



# The Managed Forest Law

## A Review of Potential Program Revisions

The Wisconsin Council on Forestry

MFL Committee

Date:

March 19, 2013

**Council Update**

Presented by: Tom Hittle

## MFL Committee Members

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### **SCOPE**

The scope of this effort includes determining 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.

# CRITERIA

- *Reduce WDNR 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 owner stakeholder groups*
- *Address concerns of industry stakeholder groups*

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ID	Proposed Change	Top "5" Count		Document Group
		General Issues	DNR Admin Issue	
T.2	Change in rate for open/closed acreage	7		Tax Rates/Fee Structures
R.2	Allow lands to remain in MFL if natural events or splits in ownership cause lands to no longer meet productivity requirements.	6		Eligibility
N.2	Managed forest land management plans and timber harvests	5		Management and Management Plans (N2a, N2b, N2c, N2d)
O.1	Eliminate the closed acreage maximum and ensure that open lands can legally be accessed by the public	5		Leasing and Open/Closed (O1a, O1b)
S.4	Eliminate lands with improvements with assessed values except those improvements for land management purposes (culverts, fences, bridges)	5	1	Eligibility
W.1	Allow small acreage withdrawals without full description withdrawal	5		Tax Rates/Fee Structures
E.1	Increase minimum acreage entry size allowed	4		Eligibility
S.5	Reduce DNR oversight intensity in on-the-ground-management through use of third-party certification and forester qualifications (Cooperating Forester e.g.)	4		DNR Oversight
L.1	Repeal prohibition on recreational leasing	3		Leasing and Open/Closed
N.1	Designation of Forest Enterprise Areas	3		Management and Management Plans
O.3	Limit the ability of MFL landowners or MFL applicants to close lands to the public.	3		Leasing and Open/Closed
R.3	Determine a different process and criteria for MFL renewals.	3	2	R3a - Management and Management Plans R3b - Administration
W.5	Reduce/restructure withdrawal taxes and fees	3		Tax Rates/Fee Structures
M.1	Change MFL "Agreement" to a "Contract"	2		Not addressed
R.1	Allow additions to existing MFL entries regardless of entry year.	2	3	Eligibility
S.1	Allow large ownerships that are 3rd party certified to be managed under the MFL with less DNR oversight, & with periodic State audits	2		Addressed in S.5 - DNR Oversight
W.2	Allow lands to be withdrawn from MFL in any configuration if land is sold and remaining pieces meet eligibility requirements	2	1	Addressed in W.1 - Tax Rates/Fee Structures
E.3	Eliminate the application referral process	1	8	Management and Management Plans
M.2	Formally recognize economics in on-the-ground-management/silviculture	1		Not addressed
T.1	Change calculation for closed land acreage share and the distribution of the money collected	1		Not addressed
T.4	Increase acreage share tax and eliminate yield tax payments	1		Not addressed
W.4	Eliminate the need for an MOU with tribes who withdraw lands from MFL when entering trust status	1	4	Administration
W.6	Review of Sound Forestry Practices by Managed Forest Land Review Board	1		Not addressed
E.2	Increase minimum forest productivity level for MFL eligibility	0		Not addressed
E.4	Eliminate the signature of DNR foresters and landowners on the management plan		5	Management and Management Plans
O.2	Eliminate the open/closed acreage modification maximum		1	Not addressed
S.3	Clean up miscellaneous statutory provisions		7	Administration
T.3	Change the collection and payment to municipalities of MFL yield and withdrawal taxes		7	Tax Rates/Fee Structures
W.3	Eliminate the 5% yield tax comparison requirement for determining withdrawal taxes		5	Tax Rates/Fee Structures

**Proposed Revision:** Permit the management plans of groups of owners of managed forest land to be modified in the same manner as permitted for large ownerships.

Consideration ID: N2b  
 Council Member "Top 5" Count: 5  
 DNR Admin. Clean-up: ☐

**Current Situation:** Landowners need to meet entry criteria and have a site specific management plan. Since small landowners may have difficulty in completing management practices due to stand size, or management acres; developing a management group similar to a larger landowner would have multiple effects, including (1) reducing the cost to develop a site specific management plan, and (2) allowing a forester to establish similar practices within the group to facilitate completion of timber sales and other land management practices.

**Proposed Modifications:** Through administrative code, develop criteria that would allow for NIPF landowners to form a management group. The administrative code would create a system that allowed for group formation, which may include (1) an application system, (2) identification of landowners involved in the group, (3) identification of forester, (4) entry into and out of the group, (5) process for land management, (6) process for forest reconnaissance, (7) process for audits, (8) process for withdrawal or termination of the group, and (9) other associated management and process requirements.

**Retroactive/Prospective:** Development of small landowner groups would benefit landowners already in the MFL program. Could be either retroactive or prospective.

**Analysis:**

POTENTIAL ADVANTAGES / DISADVANTAGES

ADVANTAGES	DISADVANTAGES
1. Allows landowners to reduce costs on developing a management plan.	1. Adds complexity to the MFL program due to additional program requirements.
2. Allows foresters to group timber sales and other land management practices to provide efficiencies in marketing and attracting loggers or contractors.	2. Adds additional DNR administrative costs to develop and administer program requirements.
3. Landowners would have one forester to work with to management properties on a landscape scale.	3.
4. Allows foresters to retain forest reconnaissance data (depending on NR 46 requirements).	4.

FISCAL ANALYSIS

Initial one-time costs to develop the new MFL provisions will be high, including cost of meetings, development of WisFIRS database, and other program provisions. Additional tracking will be needed to identify landowners involved in a group.

CRITERIA EVALUATION

Reduce WDNR administration cost, conflict, and/or law complexity	Maintain public, non-MFL stakeholder understanding and 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 forest industry stakeholder groups
-	Ø	Ø	+	Ø	+	Ø

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

## COMMITTEE ANALYSIS - PRELIMINARY OUTCOMES (03/18/13)

### ISSUES TO MOVE FORWARD WITH MINOR (if any) EDITS and/or CLARIFICATION

<b>Administration</b>	<i>Proposed Revision: Eliminate the study requirement for the MFL program after 5 years of its existence. Pg 39</i>
<b>Administration</b>	<i>Proposed Revision: Update the provision for DNR to report to the legislature on the number of exempt withdrawals. Remove references to WTL lands. Pg 40</i>
<b>Administration</b>	<i>Proposed Revision: Eliminate statutory provisions related to Woodland Tax Law. Pg 41</i>
<b>Administration</b>	<i>Proposed Revision: Eliminate the wording that directs the department to order the land withdrawn at the expiration of an MFL order period. Pg 42</i>
<b>Eligibility</b>	<i>Proposed Revision: Eliminate lands with improvements with assessed values. Pg 16</i>
<b>Management and Management Plans</b>	<i>Proposed Revision: Shift the contents of s. NR 46.18 (4), Wis. Adm. Code, to the managed forest land subchapter of Ch. 77, Stats. Pg 18</i>
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<b>Tax Rates/Fee Structure</b>	<i>Proposed Revision: Eliminate the 5% yield tax comparison requirement for determining withdrawal taxes. Pg 8</i>

**ISSUES TO MOVE FORWARD PENDING GENERALLY AGREED UPON EDITS and/or CLARIFICATION TO PROPOSED MODIFICATIONS**

<b>Eligibility</b>	<i>Proposed Revision: Increase minimum acreage entry size allowed. Pg 13</i>
<b>Eligibility</b>	<i>Proposed Revision: Allow additions to existing MFL entries regardless of entry year. Pg 14</i>
<b>Eligibility</b>	<i>Proposed Revision: Allow small acreage withdrawals without full description withdrawal. Pg 9</i>
<b>Eligibility</b>	<i>Proposed Revision: Allow lands to remain in MFL if natural events or splits in ownership cause lands to no longer meet productivity requirements. Pg11</i>
<b>Management and Management Plans</b>	<i>Proposed Revision: Require modified management plans for ownerships that exceed 1,000 acres (largeblock) to include the establishment of an annual allowable harvest. Pg 20</i>
<b>Management and Management Plans</b>	<i>Proposed Revision: Eliminate the signature of DNR foresters and landowners on management plans. Pg 25</i>
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<b>Tax Rates/Fee Structure</b>	<i>Proposed Revision: Reduce/restructure withdrawal taxes and fees. Pg 6</i>
<b>Tax Rates/Fee Structure</b>	<i>Proposed Revision: Change the procedure for collection and payments to municipalities of MFL yield and withdrawal taxes. Pg 7</i>



**ISSUES WITH GENERAL CONSENSUS TO MOVE FORWARD PENDING FURTHER REVIEW**

<b>Leasing and Open/Closed</b>	<i>Proposed Revision: Allow landowners to open or close lands regardless of acreage (no cap on closed acres.) Pg 30</i>
<b>Leasing and Open/Closed</b>	<i>Proposed Revision: Create a provision to require landowner to create and identify access to lands open to public recreation or deny them the ability to enroll lands as open Pg 34</i>
<b>Leasing and Open/Closed</b>	<i>Proposed Revision: Repeal prohibition on recreational leasing. Pg 35</i>
<b>DNR Oversight</b>	<i>Proposed Revision: Reduce DNR oversight intensity in on-the-ground-management. Pg 36</i>

**ISSUES TO CONSIDER MOVING FORWARD PENDING FURTHER REVIEW**

<b>Tax Rates/Fee Structure</b>	<i>Proposed Revision: Change in rate for open/closed acreage Pg 4</i>
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**ISSUES COMMITTEE WAS IN AGREEMENT TO REMOVE FROM CONSIDERATION**

<b>Administration</b>	<i>Proposed Revision: Eliminate the need for an MOU with tribes who withdraw lands from MFL when entering trust. Pg 38</i>
<b>Leasing and Open/Closed</b>	<i>Proposed Revision: Limit the ability of MFL landowners or MFL applicants to close lands to the public .Pg 32</i>
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<b>Management and Management Plans</b>	<i>Proposed Revision: Designation of Forest Enterprise Areas. Pg 23</i>

## **Next Steps / Schedule**

Today through April 5.....

- Further refine modifications, enhance fiscal information, check criteria evaluation
- Further evaluate connected issues
- Develop packages (Packages of varying issue content)
- Complete report

April 10 .....e-mail PDF report to CoF members

April 22 .....CoF MFL meeting