

Received from: Gathering Waters/Wisconsin Alliance for Land Trusts

Factual errors and claims requiring additional context in Oneida County resolution 25-2023

Factual errors:

- *Line 22: WHEREAS, the State is purchasing conservation and access easements by using the Knowles Nelson Stewardship funds, which is borrowed money and increases the burden on current and future generations to pay off; and,*

Fact: Acquisitions of land or conservation easements by the DNR using Knowles-Nelson Stewardship Program funds are paid for with revenue from what's known as the Segregated Forestry account, not bonds (borrowed money). The Forestry account is funded with General Purpose Revenue (GPR), comprised mainly of income and sales taxes. This is revenue the state has already set aside for conservation purposes.

Source: Legislative Fiscal Bureau. "Warren Knowles-Gaylord Nelson Stewardship Program (Informational Paper 66)" https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2023

- *Line 34: WHEREAS, on April 13, 2022 the DNR purchased conservation and access easements on 12,410 acres in Oneida County, but the Joint Finance Committee stopped that purchase; and,*

Fact: The Joint Finance Committee raised no objections to the acquisition of easements on the 12,410 acres in Oneida County, also known as Phase 1 of the Pelican River Forest.

Source: Joint Finance Committee Passive Review Requests. "Natural Resources Forest Legacy Easement (Due Date: July 27, 2021)."

https://docs.legis.wisconsin.gov/misc/lfb/jfc/100_section_16_505_16_515_passive_review_requests

Legislative Fiscal Bureau. "Warren Knowles-Gaylord Nelson Stewardship Program (Informational Paper 66)" https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2023

- *Line 37: WHEREAS Governor Tony Evers, then used \$4.5 million dollars of American Rescue Plan Act monies to fund the cancelled purchase, which removed 12,410 acres in Oneida County from land available for future growth and tax base; and,*

Fact: Governor Evers allocated no American Rescue Plan dollars to phase 1 of the Pelican River Forest.

The purchase was not cancelled. It was approved by the Natural Resources Board. The Joint Finance Committee raised no objections to the acquisition during its 14-day passive review window.

Therefore, the acquisition went forward using Knowles-Nelson Stewardship dollars.

None of the 12,410 acres were removed from the tax base. The land stayed in private hands. It remains on the tax rolls.

Source: Legislative Fiscal Bureau. "Warren Knowles-Gaylord Nelson Stewardship Program (Informational Paper 66)" https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2023

- *Line 41: WHEREAS, the DNR is proposing purchasing conservation and access easements on an additional 54,928 acres of MFL land within Oneida County, which will impact not only the future tax base of the eight towns in Oneida County, but also the overall future tax base of Oneida County; and,*

Fact: The easement will not impact the existing tax base in the county. It is private land, which will stay in private hands. The land stays on the tax rolls. There is no change to the land's tax status due to the easement acquisition.

- *Line 49: BE IT FURTHER RESOLVED the State of Wisconsin and the DNR ought to cease the unsustainable and runaway debt of the Knowles Nelson Stewardship Fund; and,*

Fact: There is no evidence that any state debt, including that incurred by past Knowles-Nelson Stewardship purchases, is either “unsustainable” or “runaway.” The state is in the best financial position in its history. Wisconsin’s bond rating was upgraded by two major bond rating entities in 2021, which lowers borrowing costs. Overall, Wisconsin carries about \$11.5 billion in debt. Knowles-Nelson debt is less than 5% of the state’s total debt. As mentioned above, this project is funded with Segregated Forestry account revenue, not debt.

Source: State of Wisconsin Department of Administration. “Annual Comprehensive Financial Report.” <https://doa.wi.gov/Pages/StateFinances/ACFR.aspx>

State of Wisconsin Department of Administration “Continuing Disclosure Annual Report.” <https://doa.wi.gov/Pages/Continuing-Disclosure-Annual-Report-December-23,-2022.aspx>

- *Line 52: BE IT FURTHER RESOLVED, that the State create a statute prohibiting purchases and easements of land when 35% of the land within a town or county is public land not including MFL;*

Fact: About 26% of Oneida County is public land. Such a prohibition would not impact the purchase of easements for the Pelican River Forest.

Source: Wisconsin DNR GIS data analyzed by Gathering Waters. <https://data-wi-dnr.opendata.arcgis.com/>

Misleading or out of context statements.

- *Line 15: WHEREAS, excerpting those lands Oneida County has less than 35% of its area to levy all state, county, all towns, schools and Nicolet College tax levies; and,*

Context: Including lakes and rivers as “nontaxable land” artificially inflates the amount of land not on the tax rolls. All MFL land (200,000 acres) is on the tax rolls.

The total of all public land in Oneida County (Federal, State, County) is about 210,000 acres, approximately 26% of the county.

Oneida County ranks #10 in Wisconsin for the total amount of public land in the county.

Source: Wisconsin DNR GIS data analyzed by Gathering Waters. <https://data-wi-dnr.opendata.arcgis.com/>

Line 18: WHEREAS, Oneida County's economic growth and growth of the tax base is totally dependent on MFL property, which has been left in reserve for years with hardly any taxes paid

Context: A key concern of the resolution actually seems to be MFL payments. There may be a worthwhile debate to be had about whether MFL payments to local communities are adequate, but that is a different debate than whether or not to support Knowles-Nelson or the Pelican River Forest.

Also, the outdoor recreation economy, which depends on publicly accessible land and water, is one of the fastest growing segments of Wisconsin's economy, growing 70% faster than WI's economy as a whole, according to the state's Office of Outdoor Recreation. It is misleading to suggest that economic development and land conservation are opposing forces.

Source: Wisconsin Office of Outdoor Recreation. "Outdoor Recreation: A Top Driver of Wisconsin's Economy." <https://headwaterseconomics.org/outdoor-recreation/wisconsin-outdoor-economy/>

- *Line 26: WHEREAS, the current outstanding principal debt of the Stewardship fund as of December 2022 is \$452,995,930 and if carried to maturity would cost the taxpayers \$578,841,025; and,*

Context: Without any context, almost any state expenditure can seem like a lot. For example, it costs about \$1 billion to rebuild a major highway interchange. After 50 years, the interchange must be completely rebuilt.

Over 30 years, Wisconsin has invested about \$1.2 billion in Knowles-Nelson. Those lands work for us every day by offering opportunities for outdoor recreation like hunting, snowmobiling, and ATV/UTV riding. These lands also filter air and water, mitigate floods, provide wildlife habitat, and more. Estimated conservatively, Knowles-Nelson lands return more than \$2 billion to Wisconsin every year. Once purchased, these lands work for all of us forever. That's quite a return on investment. Again, funding for DNR acquisitions (fee or easement) come from Segregated Forestry account revenue, not bonds.

Source: Tyler Byrnes, UW-Madison. "Green infrastructure: Knowles-Nelson in the context of state infrastructure spending." <https://knowlesnelson.org/research-overview/natural-infrastructure/>

- *Line 52: BE IT FURTHER RESOLVED, that the State create a statute prohibiting purchases and easements of land when 35% of the land within a town or county is public land not including MFL; and,*

Context: Such a prohibition would apply to a number of Wisconsin counties, but not Oneida County, which has about 26% public land. Applying such a restriction to individual towns would lead to fragmentation of the forest landscape, undermining the forestry industry, outdoor recreation, and conservation efforts.

Source: Wisconsin DNR GIS data analyzed by Gathering Waters. <https://data-wi-dnr.opendata.arcgis.com/>

- *Line 56: BE IT FURTHER RESOLVED that at a time when affordable housing is one of our most important issues, now is not the time to drive up the cost of home ownership by reducing future available land into conservation and access easements; and,*

Context: While an individual land or easement acquisition may seem large, conservation real estate transactions make up such a small part of the overall real estate market in Wisconsin that their effect is negligible. For example, in more than 30 years the Knowles-Nelson Stewardship Program has invested about \$1.3 billion in conservation. A substantial portion of that investment is for development of outdoor recreation amenities (campgrounds, trails, boat launches, etc.), not land acquisition. By comparison, in just the last five years more than \$2 billion worth of forested and agricultural real estate have changed hands in Wisconsin. The scale of conservation land transactions just isn't big enough to impact the overall real estate market in our state.

Source: Tyler Byrnes. "The Impact of Conservation Land Purchases on Recreational Land Markets."
<https://www.dropbox.com/s/i98qnrave7s6idc/Rec%20Land%20Crowding%20Paper.pdf?dl=0>

- *Line 60: BE IT FURTHER RESOLVED that if the State does purchase more land or public access, that the tax burden of public land ownership be equitably distributed among all Wisconsin Counties; and,*

Context: The financial burden of public land ownership is already distributed across the state through payments in lieu of taxes (PILT). There may be a worthwhile debate to be had about whether PILT payments are adequate, but that is not germane to Pelican River Forest. Note, however, that PILT payments were raised in 2021 to a minimum of \$3.50 per acre. MFL fees range from \$.72 / acre to \$9.49 / acre depending on public access and the date of the MFL contract.

The Pelican River Forest is not a public land acquisition. It is private land, which will stay private.

Source: <https://dnr.wisconsin.gov/topic/fl/RealEstate/PILT>

<https://dnr.wisconsin.gov/topic/forestlandowners/taxrates>

<https://dnr.wisconsin.gov/topic/forestlandowners/mfl>

Conclusion: There is a real fiscal crunch being placed on local governments. That is due to declines in shared revenue, levy limits, and programs such as MFL and agricultural use value assessments that shift the property tax burden primarily onto residential and commercial properties. There is an important debate to be had on how to adequately fund local government. But that is not a debate about conservation lands or the Pelican River Forest. **One must not conflate this private land conservation project with the actual forces constraining local government finances.**

Source: Tyler Byrnes. "Conservation Land Purchase Impacts on Local Government Finance."

<https://www.dropbox.com/s/nfpnl217pidex2/Conservation%20Purchase%20Fiscal%20Impacts.pdf?dl=0>