

SUCCESSION PLANNING

Ways to ensure your land is maintained after you're gone

By John DeBaun

The question that hangs over almost every owner of woodland property – what will happen to this land after I'm gone – was the topic of a Saturday afternoon session on woodland successional planning.

Members of the panel were Carl Garske of Harshaw, Lee Lehrer of Iola, Lois and Steven Raether of Chippewa Falls and Kathy and Richard Wagner of Weyauwega.

Garske started off discussing his 120-acre property, Gentle Acres in Oneida County, which is held by him, his wife Mary Beth, and their daughter and son-in-law.

"You need to do something – and you need to do it now," he said on the matter of property succession.

Garske discussed the different kinds of deeds for properties and said he decided to form an LLC – a limited liability corporation – for another 145-acre property he owned. There are tax advantages and your assets are protected, he said.

Garske is the managing partner of the LLC, of which there are seven members. On the down side, he said, you have to fill out a separate tax form, and it is fairly complex. But he likes avoiding the exposure to any kind of lawsuit.

The Wagners own 550 acres in Waupaca County, half woods and half cropland. They have three children and 15 grandchildren.

They established five goals for their property:

- Enjoyment by family and non-family members of the woods and open spaces in all seasons.
- Developing a "shared passion for the land" and an interest in woodland management in their children and grandchildren, while transitioning

ownership to them.

- Pursuing silvicultural practices that will maintain the health of the trees and a home for wildlife.
- Keeping the land open and rural in nature.
- Covering expenses by renting out cropland and harvesting trees.

They have been woodland owners since 1992, and in 2004 they set up three separate corporations to maximize the Managed Forest Law (MFL) benefits. In 2013, they began their succession planning. They gave 99.5% of the ownership to their children, but the control of the property stayed with them by structuring the stock so they held most of the voting shares. In doing so, they avoided any gift taxes.

"You can sometimes devalue assets before giving them," Richard said. "Equal is not always fair. Communication is the key."

Lee Lehrer owns 20 acres in Portage County and an adjoining 68 acres in Waupaca County. Since he and his wife, Jan, who died in November of 2021, did not have any children of their own, he established a trust and named a close family friend who has helped them with the land over the years as trustee.

When he bought the property, the land had been high-graded by the previ-

ous owner.

"It's been fun just watching it grow," he said. He "upgraded" his MFL plan to a 50-year plan, which he likes because it makes it harder for the WDNR to alter his plans.

Steve and Lois Raether have owned their land in Chippewa County since 1968. They own more than 400 acres of woodlands and have planted about 40 acres of red pine. They have always consulted with foresters in the management of their property and have had a number of timber harvests and have another harvest pending.

Since they have no children and no family members interested in keeping the property in woods, they created a life estate and donated 340 acres to the Ruffed Grouse Society. They have kept control of the property – which is all MFL land – while they are still living, but they can take a tax deduction each year for a portion of the value of the donation.

"It's important to have a good lawyer and a good tax accountant to set things up," Lois said.

Editor's Note: This story is based on the presentation at the WWOA conference and interviews with the participants afterward.



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