

☞ 11hr_AC-Fo_ab0342_pt01



☞
(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2011-12

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Forestry...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (July 2013)

Assembly

Record of Committee Proceedings

Committee on Forestry

Assembly Bill 342

Relating to: exempting certain parcels of land withdrawn from the Managed Forest Land Program from the assessment of withdrawal taxes and fees.

By Representatives Mursau, Spanbauer, LeMahieu, Bies and Brooks; cosponsored by Senators Lazich and Lasee.

October 27, 2011 Referred to Committee on Forestry.

November 1, 2011 **PUBLIC HEARING HELD**

Present: (0) None.
Absent: (0) None.
Excused: (0) None.

Appearances For

- None.

Appearances Against

- None.

Appearances for Information Only

- Kathy Nelson, Madison — Wisconsin Department of Natural Resources
- Richard Wedephol, Madison — Wisconsin Woodland Owners Association

Registrations For

- None.

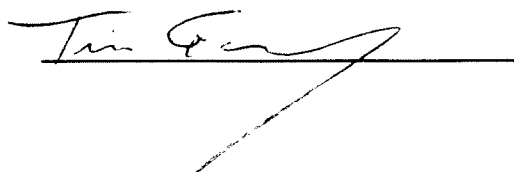
Registrations Against

- None.

Registrations for Information Only

- None.

March 15, 2012 Failed to pass pursuant to Senate Joint Resolution 1.

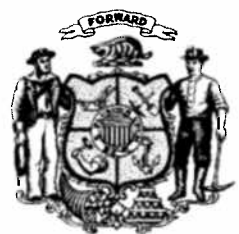


Tim Gray

Tim Gary
Committee Clerk



WISCONSIN STATE LEGISLATURE



Gary, Tim

From: Nelson, Kathryn J - DNR [Kathryn.Nelson@Wisconsin.gov]
Sent: Monday, December 12, 2011 7:35 AM
To: Gary, Tim
Cc: DeLong, Paul J - DNR; Hellman, Allison A - DNR; Zastrow, Darrell E - DNR; Mather, Robert J - DNR; Heyde, Mark A - DNR
Subject: RE: AB 342

Hi Tim,

The Division of Forestry Leadership Team has not discussed the questions raised at the hearing for AB 342, but I believe that I can help to answer some of the questions you have asked.

AB 342 currently allows for continual withdrawal as long as the withdrawal is for a human residence for landowners with MFL entries effective prior to October 11, 1997. AB 342 does not limit the number of exempt withdrawals, so it is possible to have multiple withdrawals for a single entry.

If the goal is to limit the number of times a person can withdraw lands for a human residence we should likely design wording to allow one exempt withdrawal per MFL entry and to establish a time frame for a person to do this. A three year window seems to be reasonable starting with the effective date of the bill and ending on December 31 of the third year. DNR would need to send letters to all people who have lands enrolled from from 1988 though 1997. Once the three year window ends the opportunity for continued exempt withdrawals ends, too.

The reasoning behind my proposal is that most landowners leave out building sites for themselves at the time of entry. A person enrolling lands from 1988 through 1997 would have been required to make this same type of decision had the October 11, 1997 provision been in place at the time of application. Landowners who purchase lands enrolled in the MFL program now are made aware that buildings must meet the NR 46 characteristics, so it is not expected that the 1988 through 1997 MFL entries will have unlimited times to withdraw lands for building a residence. It is also not expected that the ability to withdraw lands for a building residence transfers to a new owner of a 1988 through 1997 MFL entry, since that person would not have had the ability to build on the land anyway.

This proposal could be modified by determining which of the 1988 through 1997 entries have transferred after 1997 and disallow those landowners from the opportunity to have an exempt withdrawal, since these landowners would have been notified that they are not eligible to have a human residence on the property that exceeded the NR 46 building characteristics.

Again, I'm willing to discuss this and other proposals with you. I look forward to hearing from you soon. Thanks.

Kathy

 Kathryn J. Nelson

Forest Tax Program and Policy Chief

Private and Community Forest Section

Bureau of Forest Management

Wisconsin Department of Natural Resources

(☎) phone: (608) 266-3545

(☎) fax: (608) 266-8576

(☎) cell phone: (608) 219-3683

(✉) e-mail: Kathryn.Nelson@Wisconsin.gov

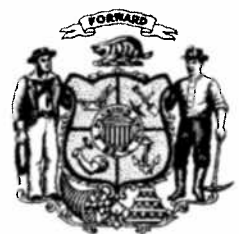
Website: <http://dnr.wi.gov/>

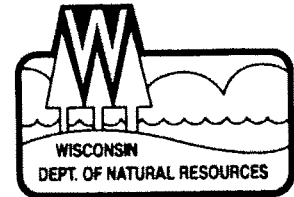
Find us on Facebook: www.facebook.com/WIDNR

12/12/2011



WISCONSIN STATE LEGISLATURE





2011 Assembly Bill 342

Assembly Committee on Forestry

Department of Natural Resources Testimony
Kathy Nelson
Forest Tax Program and Policy Chief
Bureau of Forest Management
Division of Forestry

Mr. Chairman and Committee Members:

Good morning. My name is Kathy Nelson and I am the Forest Tax Program and Policy Chief within the DNR's Division of Forestry. I appreciate this opportunity to appear before you to discuss Assembly Bill 342.

Assembly Bill 342 provides landowners who enrolled lands in the Managed Forest Law (MFL) program prior to October 11, 1997 an opportunity to remove lands for the purposes of constructing a human residence. The bill specifies that the owner must withdraw a minimum of one (1) acre of land, but not more than three (3) acres unless the land is subject to a local zoning ordinance that requires a larger minimum building lot size. Withdrawal of lands for constructing a human residence would be exempt from payment of the withdrawal tax and fee. Remaining lands would be allowed to remain in the MFL program unless they fail to meet the eligibility requirements for continued enrollment.

It is important to understand the history behind this proposed legislation. The MFL program originally allowed structures on MFL lands, including those that were built for human residence. The intent of the original provision allowed lands with cabins used primarily for hunting and recreating on the MFL property to be enrolled in the MFL program. The only requirement was that cabins could not be a landowner's domicile, or permanent residence, and the lands surrounding the cabin or building could not be landscaped. All buildings would be taxed as personal property.

As time passed, many of the cabins were improved and secondary, vacation homes were built. These larger, better quality cabins or homes were not acceptable to the public, so legislation was passed on October 11, 1997 stating that lands developed for a human residence are not eligible for designation as managed forest land. The statutory change directed the DNR to develop a definition of a human residence through rule. This rule was created on December 31, 1998.

Buildings that have 5 or more of the building characteristics are not allowed under MFL. These characteristics include:

- (a) 800 sq. ft. or more in total area, using exterior dimensions of living space, including each level and not including porches, decks or uninsulated screen porches.
- (b) Indoor plumbing including water and sewer, piped to either municipal or septic system.
- (c) Central heating or cooling, including electric heat, a furnace or heat with a circulation system.
- (d) Full or partial basement, excluding crawl spaces and frost walls.
- (e) Electrical service by connection to the lines of a power company.

- (f) Attached or separate garage, not to include buildings for vehicles used primarily for work or recreation on the property.
- (g) Telephone service based locally.
- (h) Insulated using common insulation products.

Landowners who already had structures, cabins or secondary homes on their property previous to the law change were allowed to remain in the MFL program, since these buildings were erected or enrolled at a time when human residences were allowed. Landowners who were in the process of converting their lands from the old Forest Crop Law to Managed Forest Law, and who were in the process of building a human residence, were allowed to continue with their building construction and remain in the MFL program.

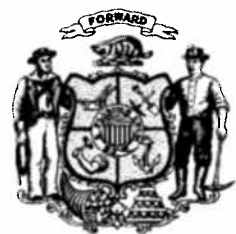
However, the October 17, 1997 legislation prevented landowners from building human residences if they had not begun construction unless the building met the building characteristics under administrative code. Landowners who want to exceed the building characteristics would be required to withdraw their MFL lands and pay the withdrawal tax and fee.

Not all MFL landowners are eligible to withdraw lands from MFL as an exempt withdrawal since Assembly Bill 342 specifies that landowners had to have enrolled their lands prior to October 17, 1997. There are 15,699 MFL entries from 1988 through 1997. Of these entries, 90% of the lands were enrolled for a 25 year period, making the provisions of Assembly Bill 342 expire in ten years on December 31, 2021. The 10% of landowners who enrolled under a 50 year term will have a longer opportunity to apply for an exempt withdrawal, since their expiration date would be in 35 years on December 31, 2046.

I appreciate this opportunity to speak before you today and would be glad to answer any questions you may have.



WISCONSIN STATE LEGISLATURE



WVDOA

- Program changed from contract to agreement
- Questions
 - Does this allow for continual withdrawal?
 - Does this allow for multiple withdrawals on a single entry?
 - What if local ordinance requires a bigger lot size?

1986 Bldgs for human residence allowed, but cabins grew

1997/8 banned human residences w/ 5 of 8 characteristics (on new entries?)

There will be some parcelization and ~~some~~ reduction in timber production

Wbnt likely lead to closure of more acres b/c they already are closed.

① you can remove a portion of land

② you don't have to pay a penalty

1% (3-200) entries withdrawn from WVFL annually