



## Written Testimony on Senate Bill 161

Mark Rickenbach

Senate Agriculture, Forestry, & Higher Education Committee

February 9, 2012

Thank you for the opportunity to provide written testimony to the Committee. For the record, I am a professor and extension specialist in the Department of Forest & Wildlife at the UW-Madison and, more importantly, have spent nearly 12 years conducting applied research and extension activities related to private forestry and the Managed Forest Law program (MFL). I also served as a member of the Legislative Council Special Committee that developed the first draft of this bill. I appreciate that some may oppose or support all or parts of SB 161, and I am sure that it can be improved through the legislative process. To assist, I am providing informational testimony on three key issues that I believe deserve your attention.

**Public recreational access.** As you know, popular and at least some political support for the MFL is tied to public recreational access. However, the number of open acres in the program is declining<sup>i</sup>. This likely reflects the fragmenting of large industrial landholdings, as opposed to a shift in woodland owner preferences. Most woodland owners enrolled in the MFL own their land for hunting<sup>ii</sup>. The current bill deals with public access in three ways.

1. The leasing ban is repealed, which has raised concern among recreational interests, notably hunters. I would expect most woodland owners to take limited advantage of the renewed ability to lease, based on the amount of leasing on non-MFL land<sup>iii</sup>. However, those owning or controlling larger areas through multiple LLCs or name *gerrymandering* (i.e., husband, wife, and the couple owning 3 distinct parcels) may see potential business opportunities.
2. The closed acreage fee is increased to 25% of the actual property tax rates for most new and re-enrolling participants. This change would create more “space” between the open and closed fees making “open” potentially more attractive. Increasing the closed fee, though, will drive some in search of lower property taxes or fewer requirements (i.e., agricultural use valuation). Raising the closed acreage will increase the *portion* of open land, but it will be the result of both people choosing to open land, and others choosing not to re-enroll.
3. 40% of the total closed acreage fee would go to counties to purchase or lease public recreational access. Previously, the DNR received 100% of the closed acreage fee, a portion of which was allocated for public access, but never was spent for that use (more below).

In short, recreational access is the thorniest issue related to the MFL, as the fit is uncomfortable for most landowners. People own land primarily for recreation, so they have little incentive to allow public access, either by leasing (on their own or to the county) or by paying lower acreage fees, if they choose to enroll in the MFL.

*“To what extent does public recreational access remain a viable program goal?”* is a key question I don’t recall the Special Committee discussing. If maintaining or increasing access is desirable, options beyond those above are limited and most would likely increase bureaucracy (and costs) for someone. Two examples include...

---

### Forest and Wildlife Ecology

Russell Laboratories    University of Wisconsin-Madison    1630 Linden Drive    Madison, WI 53706  
608-262-0134    —    mgrickenbach@wisc.edu    —    <http://notcountingtrees.fwe.wisc.edu>

- Further decreasing the open acreage fee. However this will have only a limited effect, as it is already very low (\$1.67 per acre).
- Increase the accountability of public users to reduce uncertainty. This might include an MFL open lands registry, use limits, and user registration.

**Payments to local government.** SB161 redirects most (80%) of the closed acreage fee from the DNR to towns and counties. Analysis we conducted showed that since 2004 when shared revenues were capped, new MFL enrollments have created a tax shift to other property owners<sup>iv</sup>. This has caused frustration, if not animosity, from some local residents and leaders toward the MFL. Allocating most of the closed acreage fee (whether at the proposed rates or some different levels) would recognize towns and counties as partners in the MFL and the forest-based economy it supports. Moreover, it would ensure that the \$3.5-6 million<sup>v</sup> collected at the local level would be available to meet local needs, as opposed to filling state budget gaps. Under the bill, counties are required to spend a portion of the money for public recreational access. For counties with large closed MFL acreages, the amount could be significant, but for others not so much, which may limit the potential for recreational access spending in those counties.

**Forestry Innovation.** Lastly, the Special Committee sought to identify tools to help prepare the MFL for the next 25 years. Modeled after Ag Enterprise Areas, *Forestry Enterprise Areas* are a further attempt to provide incentives for local government to see private forests as tools for economic development, with the MFL as the key asset for leveraging resources. One thing the Special Committee heard, which echoes what I've long heard at extension and other meetings, is that the MFL is about the state and the landowner with few ways for others to participate in the conversation. Forestry Enterprise Areas engage local government with the MFL and private forests as positive resources for charting their economic and natural resource futures.

Group enrollments represent another potential innovation. Parcelization, the subdivision of large parcels into smaller ones, has long been recognized as a challenge to sustainable forestry in Wisconsin. Parcelization reduces the economies of scale associated with managing small parcels to include lower prices or lack of bidders when attempting to sell timber. Group enrollments would allow landowners to band together, relying on professional assistance, to more effectively and sustainably manage their lands. In exchange for working together, landowners would be permitted greater flexibility in management to achieve greater scale economies and to plan over the entire enrolled area. In addition, group enrollments could more effectively address management concerns that are indifferent to property boundaries such as invasive species and deer. There are, of course, risks—notably the closing of more land to public access, but parcel size has been decreasing for two decades, and perhaps it is better to create coping mechanisms.

In conclusion, the MFL is ready for change and SB161 is a step in that direction. I hope you will see it, or more realistically some modified formulation to the next step in journey. If I can assist in anyway, please contact me (see bottom of page 1). I am willing to help in whatever way is useful.

<sup>i</sup> Nelson, K.J. 2010. Wisconsin's Managed Forest Law, A Program Primer. WDNR Division of Forestry, available at [http://legis.wisconsin.gov/lc/committees/study/2010/MFL/files/aug18\\_dnr\\_program\\_primer.pdf](http://legis.wisconsin.gov/lc/committees/study/2010/MFL/files/aug18_dnr_program_primer.pdf).

<sup>ii</sup> Rickenbach M., Unpublished data, 2008 Survey of MFL enrollees, contact me for details

<sup>iii</sup> Rickenbach, M. 2011. Extent of woodland leasing in Wisconsin: Insights from a recent landowner survey. UW-Madison Dept. of Forest & Wildlife Ecology blog post, available at <http://notcountingtrees.fwe.wisc.edu/?q=node/143>.

<sup>iv</sup> Rickenbach, M. & L. Saunders. 2009. The MFL and Local Property Tax Revenues for Townships: An Exploratory Study of Shifting Enrollments. UWEX GWQ52 & WDNR PUB-FR-432 2009, available at <https://mywebspace.wisc.edu/mgrickenbach/TreeCounters/E-documents/Refworks%20articles/rickenbach%20saunders%202009.pdf>.

<sup>v</sup> DOR and DNR fiscal estimates of SB161, available at <https://docs.legis.wisconsin.gov/2011/related/fe/sb161>.