

Fiscal Estimate Narratives

DOR 9/4/2013

LRB Number	13-2981/2	Introduction Number	SB-278	Estimate Type	Original
Description Public access to managed forest land that is located in a proposed mining site					

Assumptions Used in Arriving at Fiscal Estimate

CURRENT LAW

An owner of 10 or more contiguous acres of forestland may apply to the Department of Natural Resources (DNR) to enter the land into the Managed Forest Land (MFL) program. If the DNR finds that (1) at least 80% of the parcel can produce or is producing at least 20 cubic feet of salable timber per acre per year, and (2) the land is not developed incompatibly with the practice of forestry, the DNR issues an order to enter the land under the program. The enrollment agreement is for 25 or 50 years, at the landowner's option, and can be renewed. MFL agreements require landowners to follow a forest management plan and, with limited exceptions, to permit public access to the land for the purposes of hunting, fishing, hiking, sight-seeing, and cross-country skiing.

Land enrolled under the MFL program is exempt from property taxes. In lieu of property taxes, three annual payments are made on this land.

(1) DNR payment: The DNR pays \$0.20 per enrolled acre to the municipality where the land is located. The municipality retains 80% of this payment and remits 20% to the county.

(2) Acreage Share: This payment is made by the landowner to the municipality where the land is located. The municipality retains 80% of this payment and remits 20% to the county. For MFL orders that took effect before April 28, 2004, the payment in 2014 to 2018 will be \$0.79 per acre. For MFL orders that took effect on or after April 28, 2004, the payment in 2014 to 2018 will be \$2.14 per acre.

(3) Closure Fee. This payment is made by the landowner to the municipality where the land is located, and is paid on all MFL enrolled acres that are closed to public access. The fee is in addition to the acreage share. The municipality remits all collections to the DNR for deposit in the state Conservation Fund. For MFL orders that took effect before April 28, 2004, the payment in 2014 to 2018 will be \$1.08 per acre. For MFL orders that took effect on or after April 28, 2004, the payment in 2014 to 2018 will be \$8.54 per acre.

PROPOSED LAW

This bill affects MFL enrolled land that is within a site for which a mining company has notified DNR that it intends to file an application for an iron mining permit. Under the bill, the affected land would be exempt from the requirement that landowners permit public access for the purposes of hunting, fishing, hiking, sight-seeing, and cross-country skiing. Instead, the mining company and the DNR would be allowed, in effect, to limit public access to such land for certain periods of a year or for an entire year. For any land to which public access is restricted in a given year, the landowner would be required to pay the closure fee in the following year.

The Department of Revenue (DOR) does not have access to information which would permit it to estimate the number of MFL enrolled acres to which public access could be restricted under the bill. To the extent that additional MFL enrolled land is closed to public access under the bill, revenues to the Conservation Fund will be higher under the bill than under current law.

The bill may increase local costs related to monitoring which MFL enrolled land is closed to public access. Although the DOR does not have information to permit an accurate estimate of any potential cost increase, any increase is expected to be minimal.

Long-Range Fiscal Implications