

FORESTRY FACTS



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The Managed Forest Law Property Tax Program

Mark Rickenbach & Joshua Coody

The Managed Forest Law program (MFL) can ease the property tax burden for landowners who wish to manage their woodlands. The MFL, administered by the Department of Natural Resources (DNR), is intended to foster timber production on privately-owned forests and woodlands, while recognizing other values. MFL participants pay property taxes at a reduced rate in exchange for maintaining productive forests. They can also choose to allow public access. Depending on local property tax rates, the MFL can reduce property taxes substantially (50-80%). Moreover, MFL participants can have their lands certified by the American Tree Farm System and the Forest Stewardship Council. The MFL can be a good deal for some landowners, but is it a good deal for you?

This Forestry Fact only introduces the MFL—primarily for those with little or no knowledge of it. If you'd like to learn more, contact your local forestry professional at <https://dnr.wi.gov/topic/forestlandowners/locator/index.asp> or visit <https://dnr.wi.gov/topic/ForestLandowners/mfl/> for more information.

Conditions

The MFL program is open to private landowners (e.g., individual, family, LLP, etc.) with at least 20 acres of contiguous woodlands. 80% of each enrolled block of land must be capable of growing trees. This can include both standing trees and areas that will soon be returned to trees. The forest must also be judged “productive,” meaning that it is capable of meeting a minimum growth potential. Other conditions may apply and more information about these are available from the DNR.

If you decide to enroll some or all of your land, you must choose an enrollment length of either 25 or 50

To enroll in the MFL, a completed application must be postmarked by June 1. Entry will be effective 6 months later. For example, an application postmarked on or before June 1, 2019 would become effective on January 1, 2020. The tax benefits would first appear on your 2020 tax bill, which typically would be sent in December of 2020.

years and follow an approved management plan. You can add land in the future, but only in sections of three or more contiguous acres. Any additions must be connected to the original acreage and follow all the same requirements and management guidelines.

If you sell or transfer the land, you must be up front with the buyer/recipient about the enrollment status. MFL enrollment follows the land, so the next landowner is obligated to continue in the MFL program with the same or similar plan. This could affect the terms of the sale or transfer.

Forest Management Plan

Enrollment requires an approved forest management plan and an application fee of \$30. In nearly all cases, you'll need to hire an independent [Certified Plan Writer](#) (CPW) to prepare the plan. The plan must be based on sustainable forestry principles, and the DNR must approve it. Plans are submitted on-line. [DNR Tax Law Forestry Specialists](#) (TLFS) are located across the state for limited consultation on all aspects

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of MFL; from eligibility and enrollment to timber harvesting and any plan changes. In developing the plan, it is important to remember that the MFL is primarily focused on timber production. You will be expected to manage your land to meet that objective, with other objectives, such as wildlife or recreation, being secondary.

Plans include both mandatory and recommended forestry practices. For example, tree planting or timber harvesting may be required, while a thinning may be recommended. To stay in the MFL, you must complete the mandatory practices.

Property Tax and Public Access

To get the lowest annual property tax rate, you must allow public foot access to the enrolled land. Access on these *open* lands is limited to hunting, fishing, hiking, sightseeing, and cross-country skiing. Open lands are just like other public spaces and any number of people may access open-enrolled land any time, if following all the usage guidelines. Notifying the landowner is encouraged for courtesy and safety, but there is no legal requirement to do so. Open lands and their landowners are included in a searchable database maintained by the DNR,

<https://dnr.wi.gov/topic/ForestLandowners/openToPublicApp.html>.

Alternatively, you may prohibit public access by enrolling as *closed* land. New entries may close no more than 320 acres per municipality (i.e., town, village, city, etc.). So, if you own land in two different towns, each parcel may close 320 acres. If you own more than 320 acres and want to enroll more than the limit, any remainder would have to enter as open to public access. The tax rates on closed acres are higher.

Even on open lands, you can restrict access to areas that are within 300 feet of any building or active timber harvesting operation. You can also prohibit snow-mobiles and other motorized vehicles on open lands.

You must allow periodic site visits by DNR foresters.

Current Annual Property Tax Rates for Lands Enrolled in or after 2005

Open enrolled lands\$2.04 per acre
Closed enrolled lands\$10.20 per acre

Rates will be recalculated in 2022 and every 5th year thereafter.

Timber Harvests

You must follow the approved management plan. You'll have to file a cutting notice with the DNR prior

to harvesting timber. Failure to do so can result in a fine. After a timber harvest, you're expected to file a cutting report with the DNR that accurately details the volume of the timber removed. A yield tax is no longer levied on timber harvested from MFL lands.

For all timber harvests, you will need to complete any required post-harvest activities that were identified in your management plan. These might include retiring skid trails, seeding the landing, or controlling runoff.

Withdrawal

If your land is withdrawn from the program, you are likely to pay a penalty. There is a withdrawal fee of \$300 and up to 10 years back taxes.

If the DNR believes you have violated your agreement, they can withdraw your lands and assess penalties. You can legally challenge this type of withdrawal. You can voluntarily withdraw all or part of the land before your enrollment ends, but you will be assessed penalties.

If your land has not maintained productivity or a catastrophic disturbance (i.e. fire, disease, etc.) has reduced timber value, you can request that your lands be withdrawn. Your TLFS can approve a portion of your withdrawal and you will pay no penalty. There is also no penalty if you choose not to renew when the enrollment expires.

A Good Deal?

The primary benefit of the MFL program is reduced annual property taxes. You also receive the benefit of a professional forester's advice in crafting a management plan and the potential for certification to sell your wood into [green certified markets](#).

For some, potential drawbacks include public access, emphasis on timber production, or participation in a government program. There is also the up-front cost of preparing a written management plan.

If you decide that the MFL program makes sense, you can learn more at the links provided in this document, talking with neighbors who are enrolled, and contacting a forester or TLFS. To enroll, you should contact a CPW. Lists of forestry professionals are available on the [Forestry Assistance Locator](#).

**Prior version included contributions by John Breschak*

more forestry information at
<http://www.woodlandinfo.org>