

## Background on the Managed Forest Law in Wisconsin

### Introduction

The Managed Forest Law (MFL) program is a landowner incentive program that encourages sustainable forestry on private woodland. In exchange for following sound forest management, the landowner pays reduced property taxes. It was enacted in 1985 and replaced the Woodland Tax Law and the Forest Crop Law.

### Property Taxes and Public Access

To participate in the MFL program, landowners designate property as “Open” or “Closed” to public access for recreation and commit to a 25 or 50-year sustainable forest management plan. The plan sets the schedule for specific forestry practices which landowners must complete. In return, MFL participants make a payment in lieu of regular property taxes.

Lands enrolled in the MFL are designated as “Open” or “Closed” to public recreation. Open designation allows public access to the property only for hunting, fishing, hiking, sight-seeing and cross-country skiing without additional permission from landowners. MFL land designated as “Open” must be accessible to the public on foot by public road or from other land open to public access. All land enrolled in the MFL program must meet the access requirements for land designated as “Open”, regardless of enrollment date. “Closed” designation affords landowners the right to restrict access.

No later than June 30 of each year, the DNR must pay 100% of each payment received under the open/closed designation to the treasurer of the municipality in which the land is located. Each municipal treasurer must pay 20% of each payment received from the DNR or directly to the county treasurer and must deposit the remainder in the municipal treasury.

### **Current Annual Property Tax Rates for Lands Enrolled in or after 2005**

Open enrolled lands ..... \$2.04 per acre

Closed enrolled lands ..... \$10.20 per acre

*Rates will be recalculated in 2022 and every fifth year thereafter.*

As of January 1, 2017, lands being enrolled or renewed in the MFL program are not eligible if they contain a building or an improvement unless it is used exclusively for storage. An improvement is defined as any structure or fixture that is built or placed on the parcel for its benefit, or any landscaping. This means buildings and improvements associated with them are prohibited unless used exclusively for storage. The following are not considered improvements for the benefit of the property and are allowed on land enrolled in the MFL program:

- Public or private roads
- Railroads or utility right-of-ways

- Fences, unless the fence prevents the free and open movement of wild animals
- Culverts
- Bridges
- Hunting blinds
- Structures and fixtures needed for sound forestry- applicants considering building on their land should consider the possibility of such buildings and exclude potential building sites from their MFL application.

### **Eligible Property**

MFL lands receive modified tax status to sustainably grow timber for wood products. To qualify and comply with the law, the lands are restricted from other industry or land use. Prohibited usage includes, but is not limited to, agriculture, grazing, commercial storage facilities, game farms, cell towers, mines, quarries, orchards and recreational developments such as golf courses, campgrounds or raceways. To qualify for MFL designation, a MFL parcel must:

- Be at least 20 contiguous acres under the same ownership or be at least 10 contiguous acres and be connected by a tract of land under the same ownership to at least one other parcel of at least 10 contiguous acres.
- Be at least 80% covered by forest dedicated to growing commercial timber products and able to grow at least 20 cubic feet of wood per acre, per year. Up to 20% of each forest parcel may be deemed unsuitable to grow timber or in an unmanaged vegetation type such as brush, swamp, standing water, bog, rock outcrop, sand dune, abandoned farm field, roadway and utility or railroad rights-of-way. Wooded “no-cut” zones are considered unmanaged.
- Not be within a recorded subdivision. A forest parcel may qualify if it is within a recorded plat that has been vacated or an assessor’s plat.
- Not be tax-delinquent. Current year property taxes must be paid by August 15.
- Be accessible to the public by foot, by public road or from other land open to public access, if the parcel is designated as MFL “Open” land.
- Have no buildings or improvements except for buildings used exclusively for storage.

### **Management Plans**

To help landowners get the most from their land, MFL plans contain recommendations related to forestry, wildlife, watershed, endangered resources and aesthetics. The plan describes the property and spells out any mandatory forest management practices required during the MFL entry period. Landowners and their local Tax Law Forestry Specialist may adjust management plans as stand conditions, knowledge on woodland management and landowner objectives change. Mandatory practices are forest management practices that must be carried out during the MFL entry period. These practices may include:

- Harvesting timber according to sound forestry standards.
- Thinning plantations and natural stands for merchantable products.

- Releasing trees from competing vegetation.
- Tree planting to maintain necessary forest density.
- Treating before and after harvest to ensure adequate forest regeneration.
- Controlling soil erosion.

MFL management plans also contain non-mandatory forestry, wildlife, watershed, endangered resource and aesthetic recommendations to help landowners get the most from their land. Once entered in the MFL program, Tax Law Forestry Specialists remind landowners of mandatory practices roughly two years prior to the completion date of the practice. Details of the management practice, mostly timber harvests, are determined prior to implementing the practice. Landowners are encouraged to work with cooperating foresters and other resource professionals when implementing timber harvests and other management practices to ensure that forestry practices are conducted sustainably and will achieve desired results.

### **Wisconsin Farm Bureau Federation Policy**

- Managed Forest Law (21) 12-16: *We support a fee payable to towns to offset the costs of providing fire protection and other services. We support having the managed forest program only offer contracts to land listed by the FSA as forestland. We oppose eligibility for tax relief under the Managed Forest Law for cropland planted to trees. We support greater effort by DNR to enforce compliance with the management contracts entered into under the Managed Forest Law.*
- Managed Forest Law (21) 18: *We support county foresters to hold office hours within each county they represent.*
- Tax Exempt Real Estate (24) 36-39: *We support requiring all tax-exempt real estate at least make a payment for municipal services (i.e. police, fire, etc.). We support full and equitable payment of the local property tax for property owned by the state and federal government, non-profit organizations, federal trust lands and other revenue producing property.*

### **Discussion Questions**

- Currently municipalities retain 80% of the reduced property taxes collected on land enrolled in the MFL program. Should that percentage be increased?
- Under the MFL program, at least 80% of the acres must be covered by forest dedicated to growing commercial timber products. Should that percentage be increased?
- The program allows up 320 acres to be closed in a municipality, should that number be increased to allow for the municipality to collect the higher access fee?
- Should the Wisconsin Department of Natural Resources do more to enforce the current MFL requirements?