

## Managed Forest Law (MFL) Improvement Issue 1 – Repeal the Leasing Ban on Closed MFL

**Background:** In 2007, Senator Russ Decker (D) introduced into the budget bill a statutory change that prohibits leasing of land in MFL for any purpose. That budget bill and provision was signed into law by then Governor Doyle (D). This change affected all existing agreements on land and landowners in the MFL, not just newly enrolled lands.

*It's important to note that "leasing" means any exchange between a user and a landowner for the right to use that MFL land for recreational purposes.*

**Why Repeal the Leasing Ban?** WAFO supports the removal of the leasing ban for many reasons:

- 1. The leasing ban has been seen as a violation of the "contractual" agreement between the state and landowner and is perceived as a taking away of landowners' property rights.** The state changed MFL terminology over time to where they now call the MFL entries "agreements". Most landowners still are under the impression that they are signing a contract with the state. Legally, a contract may not be changed unless all parties agree to the change. Yet the change to the MFL contract made in 2007 – 08 was made unilaterally by the state, without the consent of landowners.
- 2. The ban is an inequitable taking of property rights.** Of the several conservation programs available to landowners, only the MFL places restrictions on the owner's right to lease their property for compatible uses. The Conservation Reserve Program (CRP), as one similar example, places no restrictions on leasing. Also notable is that CRP contracts do not change during the term of the contract.
- 3. The leasing ban increases tax disparity.** Woodland owners who enter into MFL, contrary to the beliefs of many, do not get a big tax break by entering the program when compared to other conservation programs and land uses. The statewide average tax on productive woodland is \$34.00 per acre; enrolling in MFL reduces this to \$10.68 per acre if the woodland is kept closed to the public. In stark contrast, agricultural land is taxed at \$3.00 per acre and average pasture land at \$1.53 per acre, **with no additional stipulations or requirements**, particularly no restrictions on leasing and no obligation to give access to the public. At the current rate of \$10.68 per acre for closed MFL, a woodland owner is paying **3.5 to 10 times** the tax rate of other rural lands and is subject to the restrictions and requirements of the MFL program. Previous to 2008, an owner of productive woodland could reduce this unfair tax burden by leasing land; now this is prohibited.

**Economic Benefits to Rural Areas of Repealing the Leasing Ban.** There are several good economic reasons for allowing leasing on MFL Lands:

1. Leasing provides **taxable income** for a woodland owner between harvests. Timber harvests, which create taxable income, occur on average only every 25 to 30 years.
2. Hunters and recreational land users visiting an area, especially on a regular basis, **support the local economy** by patronizing restaurants, taverns, grocery and other stores.
3. Many **landowners will reinvest the income** in their land and hire land management providers to help manage their property.

**Conservation Benefits of Repealing the Leasing Ban.**

1. Hunters and other recreational users who lease land help manage the property for the benefit of the landowner and wildlife.
2. Hunters tend to voluntarily sustainably manage the species they hunt. This will **help deer management** in the state. Other species will benefit as a result.
3. **Hunters will have the opportunity for quality hunting experiences on private land** without the issues of unrestricted public access on open lands.
4. **The hunting experience on open lands should also improve** as hunting pressure will decrease with more hunting on private land.
5. **Hunter Requirement Programs will benefit.** It will now be legal for hunters and landowners to have formal agreements where the hunter does specific kinds and amounts work for the landowner in exchange for specific hunting rights.