

Summary of Changes to Managed Forest Law upon Governor's Signature of SB434

PROGRAM ELIGIBILITY

1. **Minimum acres** needed for entry has been increased to 20 contiguous acres
 - a. Applies to entries going forward.
 - b. An exception is made for current MFL entries that are less than 20 contiguous. They will be allowed one renewal.
2. **Buildings and Improvements** not allowed on MFL land
 - a. Applies to new entries only.
3. **Accessibility** adds a requirement that OPEN MFL land be accessible by foot from a public road or from other land open to public access.
 - a. Applies to open lands on ALL MFL entries
4. **Additions** – can add acreage to pre 2005 entries without doing a withdrawal and re-designation.

TAXATION

1. **Yield and Severance taxes** on harvested timber is removed
 - a. Applies to all MFL and FCL lands
2. **Withdrawal Penalty** will be calculated based on number of years in the program with a maximum of 10 years for most MFL owners
 - a. Applies to all withdrawals that are not characterized as being “large properties”
 - b. “Large property” - > 1,000 acres of MFL (or FCL)
3. **Additions** are taxed at same rate as the entry it is added to.

MFL ORDERS

1. **Contract** – clarifies that an ORDER constitutes a contract.
 - a. Should a new statute be enacted or a rule promulgated that materially changes the contract, the owner must either accept the change or elect to withdraw from the program without withdrawal tax or fee.
 - b. Applies to all MFL entries.
2. **Transfers** - no longer have to be all MFL land in a legal description (¼ ¼, gov lot, etc)
 - a. Lands transferred must meet eligibility requirements (20 contiguous acres, 80% productive) or be withdrawn; transferee has 30 days to file transfer paperwork
 - b. Lands remaining must meet eligibility requirements or be withdrawn

OPPORTUNITIES to WITHDRAW LAND

1. **Parcel unsuitable/non-productive** due to environmental, ecological or economic concerns/factors
 - a. Applies to all MFL entries.
 - b. Only the number of acres necessary to bring the parcel into compliance is allowed.
 - c. No withdrawal taxes or fees assessed.
2. **Construction or sale removal allowed – 1 to 5 acres**
 - a. Applies to all MFL entries
 - b. Normal withdrawal taxes and fees assessed.

NATURAL DISASTERS

1. Authorizes the DNR to provide an MFL owner a period of time to restore productivity following a natural disaster (fire, ice, snow, wind, flooding, insects, drought, or disease) to meet eligibility requirements.
2. Applies to all MFL entries

CUTTING NOTICES

1. Limited DNR review based on forester credentials (expanded)
 - a. Person with a bachelor's degree or 2 year vocational or technical degree and 5 years of experience; or a person with 5 years of experience can approve.
 - b. Applies to all MFL land
2. Natural Heritage Inventory Standards (listed endangered and threatened species)
 - a. Approved harvest shall not be restricted based on standards for NHI.
 - b. Applies to all MFL land
3. Timeline
 - a. DNR must send notice to person filing a cutting notice of approval/denial by the end of the next business day.
 - b. Applies to all MFL land

CLOSED LANDS

1. Number of acres allowed in any one municipality
 - a. Increased to 320 acres
 - b. Applies to all MFL entries
2. Leasing for recreational activities
 - a. Landowner may lease or enter into an agreement that allows persons to engage in recreational activities on the land
 - b. Recreational activities must be compatible with the practice of forestry.
 - c. Applies to all MFL land