



## WISCONSIN LEGISLATIVE COUNCIL

### REVIEW OF THE MANAGED FOREST LAND PROGRAM

Room 412 East  
State Capitol

October 6, 2010  
10:00 a.m. – 4:00 p.m.

[The following is a summary of the October 6, 2010 meeting of the Special Committee Review of the Managed Forest Land Program. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc>.]

#### Call to Order and Roll Call

Chair Clark called the committee to order. The roll was called and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Rep. Fred Clark, Chair; Reps. Donald Friske and Mary Hubler; Sens. Jim Holperin, Neal Kedzie, and Dale Schultz; and Public Members Mark Abeles-Alison, Mike Carlson, Bill Horvath, E.G. Nadeau, Dean Pelkey, Charly Ray, Mark Rickenbach, Eugene Roark, Fred Souba, Jr., and Richard Stadelman.

COUNCIL STAFF PRESENT: Rachel Letzing, Senior Staff Attorney, and Scott Grosz, Staff Attorney.

APPEARANCES: Kathryn Nelson, Forest Tax Program and Policy Chief, Bureau of Forest Management, and Jeff Barkley, Forests Specialist and Public Lands Specialist, Department of Natural Resources (DNR); Scott Henker, Senior Resource Manager – Lake States Region, Plum Creek Timber Company, Inc.; Lowell Klessig and Clyde Samsel; and Mark Luoma, former District Administrator, Chequamegon School District; David Schmidt, Chequamegon School Board; John Walasek, Price County Board; and Richard Stadelman, Wisconsin Towns Association.

#### Approval of the Minutes of the Committee's September 9, 2010 Meeting

*The minutes of the September 9, 2010 meeting were approved by unanimous consent.*

## **Presentations by Invited Speakers**

[Note: PowerPoint presentations and other documents referred to by the speakers are posted on the committee's Internet site.]

***Kathryn Nelson, Forest Tax Program and Policy Chief, Bureau of Forest Management, and Jeff Barkley, Forests Specialist and Public Lands Specialist, DNR***

Kathy Nelson provided additional information on topics and questions asked during the September 9, 2010 committee meeting. She provided information on the ratio of DNR staff per acre for large and small managed forest land accounts, as well as other details on the administrative costs of the MFL program. She also provided more information on the managed forest land revenues paid to local government in 2009 and the collection and remission of closed acreage fees.

Jeff Barkley presented information to the committee on the topic of goals and scheduling of harvests in state and county forests. He described harvesting under a "perfect scenario" as well as accommodations made to account for unexpected forest conditions. Mr. Barkley also described the DNR's use of its Wisconsin Forest Inventory Reporting System (wisFIRS) to schedule stands for harvest. Following his presentation, Mr. Barkley and Ms. Nelson responded to questions relating to the harvest practices applied to state and county forests in comparison to practices applied to managed forest lands.

***Scott Henker, Senior Resource Manager – Lake States Region, Plum Creek Timber Company, Inc.***

Mr. Henker began his presentation with a description of Plum Creek Timber Company, its timber ownership throughout Wisconsin and the United States, and commentary on the role of the timber industry in Wisconsin. Mr. Henker continued his presentation with a description of the economic focus of large timber producers, including attention to price, quantity, and time with an overall goal of maximizing the net present value of timber. In particular, Mr. Henker described Plum Creek's work on thinning research and rotation ages. He also discussed the role of Plum Creek's forests in the habitat preservation of numerous threatened animal species. Following his presentation, Mr. Henker responded to questions from committee members.

***Lowell Klessig and Clyde Samsel***

Lowell Klessig and Clyde Samsel provided the committee with testimony on their experiences as MFL program enrollees. Mr. Klessig and Mr. Samsel described their difficulties with DNR foresters with regard to evaluation of management plans and resolution of disputes. Mr. Klessig suggested a new model for the review and appeal of decisions related to the MFL program. Following their testimony, Mr. Klessig and Mr. Samsel responded to questions from committee members.

***Mark Luoma, former District Administrator, Chequamegon School District; David Schmidt, Chequamegon School Board; and John Walasek, Price County Board***

John Walasek provided the committee with a description of the forested land in Price County, followed by statistics on the other tax-exempt and tax-preferenced acreage in the county, noting that the majority of the tax burden in Price County falls on a small portion of the county's total land. He offered

his opinion that tax advantage is the prime motivation for enrollment of land in the MFL program, and suggested providing more revenue from managed forest land to local government.

Mark Luoma described the history and demographics of the Chequamegon School District, including its significant geographic area, declining enrollment, poverty level, and high transportation costs. David Schmidt discussed the school district's ability to retain and replace programs if more taxable property were included in the district.

Following their presentations, Mr. Walasek, Mr. Luoma, and Mr. Schmidt responded to questions from the committee.

***Richard Stadelman, Wisconsin Towns Association***

Richard Stadelman presented the committee with information on working lands initiative (incorporated in 2009 Wisconsin Act 28, the 2009-11 Biennial Budget Bill), comprehensive planning, and forest zoning and planning. He outlined the concept of a "forest enterprise area" as a model for development and administration of forest land that the committee may wish to pursue. Following his presentation, Mr. Stadelman responded to questions from committee members.

**Review and Discussion of Memo No. 2, *Public Access Options***

Legislative Council staff described Memo No. 2, *Public Access Options*, and the committee took up discussion of issues relating to closed acreage fees, public access, and leasing. Summarizing the committee discussion on the use of closed acreage fees, Chair Clark suggested that the committee move ahead with a proposal that would leave closed acreage fees at the local level with 20% to 25% of the fees to be spent by the local unit of government on public access.

Moving to the issue of public access, the committee discussed the topic but decided to table options discussed in Memo No. 2. Chair Clark suggested the formation of two workgroups; the first to focus on tax rates and incentives and distribution of MFL program fees and payments, and the second to focus on the MFL program's public access requirements.

On the topic of leasing, Chair Clark summarized the committee's discussion by suggesting a general consensus to repeal the prohibition on leasing of closed managed forest land, and, additionally, to continue to consider issues of closure abuse by large landowners and related parties, as well modification of the MFL program fee structure to consider MFL fees in the context of local property values.

**Discussion of Memo No. 3, *Proposal Regarding the Sale of Carbon and Other Ecosystem Services Credits Under the MFL Program***

Legislative Council staff described Memo No. 3, which outlines several potential components of a proposal for the sale of carbon and other ecosystems services credits under the MFL program. The committee discussed the issue of DNR aggregation of credits, as well as the ability of MFL program enrollees to sell carbon credits under the current MFL program.

### **Other Business**

The committee will meet again on *Wednesday, December 1, 2010, at 9:30 a.m., in Room 412 East, State Capitol, Madison.*

### **Adjournment**

The meeting was adjourned at 4:00 p.m.

SG:ksm