

The Managed Forest Law – A Review of Potential Program Revisions

Wisconsin Council on Forestry - MFL Committee Report

April 22, 2013



OVERVIEW / OUTCOMES

- ❑ Review Scope and Criteria Results
- ❑ Committee Issues/Modifications Consensus Levels
- ❑ Review Issues and Proposed Modifications

- ❑ **CONCLUDE WITH A SET OF PROPOSED MODIFICATIONS THAT THE COUNCIL ON FORESTRY CAN ENDORSE WITH POTENTIAL REMAINING ISSUES THAT THE LEGISLATURE MAY CHOOSE TO ADDRESS**



Council on Forestry – MFL Committee

Individuals participating in the committee's efforts include:

- Richard Wedepohl – CoF Member, Wisconsin Woodlands Owners Association (Chair Phase 1)
- Tom Hittle – Steigerwaldt Land Services, Inc. (Chair Phase 2)
- Henry Schienebeck – CoF Chair – Great Lakes Timber Professionals Association
- Representative Jeff Mursau – CoF Member
- Representative Fred Clark – CoF Member
- Nancy Bozek – Wisconsin Woodlands Owners Association
- Kim Quast – CoF Member, Wisconsin Consulting Foresters – Quast Forestry Consulting
- Troy Brown – CoF Member, Lumber Industry Representative – Kretz Lumber
- Bill O’Brion – Plum Creek
- Richard Stadelman – Wisconsin Towns Association
- Mark Paulat – Wisconsin Department of Revenue

Technical Advisory/Non-voting members

- Robert Mather – Department of Natural Resources- Staff technical advisor
- Kathy Nelson – Department of Natural Resources- Staff technical advisor



SCOPE

The scope of this effort includes identifying and assessing potential modifications to the Managed Forest Law (MFL). The intent is to generate a set of modifications that can be introduced through legislative procedures to ultimately amend the Managed Forest Law. The alterations, as determined through the procedure described below, are meant to focus on **efforts to modernize and streamline the program, and maintain overall program viability**. More specifically, any modifications should ideally accomplish the following criteria:

- *Reduce DNR administration cost, conflict, and/or law complexity*
- *Maintain public, non-MFL stakeholder, understanding and support*
- *Maintain municipality and local government support*
- *Support the core MFL purpose of sound forest management and commercial timber production (as ref. Wis. Stat. 77.80)*
- *Encourage continued program enrollment and discourage non re-enrollment*
- *Address concerns of MFL forest land owner stakeholder groups*
- *Address concerns of industry stakeholder groups*



RESULTS

This package addresses the **modernization, streamlining and DNR efficiencies goals** through numerous efforts, some of which can be highlighted as follows:

- The re-design of the withdrawal and yield tax calculations and collections procedures
- Modifications to disallow structures and allow small acreage withdrawals
- Continued emphasis on using WisFIRS (digital plan signatures approval etc.)
- Streamlining MFL renewal and application referral procedures
- Numerous small administrative and law modifications



Modifications that should facilitate **continued forest landowner interest and support** for the MFL, some of which are as follows:

- The adjustments made to withdrawal fees and allowance for small acreage withdrawals
- Modifications to minimize the risk of forced withdrawal due to forest productivity standards
- The allowance for additions to existing neighboring MFL entries
- Altering the MFL renewal procedures to make it easier to re-enroll
- Reinstatement of leasing (for small landowners)
- Removal of the limit on acreage for closed lands
- Minimized individual harvest approval process (for large landowners)



From the **public and local government perspective** it is anticipated that the following proposed MFL modifications will **yield continued support** for the program:

- The requirement that open lands are truly open and accessible and that all large ownerships remain open to public recreational use
- The elimination of provisions to allow structures on new MFL lands
- Streamlined collection process for yield and withdrawal taxes which should connect tax monies with government more directly, and quicker, and allow collection of processing fees
- Modifications to withdrawal procedures and MFL minimum acreage eligibility which may place more lands on the regular tax role

The package of 23 issues presented here comprises, what the committee felt, was a reasonably well-balanced group of modifications. Attempts to single out certain issues could have consequences with interconnected issues or may impact support for the overall process.










CRITERIA EVALUATION SUMMARY

ISSUE	PAGE	Reduce WDNR administration cost, conflict, and/or law complexity	Maintain public, non MFL stakeholder, understanding & support	Maintain municipality and local government support	Support core MFL purpose of sound forest management and commercial timber production (as ref Wis. Stat. § 77.80)	Encourage continued program enrollment and discourage non re-enrollment	Address concerns of MFL forest owner stakeholder groups	Address concerns of industry stakeholder groups
Require modified management plans for ownerships that exceed 1,000 acres (large owners) to include the establishment of allowable harvest calculations	23	-	Ø	+	+	-	-	+
Allow for electronic signature/approval by DNR and the landowners on revised management plan documents for existing participants	24	+	Ø	Ø	+	+	+	Ø
Eliminate the application referral process	26	+	Ø	Ø	Ø	Ø	Ø	Ø
Create a new or revise the current application for renewal of MFL lands	28	Ø	Ø	Ø	Ø	+	+	Ø
Allow landowners to open or close lands regardless of acreage	29	+	-	Ø	Ø	+	+	Ø
Create a provision to require landowners to identify legal access to lands open to public recreation or deny them the ability to enroll lands as open	31	-	+	+	Ø	-	-	Ø
Repeal prohibition on recreational leasing	32	+	-	Ø	Ø	+	+	Ø
Reduce DNR oversight intensity in on-the-ground-management	33	Ø	Ø	Ø	+	Ø	+	+
Eliminate the study requirements for the MFL program after 5 years of existence	34	+	Ø	Ø	Ø	Ø	Ø	Ø
Update the provision for the DNR to report to the legislature on the number of exempt withdrawals	35	+	Ø	Ø	Ø	Ø	Ø	Ø
Eliminate statutory provisions related to WTL	36	+	Ø	Ø	Ø	Ø	Ø	Ø
Eliminate the wording that directs the department to order land withdrawn at expiration of MFL	37	+	Ø	Ø	Ø	Ø	Ø	Ø

Favorably meets criteria = "+", Does not meet criteria = "-", Neither favorable nor unfavorable = "Ø"



CRITERIA EVALUATION SUMMARY

				 Support core MFL purpose of sound forest management and commercial timber production (as ref Wis. Stat. § 77.80)			
	Reduce WDNR administration cost, conflict, and/or law complexity	Maintain public, non MFL stakeholder, understandin g & support	Maintain municipality and local government support		Encourage continued program enrollment and discourage non re- enrollment	Address concerns of MFL forest owner stakeholder groups	Address concerns of industry stakeholder groups
∅	6	16	16	14	9	8	19
+	15	2	5	9	10	11	4
-	2	5	2	0	4	4	0

Change in open/closed rate (lowered) 

Reduce withdrawal taxes/fees 

Allow lands to remain in MFL (exempt withdrawal) after natural events 

Allow lands to remain in MFL (exempt withdrawal) after ownership splits  

Increase minimum acreage entry size  

Eliminate lands with improvements (structures)  

Require allowable harvest calculations for large land owners   

Allow landowners to close lands regardless of acreage 

Require legal access to MFL-Open lands or require be closed   

Repeal prohibition on leasing 

ISSUES SUMMARY

The issues removed from further consideration include:

- ✓ Eliminate the need for an MOU with tribes who withdraw lands from the MFL.
- ✓ Permit management plans for groups of owners of managed forest land to be modified in the same manner as permitted for large ownerships.
- ✓ Allow all managed forest landowners a three-year period in which to harvest timber.
- ✓ Create a designation for Forest Enterprise Areas.
- ✓ Limit the ability of MFL landowners/applicants to close lands to the public.



Issues by Committee Consensus “Levels”

The Modifications section contains 23 proposed revisions that the committee was able to agree to move forward.

Four issues listed under the **Administration group were deemed to be all reasonable and generally without concern to advance.**

- ✓ Eliminate the study requirement for the MFL program after 5 years of its existence.
- ✓ Update the provision for DNR to report to the legislature on the number of exempt withdrawals. Remove references to WTL and include references to tribal lands for FCL lands.
- ✓ Eliminate statutory provisions related to Woodland Tax Law.
- ✓ Eliminate the wording that directs the department to order the land withdrawn at the expiration of an MFL order period.



The committee **without too much difficulty or concern reached consensus** on the proposed modifications on 12 issues.

- ✓ Reduce/restructure withdrawal taxes and fees
- ✓ Allow Counties to generate and collect financial transactions for MFL yield and withdrawal taxes
- ✓ Eliminate the 5% yield tax comparison requirement for determining withdrawal taxes
- ✓ Allow small acreage withdrawals without full description withdrawal
- ✓ Allow lands to remain in MFL, or allow exempt withdrawal if natural events cause lands to no longer meet productivity requirements
- ✓ Increase minimum acreage entry size allowed
- ✓ Allow additions to existing MFL entries regardless of entry year
- ✓ Eliminate lands with improvements with assessed values
- ✓ Shift the contents of s. NR 46.18 (4), Wis. Adm. Code (large owners), to the managed forest land subchapter of Ch. 77, Stats
- ✓ Allow for electronic signature/approval by DNR and the landowners on revised management plan documents for existing participants
- ✓ Eliminate the application referral process
- ✓ Revise the current application process for renewal of MFL lands



After more lengthy discussion, and in some cases after reworking the specific proposed modification, the committee was able to reach general consensus to move six of the seven remaining issues forward.

- ✓ Allow lands to remain in MFL, or allow exempt withdrawal if splits in ownership cause lands to no longer meet productivity requirements
- ✓ Require modified management plans for DNR designated large ownerships to include the establishment of an allowable harvest calculation
- ✓ Reduce DNR oversight intensity in on-the-ground-management for certified large owners
- ✓ Allow landowners to open or close lands regardless of acreage
- ✓ Require landowners to identify legal access to lands open to the public or deny the ability to enroll (or keep) MFL lands as open. Require all large owner lands to be open for public recreation
- ✓ Repeal prohibition on recreational leasing except for large owners



The committee's conclusion on the remaining single issue; *"Change in the rate for open/closed acreage"*, was a **consensus to advance this topic to the full CoF such that further consideration be given to:**

- Leaving the open acreage rate unchanged
- Lowering the closed acreage rate with the possibility of directing a portion of the closed acreage fee to the Counties and municipalities rather than all into the Forestry Account.

The ease at which the committee reached consensus on a given issue should not be misconstrued as an indicator of the importance of the individual issue for MFL modification, or as a scale of the extent of the benefits resulting from the change.



Issue and Modification Review



Proposed Revision: Reduce/restructure withdrawal taxes and fees (Report Page 7)

Current Situation:

- Landowners who withdraw lands from MFL early are required to pay a withdrawal tax and fee based upon the assessed value of the land in the year prior to withdrawal, the net town tax rate, and the number of years under the law.
- Previously paid acreage share and yield tax amounts are subtracted from the withdrawal fee owed by the landowner withdrawing the MFL lands.

Proposed Modifications:

- Modify the current withdrawal tax formula to reduce the amount due on lands if voluntarily or involuntarily withdrawn.
- The procedure of subtracting the paid acreage share and yield taxes from the withdrawal fee would be eliminated. (This also provides for the elimination of the need to report harvest volumes on cutting reports by legal description.)
- The calculation of the withdrawal fee would be based on the ad valorem tax for the individual parcel the year prior to withdrawal.
- The MFL Committee concluded that 5 to 10 years would be a reasonable maximum number of years to be used to calculate withdrawal tax.



Proposed Revision: Change the procedure to allow Counties to generate and collect financial transactions for MFL yield and withdrawal taxes (Report Page 9)

Current Situation:

- MFL Yield Tax:
 - The DNR bills landowners for yield tax one to two months following completion of a timber harvest.
 - The DNR collects monies, including interest, and is required by statute to pay the local municipality annually.
 - The local municipality is then required to pay the County 20% of amount collected annually.
- MFL Withdrawal Tax:
 - The DNR determines which lands are no longer in compliance with the law.
 - Order are sent to the County and local municipality.
 - DNR works with the Department of Revenue (DOR) to determine the MFL withdrawal tax amount.
 - DNR credits any yield and acreage share taxes paid for that specific parcel, adds a \$300 administration fee, generates the bill, collects the funds, and pays the local municipality.
 - The DNR keeps the \$300 administration fee and sends the remainder to the local municipality. The local municipality currently keeps 80% and sends 20% to the County.



Proposed Revision: Change the procedure to allow Counties to generate and collect financial transactions for MFL yield and withdrawal taxes (continued – pg 9)

Proposed Modifications:

- MFL Yield Tax:
 - The DNR would compute the bill amount and make information available for a County.
 - Counties would invoice and collect yield taxes from landowners. They would also be able to charge interest on late amounts.
 - Counties would then be required to split those funds with the local municipality.
- MFL Withdrawal Tax:
 - The DNR would still determine when to issue an Order of Withdrawal.
 - The County would determine and collect the withdrawal tax due.
 - The DNR would seek to have the withdrawal tax rate formula simplified to be the actual property tax rate for that specific parcel the year prior to withdrawal as previously described.
 - Once the withdrawal tax is collected, the County would send the local municipality their share.
 - The DNR would seek to allow the County to bill and keep the \$300 administration fee and would also seek to not have the landowner receive credits for any MFL acreage share or yield taxes paid while enrolled in the law.



Proposed Revision: Eliminate the 5% yield tax comparison requirement for determining withdrawal taxes (Report Page 11)

Current Situation:

- Landowners are required to pay the higher of two withdrawal tax calculation formulas, which include the formulas based on:
 - ✓ assessed value, net town tax rate and number of years in the MFL program, or
 - ✓ 5% of the established value of timber based on tree species, volume and product within the established market zones.

Proposed Modifications:

- Eliminate the comparison of the 5% yield tax with the assessed value calculation.
- Eliminate the need for a court ordered estimate if landowners disagree with the 5% yield tax calculation when determining withdrawal taxes.
- Use the withdrawal calculation modification proposal as previously described.



Proposed Revision: Allow small acreage withdrawals without full description withdrawal (Report Page 12)

Current Situation:

- Landowners are allowed to withdraw lands from MFL if they are:
 - ✓ an entire parcel of MFL
 - ✓ all MFL lands within a quarter-quarter section, or
 - ✓ all MFL lands within a government lot or fractional
- Lands that are transferred must meet MFL eligibility.

Proposed Modifications:

- Allow landowners to withdraw small acreage without impacting remaining MFL lands eligibility provided remainder meets minimum acreage eligibility.
- Limit the number of times a small acreage can be withdrawn.
- Landowner would pay normal withdrawal tax.
- Allowed withdrawals would be in whole withdrawal acres and limited in size to 1.0 to 5.0.



Proposed Revision: Allow lands to remain in MFL or allow exempt withdrawal if *natural events* cause lands to no longer meet productivity requirements (Report Page 14)

Current Situation:

- MFL lands must meet eligibility requirements for initial enrollment and continued eligibility.
- Lands that do not meet these criteria must be withdrawn from the MFL program.
- The number of withdrawals due to lands not meeting productivity requirements after natural events is low, however it is expected that the number may increase as a result of such invasive species as the Emerald Ash Borer.

Proposed Modifications:

- Establish the ability for lands to exceed the non-productive level for a designated amount of time and/or allow exempt withdrawal.
- At the end of enrollment period any lands not meeting productivity requirements would not be allowed to be re-enrolled.



Proposed Revision: Allow lands to remain in MFL or allow exempt withdrawal if *splits in ownership* cause lands to no longer meet productivity requirements (Report Page 15)

Current Situation:

- MFL lands must meet eligibility requirements for initial enrollment and continued eligibility
- Lands that were enrolled as larger ownerships with orders that met productivity requirements at the time of entry occasionally no longer qualify after a land transfer and MFL order division.

Proposed Modifications:

- Eliminate the provisions that require that transferred (sold and still under MFL) lands must meet the 80/20 productivity eligibility requirements, or modify, to allow exempt withdrawal.
- Eliminate the provisions that require remaining MFL lands after a transfer must meet the 80/20 productivity eligibility requirements, or modify, to allow exempt withdrawal.
- At the end of enrollment period (25 or 50 years) any lands not meeting productivity requirements would not be allowed to be re-enrolled.



Proposed Revision: Increase minimum acreage entry size allowed (Report Page 17)

Current Situation:

- The minimum acreage of lands that can be enrolled into MFL is 10 contiguous acres; of these 10 acres, 80% of the lands must meet productivity requirements.

Proposed Modifications:

- Increase the minimum size requirements for new MFL entry or parcel size to 15 acres, and maintain the 10 acre minimum continued eligibility requirement.



Proposed Revision: Allow additions to existing MFL entries regardless of entry year (Report Page 18)

Current Situation:

- Landowners who enrolled lands in MFL in 2004 and earlier are unable to add lands to these MFL Orders.
- Ability to withdraw the 2004 and earlier entry, and re-enroll those same acres with the additional acreage to be added under a 2005 and later MFL entry.
- A withdrawal tax is not issued in these situations.
- Landowners are taxed using the 2005 and later formulas.
- A new 25 or 50 year term would be in effect.
- Withdrawal taxes include the time the lands were enrolled in 2004 and earlier order.
- DNR is required to track past withdrawals and re-designations.

Proposed Modifications:

- Eliminate the references to the 2005 change in the MFL program when the change in tax calculation formula became effective.
- Any additions to an existing entry would expire the same year as the original order.
- Eliminate the withdrawal and re-designation application process.
- Acreage added to an existing MFL entry is taxed at same rate as the initial acreage and treated the same for withdrawal fee calculations.



Proposed Revision: Eliminate lands with improvements with assessed values (Report Page 19)

Current Situation:

- Landowners may enroll lands with buildings that are used for working or recreating on the MFL property. Buildings are taxed as personal property.
- Buildings used for a human residence must not exceed 4 of the 8 building characteristics.

Proposed Modifications:

- Change statutory provisions to eliminate entry of lands with improvements.
- Eliminate references to the building requirements (will need to keep this provision for those MFL entries that are already enrolled and will be grandfathered up to a specific date identified in the statute).
- Set whole acre exclusion area surrounding any buildings.



Proposed Revision: Shift the contents of s. NR 46.18 (4), Wis. Adm. Code (large owners), to the managed forest land subchapter of Ch. 77, Stats. (Report Page 21)

Current Situation:

- DNR allows landowners who meet the criteria of a large landowner to keep their management plan and forest reconnaissance data for their properties in their own ownership or office, and to provide DNR with a commitment to follow their management plan.
- DNR has given consideration to large landowners in the management of their properties in that they do not have to have a site specific management plan
- Large landowners have a forester on staff or retained, have recon data of their property and management criteria.
- DNR may audit management plans and systems to determine continued eligibility under the MFL program.

Proposed Modifications:

- Copy the wording for large ownership requirements from NR 46, Wis. Admin. Code and place it into ch. 77, Wis. Stats.



Proposed Revision: Allow for electronic signature/approval by DNR and the landowner on revised management plan documents for existing participants (Report Page 24)

Current Situation:

- In the past management plans were hand written and required the signature of both the landowner and the DNR Forester.
- Changes have occurred with the development of the WisFIRS computer generated management plan.
- At time of entry into the law, landowners submit their proposed management plan to DNR for approval.
- The landowner signature is on the MFL application.
- When DNR approves the application the management plan is also approved by default.
- Updated management plans that are being written through WisFIRS currently do not have a space for landowner or DNR signature.
- Updates to management plans will be easier to do and facilitated with the WisFIRS automated computer system.
- As management practices are completed, new forest reconnaissance data is collected and any needed upcoming practices are entered into WisFIRS and a new plan will be printed for the landowner.



Proposed Revision: Allow for electronic signature/approval by DNR and the landowner on revised management plan documents for existing participants (continued – pg 24)

Proposed Modifications:

- Allow landowners and the department to obtain landowner approval and acknowledgment of a revised management plan by electronic means using e-mail or other electronic formats.
- Updated management plans will need to be developed with a method to allow for electronic acknowledgment of the revised plan.



Proposed Revision: Eliminate the application referral process (Report Page 26)

Current Situation:

- DNR is required to have a referral system and a process to determine if services from a Certified Plan Writer (CPW) are not available.
- The process requires landowners to have submitted a written request for plan writing services through the Forestry Assistance Locator.
- If by January 1 in the year an MFL application is due, landowners who have not been contacted by a CPW may request the DNR to prepare the MFL application.
- Area Forestry Supervisors will then contact each CPW in the county in which the lands lie and verify that CPWs received the request and have either denied or not offered services.
- If CPWs do not respond to the Area Forestry Supervisor or have replied that they are not interested in providing service, the Area Forestry Supervisor may assign the development of that MFL application to a DNR.

Proposed Modifications:

- Eliminate the need to develop and manage a referral list.
- Eliminate the need to determine when services from a CPW are not available.
- Eliminate the contracting of MFL applications by the Department.



Proposed Revision: Revise the current application process for renewal of MFL lands (Report Page 28)

Current Situation:

- Landowners may re-enroll lands back into the MFL program at the expiration of their current 25 or 50 year term.
- Landowners are required to hire a Certified Plan Writer (CPW) to develop a new application, with the creation of a new management plan.
- Since there are fewer statutory requirements for a renewal than a new entry, it is reasonable that DNR treat renewals differently than new entries.

Proposed Modifications:

- Renewals would eliminate the need for landowners to develop new management plans, and ultimately the review of those plans by DNR staff. DNR would deny renewal if:
 - ✓ The lands fail to meet eligibility requirements
 - ✓ The landowner has failed to comply with the management plan that is in effect on the date that the application for renewal is filed
 - ✓ There are no delinquent taxes on the land
 - ✓ Ownership and entry acreage has not changed, and
 - ✓ All forested acreage must have an inspection/update date in WisFIRS within the last 5 years and be updated to reflect any recently completed management.



Proposed Revision: Require modified management plans for DNR designated large ownerships to include the establishment of allowable harvest calculations (Report Page 23)

Current Situation:

- Landowners who qualify as a large landowner are expected to follow their own management plans.
- Harvesting occurs according to the large landowner's management plan.

Proposed Modifications:

- Require that an allowable harvest be established.
- This modification would need to provide for the multiple accepted approaches to calculating allowable harvests and allow harvest levels that can vary to some definable degree over time.
- The allowable harvest would need to be approved by DNR to ensure compliance with any statutory requirements.
- Administrative code would need to be developed to identify how and what is required in the allowable harvest analysis.
- Large ownership category landowners that are under a recognized third party forest certification or are under a working forest conservation easement would be excluded from this calculation.



Proposed Revision: Reduce DNR oversight in on-the-ground-management for certified large owners (Report Page 33)

Current Situation:

- MFL landowners are required to submit a cutting notice at least 30 days prior to cutting.
- DNR Foresters review the cutting notice and approve or deny the cutting within 30 days.
- Review of the cutting notice may, and often does, include a site visit to the property.

Proposed Modifications:

- Clarify recognition that DNR designated large landowners with professional forest management staff and that are third party certified are not required to have each and every harvest approved via the current cutting notice process.
- Contingent on establishing a credible audit procedure.



**Proposed Revision: Allow small landowners to close lands regardless of acreage
(Report Page 29)**

Current Situation:

- Landowners are allowed to close 160 acres of lands to public recreation, of which only 80 acres or two legal descriptions per municipality may be lands enrolled in 2004 or earlier.
- This acreage limitation encourages landowners to subdivide property into different ownerships in order to close as much land as possible.

Proposed Modifications:

- Eliminate the closed acreage limitation for new entries, renewals.



Proposed Revision: Require landowners to identify legal access to lands open to the public or deny the ability to enroll (or keep) lands as MFL - Open. Require all large ownerships to be open (Report Page 31)

Current Situation:

- Landowners may close up to 160 acres of land to public recreation.
- Lands that are open to public recreation are sometimes surrounded by other ownerships that are closed to public access.
- Allows for lands open to public recreation to be land-locked, making it difficult for the public to realize the benefits of recreating on MFL – Open lands.

Proposed Modifications:

- Create a provision to require a landowner to identify legal access to MFL – Open lands or deny them the ability to enroll or maintain lands as “open”.
- Landowners who cannot provide evidence of legal access to open lands would lose their “open” tax status and be required to pay the “closed” MFL acreage rate.
- MFL ownerships categorized by the DNR as large landowners would not be allowed to have lands enrolled under the “closed” category and would also not be required to identify access to interior parcels.



Proposed Revision: Repeal prohibition on recreational leasing for small landowners only (Report Page 32)

Current Situation:

- MFL landowners are not allowed to receive consideration for recreation activities on MFL lands.
 - ✓ Between 1986 and 1992, leasing of MFL lands for recreation was not allowed.
 - ✓ In 1992, a change in Wis. Admin. Code allowed lands to be leased.
 - ✓ The leasing prohibition was effective on January 1, 2008.

Proposed Modifications:

- Permit leasing including other agreements for consideration (reimbursement) that permit persons to engage in a recreational activity.
- Reverse the 2008 legislation, allowing small landowners the ability to lease lands again.
 - ✓ This reinstatement would exclude DNR designated large ownerships where leasing would not be allowed consistent with the previous revision requiring large block ownerships to be open only.



Proposed Revision: Change in rate for open/closed acreage (Report Page 5)

Current Situation:

- Two acreage share and closed acreage fee formulas, depending if lands were enrolled in MFL in 2004 and earlier, or 2005 and later.
- Statewide data is used to determine the acreage share tax rate and closed acreage fees for both sets of formulas.

EFFECTIVE DATES	Enrolled 1987 - 2004		Enrolled 2005 or Later	
	OPEN	CLOSED	OPEN	CLOSED
2003 - 2007	\$0.83	\$1.95	\$1.46	\$7.28
2008 - 2012	\$0.67	\$1.57	\$1.67	\$8.34
2013 - 2017	\$0.79	\$1.87	\$2.14	\$10.68

Open Acreage share tax = 5% of average statewide tax on productive forest land (\$42.70/acre)

Closed acreage fee = 20% of average statewide tax on productive forest land (\$42.70/acre)

- Under current law, local municipalities normally keep 80% of the open acreage tax and the remaining 20% is remitted to the County.
- The entire amount of the closed acreage fee is remitted to the County, who then remits the entire amount to the State's Forestry Account for allocation by the Legislature.

Proposed Modifications:

- The MFL Committees conclusion was that lower rates, primarily for closed acreage, could be considered with additional consideration to be given to redirecting a portion of the closed acreage fee to local municipalities and Counties.





Proposed Revision: Eliminate the study requirement for the MFL program after 5 years of its existence (Report Page 34)

Current Situation:

- The requirement for a program review after 5 years of the MFL program has been completed.

Proposed Modifications:

- Eliminate the study requirement for the MFL program after 5 years of its existence.



Proposed Revision: Update the provision for DNR to report to the legislature on the number of exempt withdrawals. Remove references to WTL and include references to tribal lands for FCL lands (Report Page 35)

Current Situation:

- DNR is required to report to the legislature the amount of lands that are withdrawn from MFL, Forest Crop Law (FCL) and Woodland Tax Law (WTL) as an exempt withdrawal if the number of withdrawals exceeds 1% of the total acreage of lands in the programs.

Proposed Modifications:

- This provision needs updating to reflect the ending of the WTL program and the beginning of the exempt withdrawal for tribal lands for lands owned by the tribes in FCL, similar to the Wis. Stat. s. 77.885 MFL provisions.



Proposed Revision: Eliminate statutory provisions related to Woodland Tax Law (Report Page 36)

Current Situation:

- The Woodland Tax Law (WTL) has expired, with the last WTLs expiring on December 31, 2001. Statutes continue to reference WTL and could be removed.

Proposed Modifications:

- Eliminate statutory provisions related to WTL.



Proposed Revision: : Eliminate the wording that directs the department to order the land withdrawn at the expiration of an MFL order period (*Report Page 37*)

Current Situation:

- DNR notifies local municipalities of lands that have expired from the MFL program similar to the expiration notices in FCL.
- DNR has not issued Orders of Expiration.
- This provision allows DNR to continue using current processes.

Proposed Modifications:

- DNR would be required to provide a list of lands expiring from the MFL program similar to the notification provided for the FCL program.

