

## **Background**

In 2011 the Wisconsin Legislative Council addressed modifications to the Managed Forest Law (MFL) that concluded with the report titled *Special Committee on Review of the Managed Forest Land Program*. This legislative study ultimately generated Senate Bill 161 which failed to pass by joint senate resolution in the spring of 2012. Following this, the Wisconsin Council on Forestry (CoF) convened a committee to address continued concerns expressed by various forestry stakeholders regarding numerous issues related to the administration of the MFL and landowner participation. The CoF's current effort resulted in a report summarizing 24 recommended MFL program revisions. As noted below, from the July 9, 2013 CoF meeting, action is requested to implement these revisions.

*The Council accepts the Managed Forest Law report dated June 19, 2013, as the final summary of recommended program revisions. The Council submits the report to the Council's legislative representatives with the request that legislation be drafted based on the recommendations in the report. The Council further requests that the 21 items for which there is consensus be drafted as a package, reflecting the trade-offs contained within. The Council further recognizes that there are issues in the report for which the consensus did not include specific recommendations. The Council stands ready to work with the legislature, as requested, to refine those issues.*

This document is intended to provide an overview of the importance of the Managed Forest Law and reinforce the CoF's opinion that efforts to maintain the program are critical to the continued sound stewardship of Wisconsin's private forestlands and the economic strength of the State's forest industry.

## **The Importance of the Managed Forest Law**

Of Wisconsin's nearly 17 million acres of forest, nearly 60 percent is owned by private entities. Individuals and families, numbering in the range of 360,000, own the majority of this acreage. While numerous transactions over the last several years have shifted large timberland ownership, these owners along with the small private non-industrial forestland owners play an important role in supporting Wisconsin's timber industry; a vital economic sector that produces products valued at over \$16 billion and is the number 1 employer in 23 Wisconsin Counties. Approximately two-thirds of the wood harvested in Wisconsin and utilized by the forest industry comes from these privately owned forestlands.

Since 1927, and the inception of the Forest Crop Law (FCL), Wisconsin has relied on property tax incentives to promote sustainable forest management and timber production on private forestlands. At present, 3.4 million acres are enrolled in the Forest Crop and Managed Forest Law (MFL), the latter of which has been in effect since 1986. The majority of this forest land, about 3.24 million acres is currently enrolled in the MFL. (New entries in the FCL were closed with the start of the MFL.) The MFL is typically viewed as one of the more successful forestry incentive programs in the United States and has proven to be popular with private forestland owners with program growth averaging 3 percent per year.

The purpose of the MFL, as directed by state statute, is: to encourage the management of private forest lands for the production of future forest crops for commercial use through sound forestry practices, recognizing the objectives of individual property owners, compatible recreational uses, watershed protection, development of wildlife habitat and accessibility of private property to the public for recreational purposes. (Wis. Stat. § 77.80)

The MFL provides a multitude of benefits to the residents of Wisconsin by helping landowners keep forest lands forested, including:

- Clean Air and Carbon Sequestration
- Clean Water
- Certified Raw Forest Products
- Jobs and a Critical Economic Sector
- Wildlife Habitat
- Endangered Resources Protection
- Recreational Opportunities
- Aesthetics
- Contributions to Tourism Industry
- Reduced and Deferred Property Taxes
- Minimized Fragmentation
- Access to Sound Forestry Services

### **Why the Proposed Revisions to the MFL?**

The Managed Forest Law was conceived in the early 1980's, nearly 30 years ago, and has evolved over the years as necessitated to adjust to changes in a wide range of areas including in part, increasing property tax rates, digital technologies, decreasing public assistance, forest certification, changing landowner demographics, and an ever increasing list of desired program objectives and outcomes. Along with this came an expansion of the number and diversity of direct and indirect stakeholders. The MFL has thus evolved into a "one size fits all" program which has the potential of not being a perfect fit for any one stakeholder. Yet, to be a viable program going forward, there needs to be an acceptance of this general fit and the willingness by many to support the MFL for all of its combined benefits.

It has been routine for MFL revisions to occur on nearly an annual basis over much of the life of the program. This current effort has attempted to encompass the multitude of issues which in the CoF's opinion are significant to the continued viability of the MFL with hope that the passage of the recommendations will in part mean a more static program for landowners. The criteria used to select the issues for potential modification were:

- *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*

It is the CoF's belief the package of 24 revisions contains a reasonable balance of outcomes across the various stakeholder groups and proposed modifications adequately and reasonably addresses all seven of these criteria. Attempts to segregate out individual modifications or otherwise significantly alter the proposed modifications could upset this balance. The CoF process and issues brought forth by the Department of Natural Resources have been guided by the desire to focus on efforts to modernize and streamline MFL, and maintain overall program support.

Private forestland owners today face significant challenges to managing their forest resources for multiple uses over the time frame inherent with sound forest stewardship. The state of Wisconsin has historically invested public resources in private forestlands to encourage sustainable management on these lands, helping to ensure an array of benefits will accrue to all Wisconsin's residents. The Managed Forest Law has proven an effective means towards realizing the benefits of this investment. The Council on Forestry strongly advocates the need to address the concerns raised regarding various MFL components so the needed modifications occur and the program remains contemporary and purposeful.