

February 14, 2024

TO: Senate Committee on Financial Institutions and Sporting Heritage

RE: Letter of Testimony – SB 999, Managed Forest Law (MFL)

Dear Chair Stafsholt and Committee Members:

On behalf of Wisconsin's Green Fire and members of our Public Lands and Forestry Work Group, we oppose 2023 SB 999.

Forests in Wisconsin today cover approximately 17 million acres, with 11.8 million acres of that total (70%) in private ownership. For almost 100 years, the Wisconsin legislature has determined it is in the public interest to provide tax incentives to private forest owners.

Since its adoption into law in 1985, the Managed Forest Law (MFL) has been a conservation success story. Today, MFL helps private forest landowners care for well-managed forests and their many conservation benefits. It helps assure a steady supply of timber and forest products. It supports what is today a \$24 billion forestry sector that supports over 61,000 full-time jobs. It helps assure responsible opportunities for public recreation while balancing property owners' rights and interests.

Today, over 3.4 million private forest acres (28% of the total) are enrolled in Wisconsin's Managed Forest Law. Of those enrollments, 959,618 acres (27%) are enrolled as open lands and would be affected by SB 999. Lands designated as open MFL provide public access for five recreational activities: hunting, fishing, hiking, sight-seeing, and cross-county skiing.

The great majority of owners of MFL open enrollment lands are large ownerships, almost always >1,000 acres, typically owned by forest products businesses and institutional investors who do not reside on their properties, and who often contract for forest management services. These larger MFL ownerships are usually intensely managed for timber supply and have a strong need to control costs and manage operations efficiently in order to maintain profitability.

For many family forest owners who own 40–100 acres, MFL is an attractive incentive that helps their pocketbook and provides "lifestyle" benefits for recreation and outdoor experiences. However, for most large institutional forest owners (the majority of MFL open enrollees), enrollment in MFL is part of a business plan that carefully weighs costs and revenues to ensure a profitable long-term investment.

We believe SB 999 raises several significant concerns and will quickly cause unintended consequences if enacted.

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Project Co-Executive

Wisconsin's Green Fire

Gabby Whisler, FSR

Project Coordinator

P.O. Box 1206 Rhinelander, WI 54501 715-203-0384 www.wigreenfire.org info@wigreenfire.org



Among the primary concerns or unintended consequences of SB 999:

- Requiring MFL enrollees to allow motorized access on all roads will be difficult if not impossible to monitor and is likely to result in extensive damage to roads and surrounding forests and other habitats.
 - Even if public funds for road repair are made available, many open MFL owners are not set up to monitor and respond to such impacts. They will at a minimum absorb significant additional costs simply to monitor and manage road repairs, which would likely become annual activities.
- Most forest roads were not designed or constructed to support year-round use. The provision for road closure in the month of April will in no way prevent the type of road damage from motorized use that can occur at any time during spring thaw or when roads are saturated and impassable.
 - In many years on heavy soils periodic summertime rain events result in saturated soils and forest access roads would be damaged by motorized vehicles. For example, consider the impact of unregulated road use at almost any time in this winter of 2023-2024 and the impact it would create.
- For those enrollees who remain in open enrollments, the net effect of road damage and disruptions to other users would be significant.
 - From extensive experience, land managers and private landowners have found that many operators of ATVs, UTVs and 4 X 4 vehicles frequently go off established roads and trails and do not limit their activities to dry road conditions.
- Unregulated and unmonitored motorized use will increase the risk of invasive species spread, damage to sensitive habitats, litter, and vandalism. It would also increase the risk of fire during high fire danger periods caused by vehicles or incidental human activities in remote areas.
 - Almost any other ownership type that allows motorized use would have more ability to restrict uses than an MFL open enrollee under this bill.
- ➤ If SB 999 is enacted, there will be a certain and immediate transition to MFL closed enrollment by a large number of the open enrollment owners.
 - This will have the effect of significantly reducing public access opportunities of any kind for those properties, including hunting, fishing, and hiking.
- Even more significantly, transition to closed enrollment will increase per-acre taxes significantly. For lands entered after 2004, the current (2023) MFL tax rate would increase from \$1.68 to \$9.49 per acre, a more than 500% increase.
 - This increase in many cases would erode the business case for continued forest management, increasing the likelihood that forests would be converted to development or subject to unsustainable uses.
- Although MFL enrollment is not legally considered a contract, MFL enrollees should have a reasonable expectation that their long-term commitment will not be dramatically altered by changes in the law.
 - Enactment of SB 999 would violate that expectation and generate significant loss of trust from future enrollees, reducing participation and weakening the program overall.

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While we support appropriate opportunities to expand motorized uses, we believe that enactment of SB 999 would create costs, disruptions and would generate far more problems than it solves.

We respectfully oppose this legislation.

Thank you for your consideration,

Ron Eckstein

Ron Eckstein Chair, Public Lands and Forestry Work Group Wisconsin's Green Fire