

CHAPTER 207: LARGE OWNERSHIP (ACCOUNT) ADMINISTRATION**I. PURPOSE AND SCOPE**

This chapter provides procedures for the administration of Large Ownerships (Large Accounts, historically also known as Industrial Ownerships) participating in MFL and FCL. Staff and partners affected include large ownership landowners and those that provide them their professional forestry assistance, including CPWs who work for large ownership landowners, and Tax Law Section Staff especially those TLFS who may be called upon to assist locally with large ownership administration. Procedures include application requirements for large ownership status, department review and approval of large ownership applications and management commitments, enrolling land into an existing large account, and loss of large ownership status. Procedures for writing plans after large to small transfers are not included here, as they are contained in Chapter 201. Large Ownerships are subject to progressive compliance to ensure they maintain the requirements that entitle them to alternative management plan allowances; common measures for achieving voluntary compliance as related to Large Ownerships are included here, but more formal compliance procedures that may apply are found in the Compliance section.

II. POLICY

Large ownerships are allowed to meet alternative requirements in lieu of a department-approved management plan if certain conditions are met, including owning at least 1,000 acres of combined FCL and MFL under the same ownership name, having access to professional forestry assistance, and a department-approved management commitment. These allowances are mutually beneficial, affording the department improved administrative efficiency while allowing large ownership landowners to safeguard their proprietary information and business operations. This allows proprietary information contained in management plans to remain with the large ownership so long as it is available onsite to the department for audit purposes on request. These procedures are to be followed to ensure these efficiencies and flexibilities are provided consistently to all Large Ownerships while maintaining integrity of the program and principles of sound forestry. Note: large ownerships are not eligible for inclusion in the MFL Certified Group.

The department will not accept a combination of multiple ownerships. The department will not grant large ownership status to landowners who have been in violation of the provisions of their past FCL or MFL contracts unless they have taken sufficient steps to fully comply with their requirements, provisions of Notice of Investigations (NOI's) or other outstanding enforcement actions. The department will not grant large ownership status to any landowner who cannot demonstrate continuous access to competent technical forestry assistance through staff or contracted services. The landowner will be required to state how this will be accomplished. This must include a list of forestry staff or individual(s) or firms with foresters' names and contact information that have been contracted with to provide assistance. A landowner who is granted large ownership status is required to contact the department to provide updated contact information if any changes are made to this list of staff, individual(s) or firms. The department will not grant large ownership status to any landowner who does not provide to the department an approvable management commitment.

III. DEFINITIONS

“Audit or Document Review” means a pre-announced document review including the required elements as per NR 46.18(4), Wis. Admin Code. Audits may include a small randomly-selected sample of the large ownership's records pertinent to forest management and a field visit in compliance with Tax Law requirements based on onsite review of documents and/or implementation of forestry practices. Audits are separate from routine monitoring of large ownerships' management practices including field verification of sound forestry.

“Request for large ownership status” means the submission of a written request to the department asking for the modified management plan requirements of a large ownership describing how the requirements for large ownership status are met NR 46.18(4)(a)4.

“Competent technical forest management assistance” means the large ownership's consistent demonstration of sound forest management planning and implementation activities, and current, updated contact information for individuals and firms contracted to provide technical forestry assistance, as shown in planning documents and practice implementation records.

“Large Account” means large ownership, not to be confused with large property. Large ownerships, historically termed “Industrial Ownerships,” are owners who are allowed to meet alternative requirements in lieu of a department-approved management plan if certain conditions are met, including owning at least 1,000 acres of combined FCL and MFL under the same ownership name, having access to professional forestry assistance, and a department-approved management commitment.

“Management Commitment” means a department-approved written commitment from an ownership that describes the management plan that is required in NR 46.18(4)(a)3. and outlines the procedure used to update and amend the management plan, or that fulfills requirements established in NR 46.18(4)(a)6. if applicable. Management commitments must be updated when land is added to, conveyed, or renewed or reenrolled under the ownership.

IV. PROCEDURES

A. *Roles and Responsibilities*

Large ownership landowner responsibilities include ensuring compliance with all statute and code requirements, retaining competent technical forest management assistance, and fulfilling the responsibilities listed Table 207-1.

Certified Plan Writer (CPW) prepares applications for enrollment. CPWs are responsible for reaching out to Large Account Tax Law Forestry Specialist (LATLFS) to ensure the CPW has adequate privileges in WisFIRS to create large account applications.

Competent technical forest management assistance providers are required to create forest management planning documents and practice implementation records, and generally assist the landowner to carry out the responsibilities in Table 207-1.

Large Account Tax Law Forestry Specialist (LATLFS) TLFS assigned with Large Account Administration responsibilities. Responsible for review and approval of all Large Account applications, management commitments, forestry practices, and all transactions for Large Accounts. Assisted by locally-assigned TLFS as needed.

Table 207-1 Large ownership responsibilities		
Responsibility	Requirements	Notes and deadlines
Provide contact information for technical forestry assistance providers	Continually update contact information as needed	Upon request for large ownership status and updated thereafter as needed when contact for technical forestry assistance providers change.
Submit updated maps	After conveyance or loss of productivity, and as needed to show access	One (1) year after conveyance or loss of productivity, and immediately to show missing access upon request by the department. Access must be shown on the map for each parcel of Open MFL, or the MFL parcel must be closed.
Submit management commitment	To demonstrate sound forestry and be granted large ownership status	One (1) year after conveyance or approval of large account status. <i>Note: DNR considers it best practice not to include acreages in the text of the management commitment, as fewer updates will then be needed to reflect any future acreage changes.</i>
Submit updated management commitment	To maintain large ownership status and demonstrate sound forestry after changes to management philosophy or technical advisement	Promptly following changes to management philosophy, after changes to the system for how the landowner plans to have competent professional forestry advisement (either through staff or from an external consulting forester or firm).
Maintain at least 1,000 acres at all times	After ownership changes and withdrawals ensure the ownership remains at least 1,000 acres	Falling below 1,000 acres triggers notification and stand-level management plan requirement. At this point, the ownership becomes a small account.

B. *Request for large ownership status for existing Tax Law participants.*

- Landowner submits a written request for large account status containing the information below. Email or postal service may be used.
 - Ownership name
 - Total acres currently enrolled in MFL and/or FCL under the same ownership name
 - Description of how the owner will secure continuous access to competent forestry assistance
 - Agreement that the ownership will submit an approvable management commitment and any necessary maps within one (1) year.
- Upon receipt of the request for large account status, the LATLFS will review for completeness and compliance, ensuring the 1,000-acre minimum is met and the ownership has a compliant history in Tax Law. If the request is approvable, the LATLFS will respond with a letter, approving the ownership's request for large account status. This correspondence will be addressed to the ownership and include the forestry consultant(s) named in the request, cc'ing the TL Team Leader, Tax Law Section Chief, and any TLFS and TLAS involved in the ownership as a small account.
 - The approval of large ownership status is saved to the Tax Law Large Account SharePoint library and includes:
 - The 1-year deadline for the ownership to provide an approvable management commitment and required MFL maps.
 - The tentative date for the account types to be changed from small to large in WisFIRS (generally about five 5 business days from approval).
 - The owner may want to download and save data before their large account status takes effect in WisFIRS. When the account type changes from small to large in WisFIRS the stand data, goals, NHI, ecological landscape, and archaeological information will no longer be accessible. If the owner requires assistance with obtaining their WisFIRS data, they may request it from the LATLFS.

C. Submitting an approvable management commitment.

The purpose of the commitment is to help the department determine whether the underlying management plan will result in the practice of sound forestry. For approval, all management commitments must include:

- An agreement to comply with the statutory requirement to file cutting notices and reports.
- A statement on how the owner plans to comply with Natural Heritage Inventory (NHI) requirements for any threatened and endangered plant or animal occurrences on their enrolled MFL or FCL lands. This may be as simple as stating that the owner will check for known occurrences for each harvest and take appropriate steps according to pertinent laws.
- An agreement to comply with all applicable Wisconsin Best Management Practices for Water Quality.
- A description of the forest inventory for the property, including the types of information collected, whether it is stand level or strata level, and how often it is updated.
- A statement on how the landowner plans to retain competent technical forest management assistance, either through staff or from an external consulting forester or firm.
- A breakdown of the various timber types found on the property.
- Explanation of how the timber types are defined (e.g. aspen type is defined as 50% aspen by volume).
- Management objectives for each timber type.
- Description of the silvicultural systems and harvesting/cutting methods that will be used to meet the landowner's objectives by timber type.
- An explanation of the stand characteristics that would trigger management (e.g. rotation ages for even-aged systems, stand basal area limits that would trigger the owner to schedule a harvest or thinning, expected re-entry intervals, etc.).

D. Requirements for enrolling land in an existing large ownership

- Proof of ownership and other legal documents
- Application
- Maps: specifically, large account maps submitted must have the stand acres and cover type listed on the map.
- Proof that all encumbrance holders agree to the management commitment.
- All portions of sections I, II, III, V, VI, and VIII of the application review checklist (form 2450-189) must be submitted.
- Previously-approved management commitments must be updated to reflect any changes to the management plan it describes if warranted.

E. Request for large ownership status concurrent with initial enrollment in MFL and designation of at least 1,000 acres under one ownership.

- If the landowner is not already enrolled in MFL, they must meet the June 1 application deadline and meet all requirements including management commitment.

F. Review and Approval of Large Ownership Applications

- Includes the use of the application review checklist (Form 2450-189) for the items listed above. The checklist is used by the LATLFS to review and provide any needed corrections.
- Applicable encumbrance holders must sign the application to indicate agreement, including conservation easement holders. If the DNR owns the easement, department approval of the application satisfies this requirement.

G. Large to large and small to large conveyances and transfer of ownership requests

- Complete the standard tax law transfer process. The landowner (through agent or otherwise) sends transfer of ownership form, proof of ownership, tax bill(s), documents, and \$100 per MFL order number to LATLFS for processing. The local TLAS issues the transfer order.
- After the order is issued, the ownership is notified by the LATLFS of the one (1)-year deadline to send updated MFL maps showing current owner, access for Open MFL, and timber types along with any necessary management commitment updates to the LATLFS. This is a custom communication usually sent via email and including the large ownership forester.
- When received, the LATLFS will review and approve the maps and commitment and upload the documents to WisFIRS.

H. Department Review, Approval and Monitoring of Forestry Practices

1. Cutting Notices (CN) and Cutting Reports. The process below describes the differences with Chapter 204 procedures.

- Cutting notice review and approval for large ownerships
 - Large ownerships do not have stand-level management plans in WisFIRS, so proposed cutting is evaluated in terms of consistency with the management commitment and principles of sound forestry.
 - A large ownership may request DNR approval. DNR review and approval is required if the CN indicates that the proposed cutting does not match the management commitment. This may occur if there aren't provisions for insects, disease, storm damage in the commitment and the harvest prescriptions are seen as unique occurrences. The CN may be approvable without a revision to the management commitment unless it reflects a change in the management system (rotation age or other silviculture).

2. Ensuring sound forestry using the Harvest Monitoring Checklist (HMC Form 2450-196)

- Harvests are mapped using GIS to enable tracking to ensure sound forestry.

3. Regeneration monitoring.

- Regeneration harvests are mapped using GIS to enable regeneration monitoring.

- Regen monitoring will be conducted by the department as resources allow.
 - The department may request voluntary submission of annual projected and completed plantings.
4. Coordination of field activities between local Tax Law Forestry Specialists (TLFS) and LATLFS may include field assistance with:
- Management practice compliance checks
 - Posting violations
- I. *Document review (audit) of large ownership (routine department request for non-proprietary information may be made outside of an onsite document review)*
1. Department request. The onsite document review may be undertaken at the discretion of the department. The large ownership that is subject to the review will be notified in writing four (4) months in advance and provided the checklist of documents for review.
 2. Required participants. Department representatives and responsible individual(s) knowledgeable about the operation and authorized to represent the large ownership.
 3. Location and scheduling. The large ownership will be asked to provide suitable facilities for the review and to choose an appropriate date within 90 days from request for a document review.
 4. Duration and scope. Depending on the scale and complexity, document reviews may take one to several hours, generally to conclude within one working day. Items listed in the document review checklist and associated records are within scope.
 5. Document review checklist Appendix 207A. The document review checklist provides the list of items and associated records within scope for the onsite document review.
 6. Reporting results and follow-up actions. Upon conclusion of the onsite document review, the department will provide a verbal summary of any expected follow-up actions based on preliminary findings during the review. As needed, this will be followed by further communication and written correspondence.
- J. *Large Account Specific Compliance: Loss of Large Ownership Status Without Change of Ownership*
- The most common reason for loss of large ownership status is failure to meet the 1,000-acre threshold when acreage is retained after a conveyance or acreage is not reenrolled after expiration. Loss of parcel productivity or partial withdrawal may also create situations where an ownership fails to meet the 1,000-acre minimum.
 - When an ownership fails to meet the criteria to maintain large account status the department will notify the ownership and provide a one (1)-year timeline to restore acreage to 1,000 or develop stand-level management plans for all lands that ownership has enrolled in the tax law programs. At that point, the department will change the active orders from large to small in WisFIRS, assign them to the local TLFS, and a CPW may then begin drafting the large to small MFL plan(s). If the ownership wishes to be included in the MFL Certified Group, they may submit the MFL Certified Group Application form for the MFL land enrolled.
- K. *Associated Owners in Large Ownership Status (“Umbrella” Ownerships)*
- Historically, the department made allowances for landowners who owned less than 1,000 acres but who were associated to a large ownership, such that more than one owner could operate under the same management commitment “umbrella” and benefit from the same qualified technical forestry assistance. These groups of landowners associated to qualifying large ownerships, termed “umbrella” ownerships, are no longer allowed, but those allowed under the department’s prior policy will be permitted to persist until current Tax Law enrollments expire or ownership changes, all other things being equal.

L. *Division of tasks in WisFIRS by Role of LATLFS, TLAS and CPW*

Table 207.2 Division of tasks in WisFIRS by Role			
Task	LATLFS	TLAS	CPW
Grants CPWs privileges to write applications for large account landowners.	X		X must request permissions
Reviews and approves large account applications	X		
Uploads documents (management commitments, updated maps, cutting notices, etc.) to active orders	X		
Changes account types (from small to large, from large to small)	X	X may assist if needed	
Evaluates acreage minimums, runs reports of acreages owned	X	X may assist if needed	
Issues orders for Transfer of Ownership, Corrections, Withdrawals, Public Access Modification Requests		X	
Receives and processes MFL Certified Group Application Form (large to small)		X	
Updates ownership primary contact info	X	X	X must inform DNR

Submits applications for enrollment (new, reenrollment, addition, FCL conversion) of land under large ownerships			X
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V. BACKGROUND

Wisconsin's original Tax Law, FCL, dating to 1927, does not require a management plan as a condition of designation. Since the beginning there were many large industrial ownerships with at least 1,000 acres enrolled in FCL, but there was no variation in regulation based on size of ownership or dedicated forestry assistance.

In 1985, MFL replaced FCL. MFL *does* require a department-approved management plan as condition of designation, with appropriate practices scheduled for each forest stand. The department recognized the incompatibility of the ownership goals and management strategies of many large ownerships enrolled in FCL and the management plan requirement of MFL; it had also acquired substantial confidence in the management commitment and capabilities of many large ownerships, as well as in the forestry assistance in their employ.

The Administrative Code dedicated to Wisconsin's Forest Tax Programs was recreated to reflect termination of FCL enrollment and to create a new subchapter to implement MFL (Subchapter II of NR 46, Wis. Admin Code) in 1985. The original code written to implement the MFL statute specifies the conditions under which owners of at least 1,000 acres enrolled in Tax Law may be granted large ownership status and be exempted from the requirement for a department approved management plan. When the department became aware that some management commitments of large ownerships covered more MFL than the large ownership owned, the department allowed these management "umbrellas" over additional MFL enrollments, provided proof of association with the large ownership was submitted with the application. Small ownerships were allowed to enroll as large ownerships and benefit from the same technical forestry assistance while maintaining small enough acreage to close their MFL to public access if desired (notably FCL does not offer a closed option). The policy of allowing "umbrellas" was reversed in 2012, at the same time as NR46 began requiring the ownership to hire a CPW to submit an approvable stand-level management plan to the department within one (1) year of losing large ownership status. This reversed the former policy of the department developing these plans at no cost to the landowner if required. Small ownerships which were enrolled under the umbrella of a large ownership prior to 2012 are allowed to remain enrolled under the original conditions of their enrollment if the ownership is not conveyed to a non-qualifying ownership and program compliance including sound forest management is maintained.

VI. REFERENCES AND RELATED DOCUMENTS

Source	Summary of requirement
NR 46.16(10)	All applications submitted to the department shall be completed and submitted electronically through the Wisconsin Forest Inventory and Reporting System (WisFIRS) by a certified plan writer, unless a certified plan writer is unavailable, as provided for in s. 77.82 (3) (am) , Stats.
s. 77.82(3)(h)1 . And. 77.82(3)(h)2 . Wis Stats.	<ol style="list-style-type: none"> 1. Under this paragraph, "large ownership" means 1,000 or more acres of land designated as managed forest land that has the same owner. 2. The department may promulgate rules that subject large ownerships to management plan requirements that deviate from the requirements under pars. (ag) to (g).
s. 77.82(3)(h) , Wis. Stats	"Large property" means one or more separate parcels of land that are under the same ownership, that collectively are greater than 1,000 acres in size, and that are managed forest land or forest croplands or a combination thereof.
NR 46.18(4)(a)	<p>The requirements of this section for management plans may be modified by the department for ownerships exceeding 1,000 acres after consideration of the following:</p> <p>NR 46.18(4)(a)1. Other land of the owner entered as managed forest land, forest crop land or other forest tax law programs administered by the department.</p> <p>NR 46.18(4)(a)3. The existence of a management plan prepared by or for the owner and acceptable to the department. The management plan shall be readily available to the department upon written request or audit.</p> <p>A management plan under this section shall include all of the following:</p>

Source	Summary of requirement
	<p>NR 46.18(4)(a)3.a. Maps or a GIS database at a scale usable for forest management and showing land eligible for designation.</p> <p>The maps or database shall represent current conditions, and include the requirements provided for in s. 77.82 (3) (c) 4. and 5., Stats. Maps, in a format approved by the department, that show any land designated as open to public recreation and meeting the requirements in s. NR 46.21 (3) (c) shall be provided.</p> <p>NR 46.18(4)(a)3.b. Reconnaissance data and scheduled practices using the procedure defined in subd. 4.</p> <p>NR 46.18(4)(a)4. At the time of application to become a large ownership, submission of legal descriptions and maps or aerial photographs that meet the requirements established in s. 77.82 (3) (c) 4. and 5., Stats., for the land being entered, and a written commitment from an owner that describes the management plan that is required in subd. 3. and outlines the procedure used to update and amend the management plan, or that fulfills requirements established in subd. 6., if applicable. The information provided in this subdivision shall be updated when land is added to, conveyed, or renewed under the ownership.</p> <p>NR 46.18(4)(a)5. An owner's demonstrated consistent accessibility to competent technical forest management assistance through staff or consultant services.</p> <p>NR 46.18(4)(a)6. If the land considered for large ownership is under a nationally recognized third-party forest certification standard with a valid certificate held by the managed forest land owner, the land may qualify as a large ownership without fulfilling requirements under subd. 3. if the owner maintains the third-party certification and provides maps, in a format approved by the department, that show lands designated as open to public recreation and meeting the requirements in s. NR 46.21 (3) (c).</p>
NR 46.18(4)(b) , Wis. Adm. Code	The department may revoke large ownership status for large ownerships failing to meet requirements established in par. (a) . Large ownerships shall be notified of the cause for revocation in writing, and shall be given one year to develop a management plan under s. 77.82 (3) , Stats., that contains all items listed in s. NR 46.16 (2) (f) , (g) , and (h) .
NR 46.18(4)(c)	Large ownerships shall supply the department, upon written request, additional information required to determine owner compliance with s. 77.82 (1) , Stats., and this section as provided for in s. 77.82 (2) and (3) , Stats.
Appendix 207A Document Review Checklist	Large ownerships are responsible for compliance with all statute and code requirements including having a management plan available onsite to the department for audit purposes on request. Appendix 207A Document Review Checklist provides a list of what documents need to be available on request for a document review or audit.

VII. DOCUMENT HISTORY

This version Rescinds and Replaces	-Large Account Administration information from Chapter 20.
Summary of Changes from previous version	-New content was created and old content was entirely rewritten.