



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 580

**Assembly Amendments 1, 2,
and 3**

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Assembly Bill 580 makes various changes to the Managed Forest Law (MFL) program administered by the Department of Natural Resources (DNR). These changes include providing a process for an MFL owner to receive a withdrawal tax estimate from the Department of Revenue, eliminating the creation of stumpage values through the administrative rule-making process, authorizing DNR to amend a management plan without the MFL owner's consent to ensure the practice of sound forestry, providing that the penalties and procedures that apply to a person who files a false report also apply to a person who fails to file a cutting report, and technical changes related to administering the program.

The bill would also require an MFL owner to disclose on the real estate condition report under ch. 709, Stats., whether the property, or a portion of the property, is designated as MFL. The bill would establish a similar requirement for MFL owners whose property is not subject to a real estate condition report, where, if the owner of real property transfers the property, the owner must disclose, in writing, to a prospective buyer of the property, whether the property, or any portion of the property, after transfer to the buyer, is subject to an order designating it as MFL. The requirement of notice to prospective buyers would first apply to property transfers beginning on the first day of the seventh month after publication of the bill.

Assembly Amendment 1 eliminates the provision in the bill which authorizes the DNR to amend a management plan without the MFL owner's consent to ensure the practice of sound forestry.

Assembly Amendment 2 eliminates the March 31 renewal deadline for large landowners and replaces it with a June 1 deadline; therefore all MFL owners will have the same renewal deadline.

Assembly Amendment 3 modifies the disclosure requirements in the bill and removes the disclosure requirement from the real estate condition report under ch. 709, Stats. Under Assembly Amendment 3, if real property, or any portion of the real property, that is being sold will, after the sale, continue to be subject to an order designating it as MFL, the owner must provide a written disclosure, no later than 10 days after the acceptance of the contract of sale or option contract, that the property will continue to be subject to the MFL order after the property is transferred. The disclosure must explain that the terms of MFL orders are for 25 or 50 years. Further, the disclosure must state that the Division

of Forestry in the DNR monitors MFL management plan compliance and must provide the buyer with information as to how to contact the Division of Forestry. The amendment also requires that the disclosure contain the following statement: "Changes you make to the property that is subject to an order designating it as managed forest land, or to its use, may jeopardize your benefits under the program or may cause the property to be withdrawn from the program and may result in the assessment of penalties."

The requirement of notice to prospective buyers would first apply to property transfers that occur on the effective date of the bill. The amendment specifies that the effective date of the bill is the first January 1 beginning after publication.

Assembly Amendment 3 places the MFL disclosure requirements in ch. 710, Stats., the provisions of which apply to real property, whether or not a dwelling is on the property. The amendment does not specify a statutory remedy for failure to disclose, therefore the current common law remedies would apply.

Legislative History

Assembly Amendments 1 and 2 were offered by Representative Clark on December 14, 2009. On December 15, 2009, the Assembly Committee on Forestry recommended adoption of Assembly Amendment 1 and Assembly Amendment 2, each on a vote of Ayes, 3; Noes, 0 and recommended passage of the bill, as amended, by the same vote.

Assembly Amendment 3 was offered by the Joint Committee on Finance on March 16, 2010. The committee recommended adoption of Assembly Amendment 1 and Assembly Amendment 2, each on a vote of Ayes, 16; Noes, 0. The committee recommended adoption of Assembly Amendment 3 on a vote of Ayes, 14; Noes, 2, and recommended passage of the bill, as amended.

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