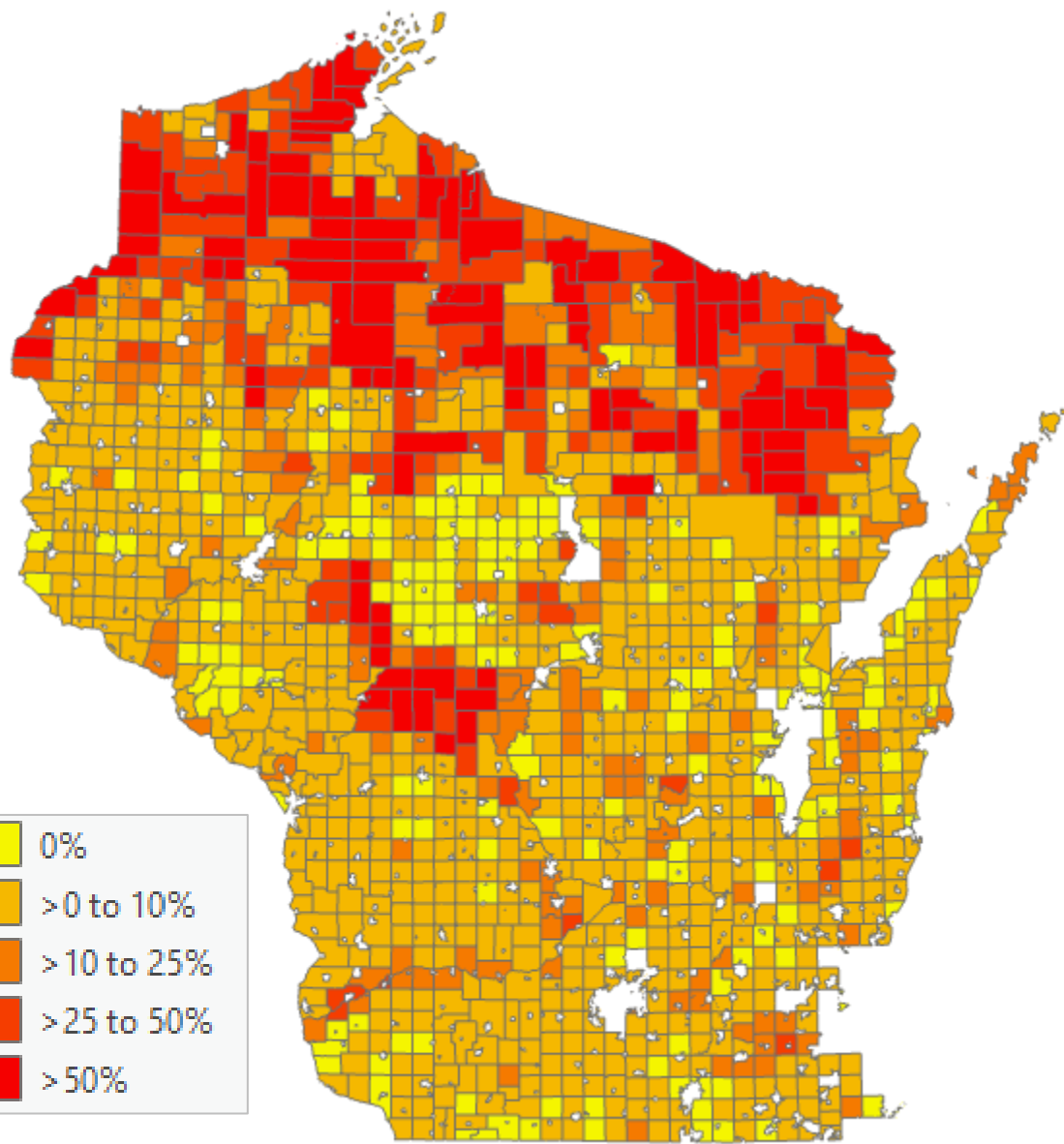
Municipal Expenditures
↔

Municipal Budget without a Conservation easement

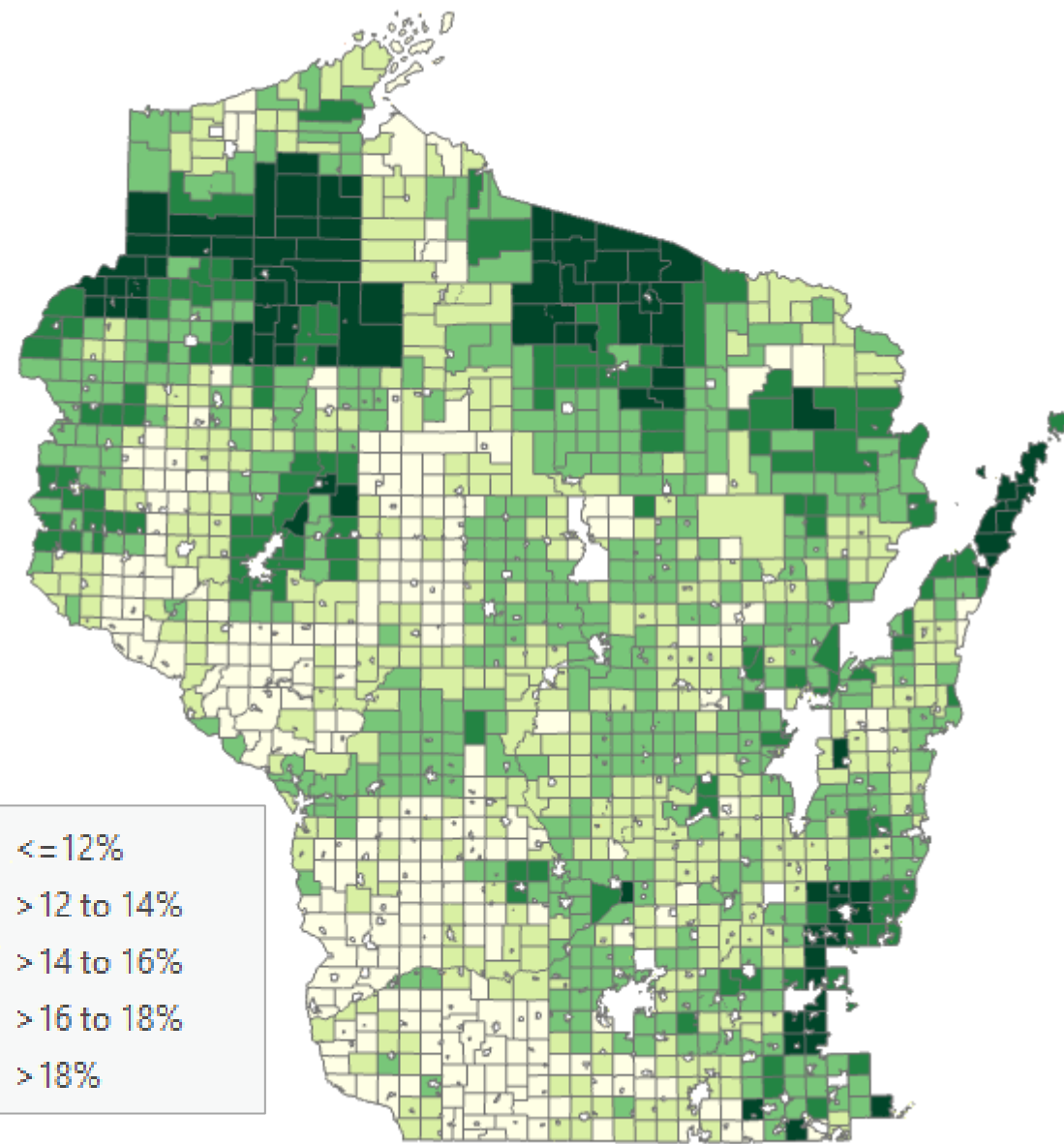
Property Tax Base
↑↑↑

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Municipal Expenditures
↑↑↑

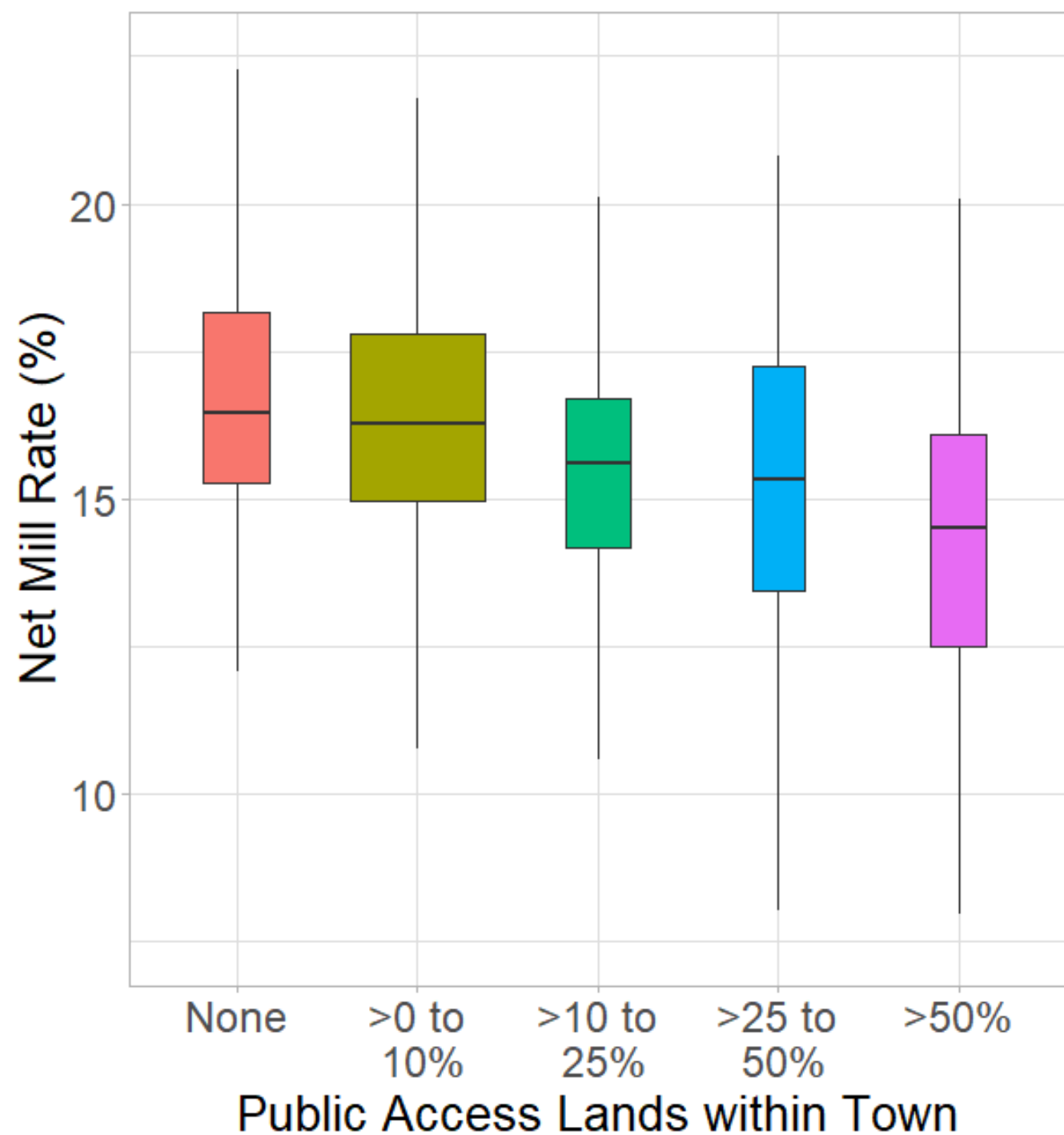


Percent Public Access Land

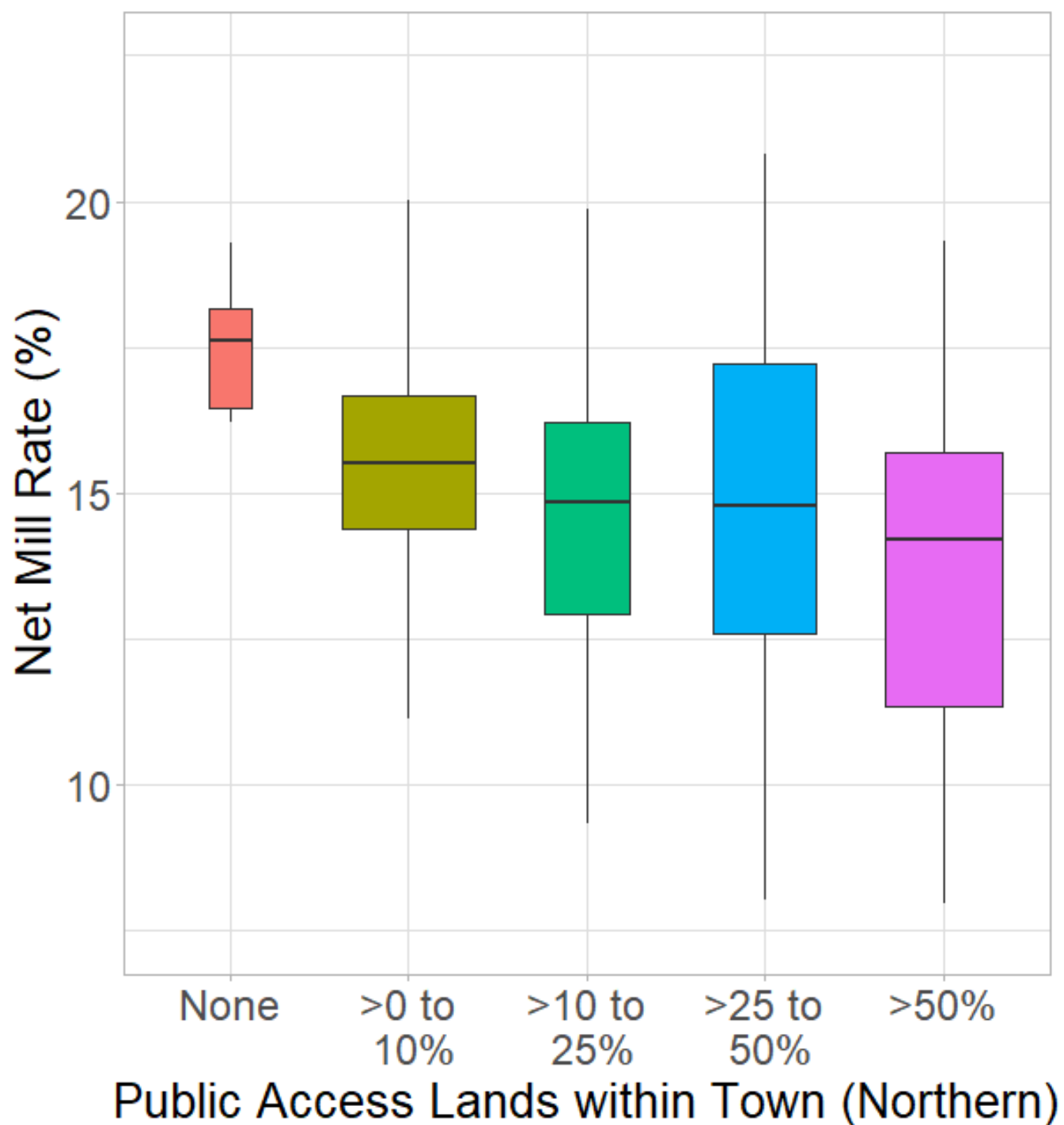
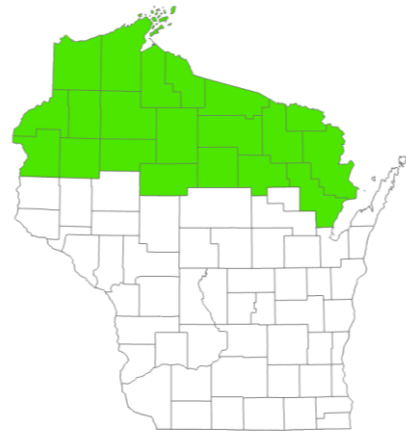


Net Mill Rate

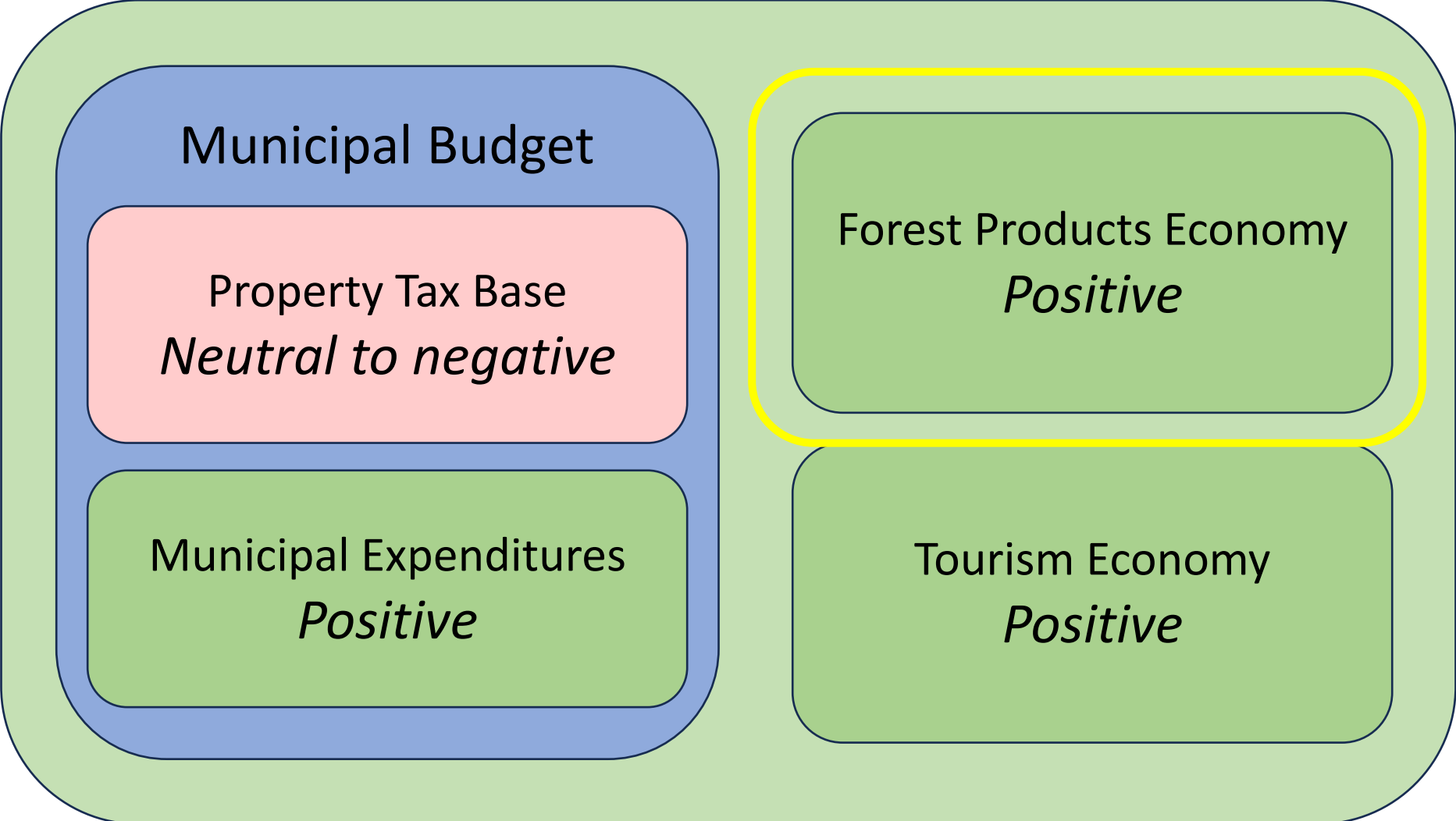
Statewide, a higher percentage of public access land is associated with a lower net mill rate.



The relationship between public access lands and tax rate is more pronounced in the northern (north of 29) 20 counties.



Economic Effect of Timberland Conservation Easements Compared to Parcelization and Development



Forest Products Economy



With a Conservation Easement

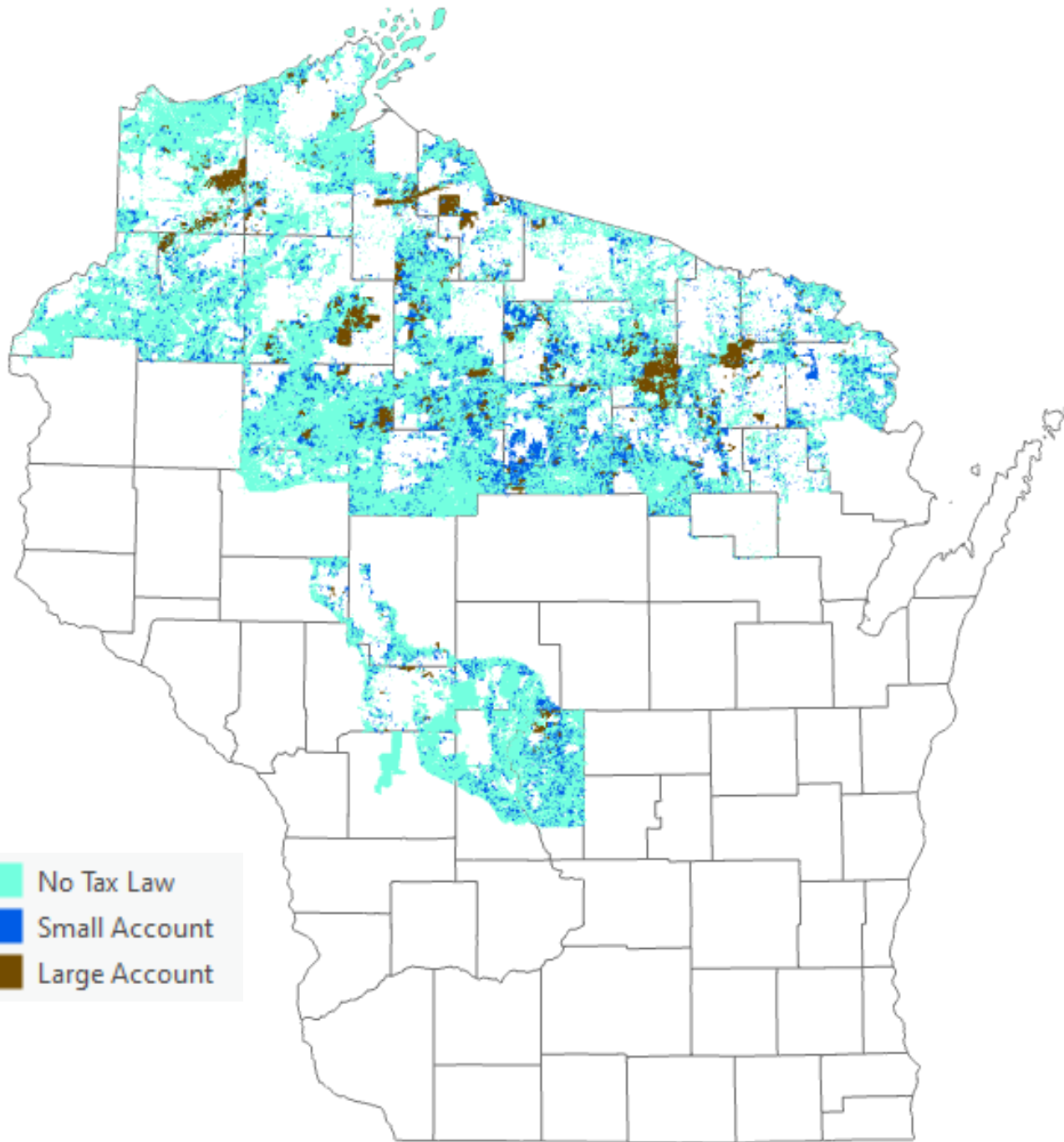
- Increased certainty of some level of timber harvest, although harvest intensity could change
- Increased predictability of harvest frequency and wood product supply
- Increased multiplier effect of the timber harvest industry
- Prevents land use that would explicitly exclude timber harvest

Forest Products Economy



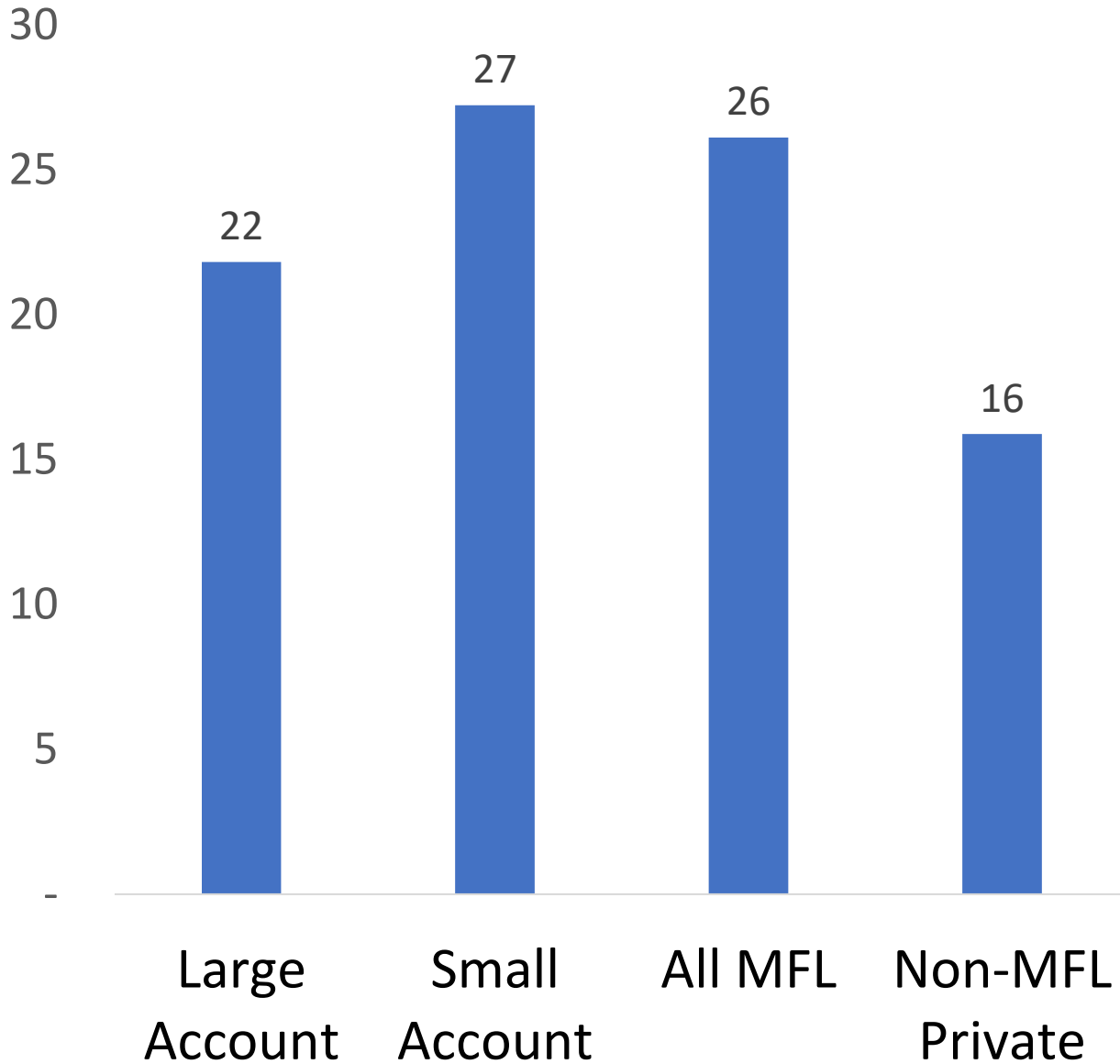
Without a Conservation Easement

- Increased harvest difficulty due to increased parcelization and smaller parcels
- Increased harvest difficulty due to different landowner motivations
- Decreased harvest volume due to decreased enrollment in tax law programs
- Decreased multiplier effect of the timber harvest industry



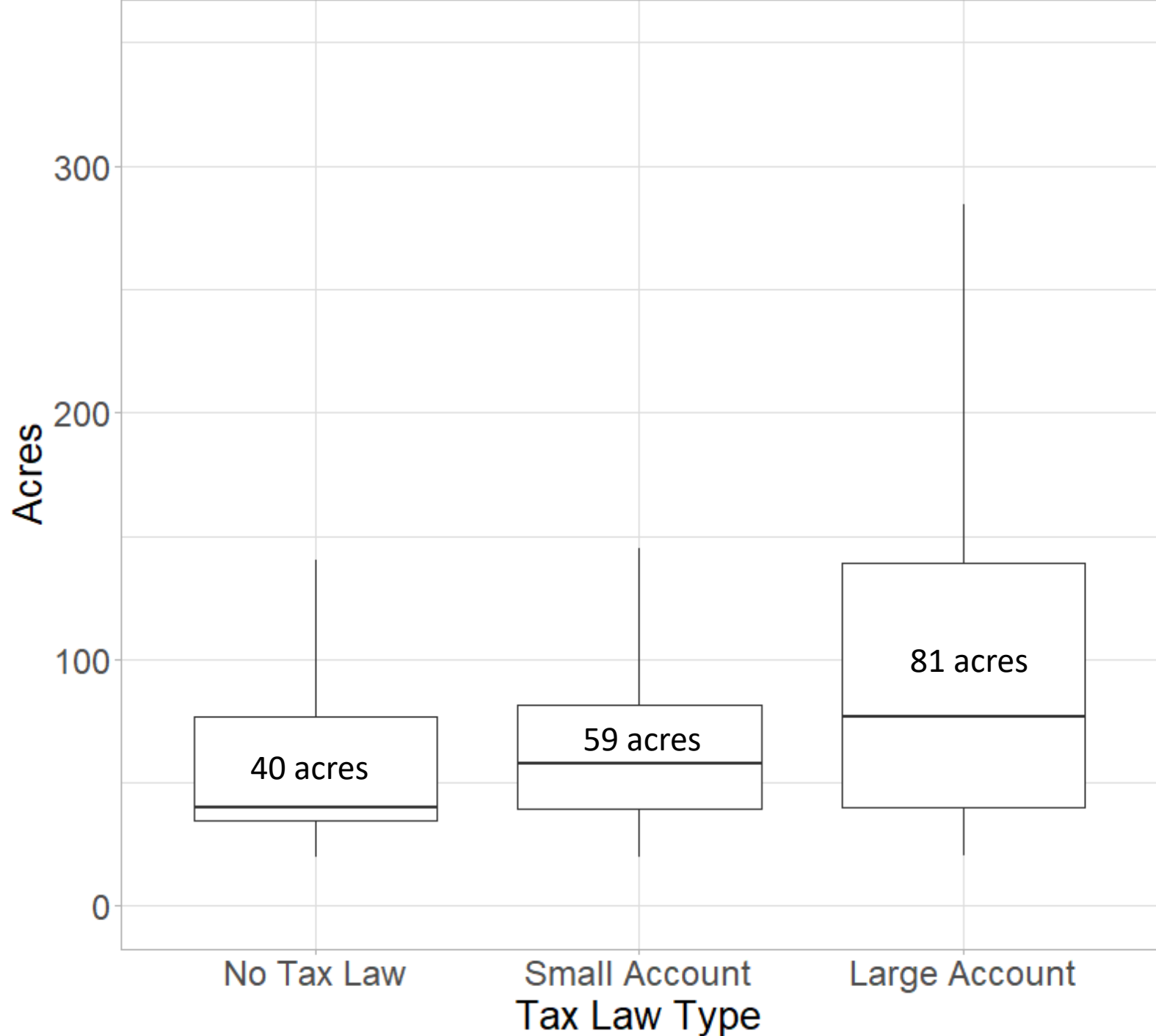
- A large majority of the forested private properties greater than 20 acres in Wisconsin are not enrolled in a tax law program.
 - Non-tax law (77%)
 - 3.8mm acres
 - Small account tax law (17%)
 - 851k acres
 - Large account tax law (5%)
 - 256k acres

Removals (cubic feet/acre/year)



- Non-tax law private landowners harvest 38% less volume annually than tax-law landowners

- Properties size is smaller on the non-tax law, forested private properties greater than 20 acres in Wisconsin



Forest Products Economy



Summary

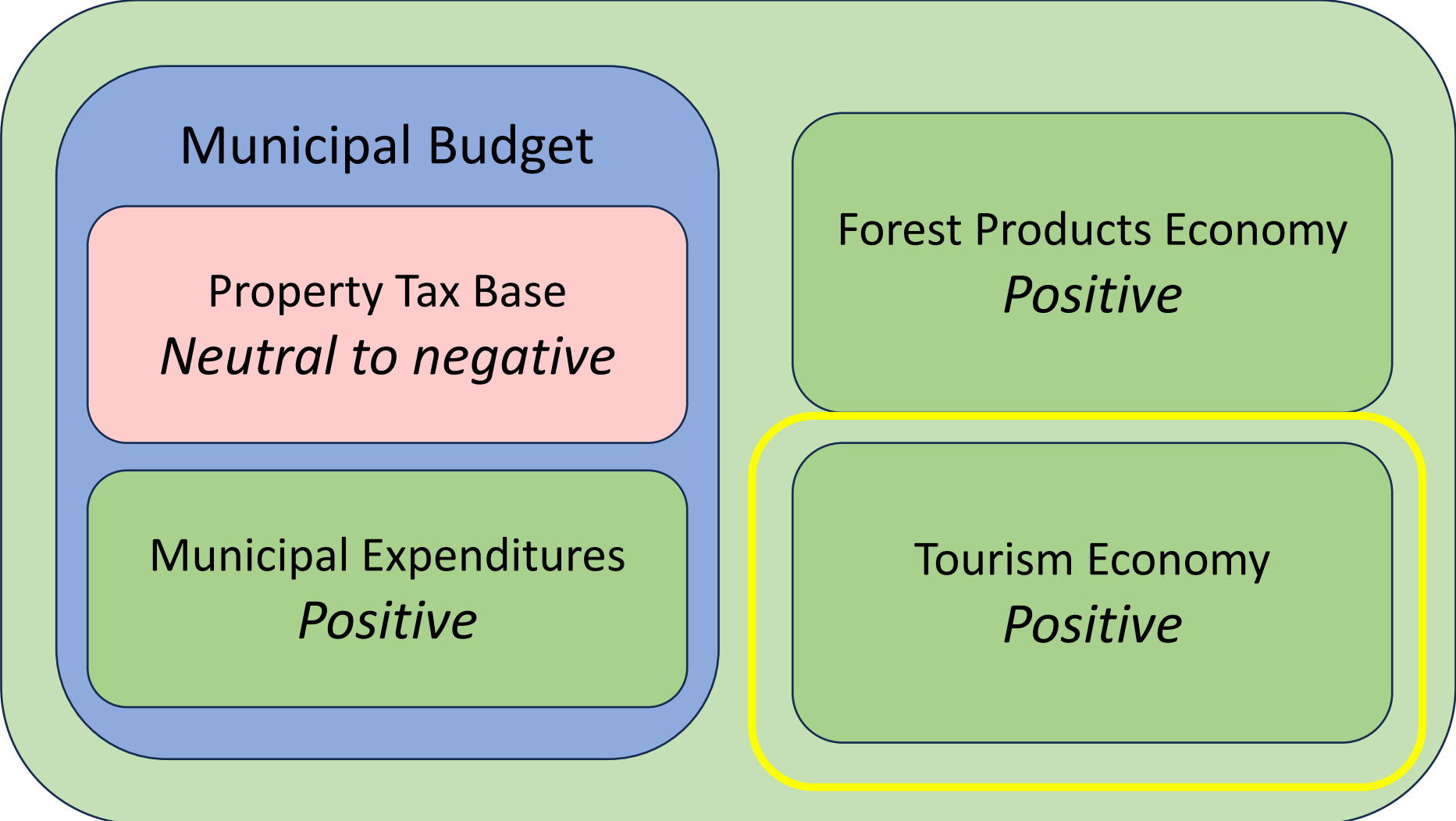
***With* a Conservation Easement**

- Positive benefit to the predictability and certainty of some timber harvest

***Without* a Conservation Easement**

- Decreased volume of timber harvest and negative effect on the predictability and certainty of timber harvest

Economic Effect of Timberland Conservation Easements Compared to Parcelization and Development



Tourism Economy



With a Conservation Easement

- Increased use of the property for many types of outdoor recreation
- Increase likelihood that recreation facilities will be developed
- Increased local spending on fuel, local lodging, entertainment, and supplies
- Increased possibility of connection to other outdoor rec destinations
- Increased possibility of becoming an outdoor recreation destination

Tourism Economy



Without a Conservation Easement

- Decreased use of the property for many types of outdoor recreation
- Increased usage by “second-home” tourists who spend less in the local economy
- Decreased likelihood of connecting recreation opportunities
- Decreased possibility of becoming an outdoor recreation destination

Tourism Economy



Summary

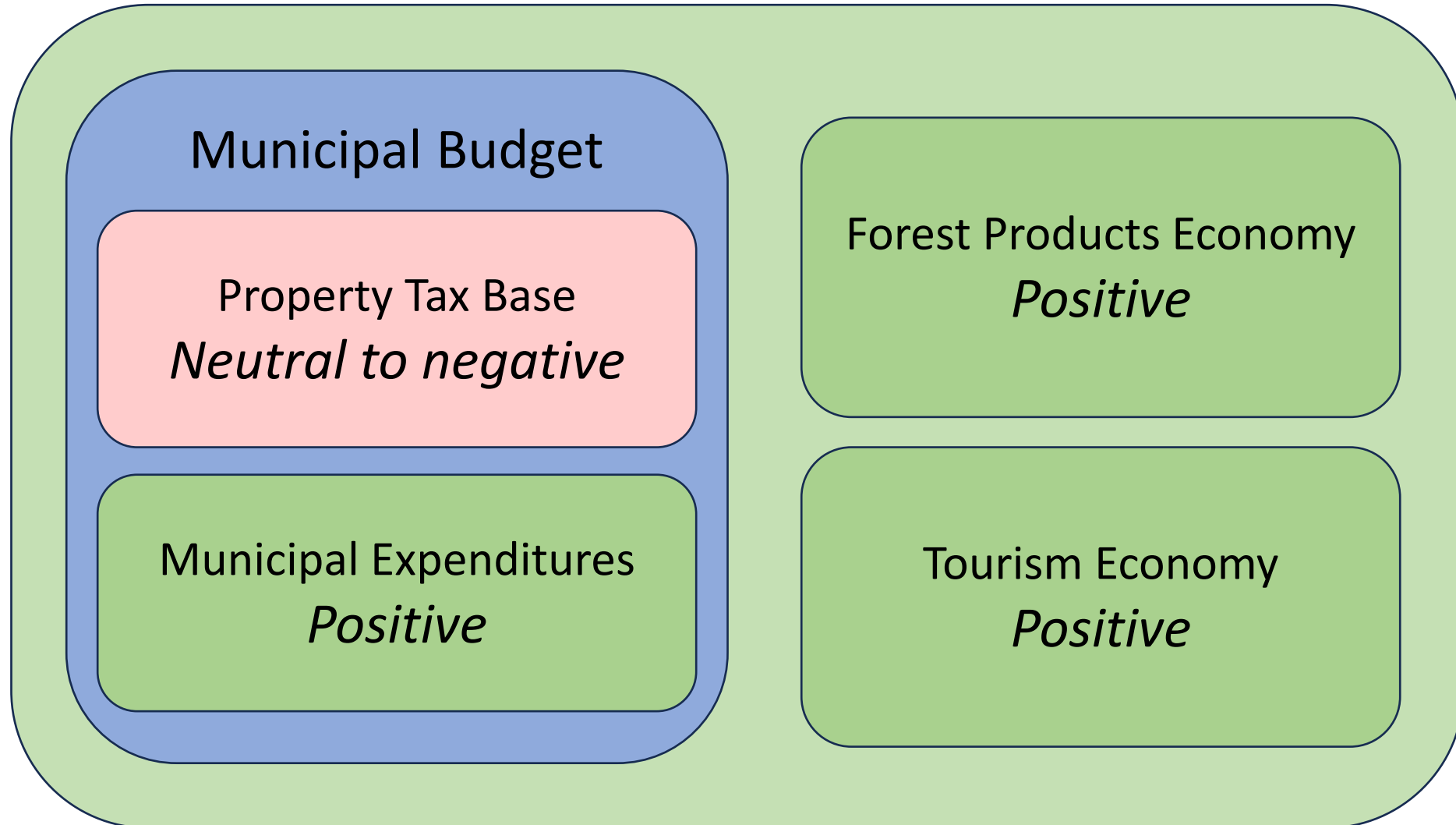
***With* a Conservation Easement**

- Increase visitation for multiple uses and increased local spending
- Increased certainty of long-term usage

***Without* a Conservation Easement**

- Decreased visitation and increased uncertainty of usage

Likely Long-term Economic Effect of Most Timberland Conservation Easements



Conclusion

There are more higher probability pathways for a timberland conservation easement to have a positive economic benefit compared to is being parcelized and developed.





Questions?

Robert.smail@wisconsin.gov