

**Minutes**  
**EVALUATION SUBCOMMITTEE**  
**Legislative Audit Commission**  
**November 19, 2013**

Members Present:

Representative Rick Hansen, Chair  
Representative Mary Liz Holberg

Senator Mary Kiffmeyer  
Senator James Metzen

Members Absent:

Representative Andrew Falk

Senator Warren Limmer

Other Legislators Present:

Senator Chris Eaton

Representative Hansen called the meeting of the Evaluation Subcommittee of the Legislative Audit Commission to order at 10:03 a.m. The purpose of the meeting was to release the evaluation, *Sustainable Forest Incentive Program*.

Representative Hansen called on Jim Nobles, Legislative Auditor. Mr. Nobles gave a brief summary of the evaluation and introduced Carrie Meyerhoff, evaluation manager, to give more details. Ms. Meyerhoff provided an overview about the Sustainable Forest Incentive Act (SFIA) and the recommendations made by the evaluation, which were: (1) The Legislature should either tie sustainable forest incentive payments more directly to SFIA's goals or repeal SFIA and use other programs to encourage sustainable forest management; (2) The Legislature should require program applicants to register their forest management plans with the Department of Natural Resources; (3) The Legislature should require increased verification of program compliance; (4) The Legislature should clarify and expand penalty options for noncompliance with SFIA; and (5) The Legislature should amend SFIA to better address changes to ownership of enrolled land.

Representative Hansen invited the Department of Revenue representative to address the subcommittee. Commissioner Myron Frans said the department generally agreed with the report recommendations. He said if the Legislature decides to pursue changes to the program and explore different ways of providing property tax relief for forest land, the department is willing to work with the Legislature and the Department of Natural Resources (DNR) in figuring out the best alternative.

Representative Hansen invited the DNR representative to address the subcommittee. Deputy Commissioner Dave Schad said DNR also generally agreed with the report recommendations. He said that DNR agrees it is necessary to clarify goals of the program and to more clearly tie payments to those goals. He said they are prepared to work with the Legislature and the Department of Revenue to determine how SFIA can be improved and to explore new ways that would also be effective in achieving SFIA's goals.

With no further business, Representative Hansen adjourned the meeting at 11:38 a.m.

---

Representative Rick Hansen, Chair

---

Shelly Watterud, Recording Secretary