

GENERAL ASSEMBLY OF NORTH CAROLINA

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HOUSE BILL 457
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Short Title: Amend Forest Development Act/AB.

(Public)

Sponsors:

Referred to:

March 10, 1997

A BILL TO BE ENTITLED
AN ACT TO ALLOW RECOVERY OF FUNDS PAID AS FOREST DEVELOPMENT
COST-SHARING PAYMENTS WHEN TREES ARE NOT MAINTAINED AT
LEAST TEN YEARS AND TO CONVERT THE FOREST DEVELOPMENT FUND
TO ONE THAT ACCRUES INTEREST.

The General Assembly of North Carolina enacts:

Section 1. G.S. 113A-178 reads as rewritten:

"§ 113A-178. Definitions.

As used in this Article:

(1) 'Approved forest management plan' ~~shall mean~~ means the forest management plan submitted by the eligible landowner and approved by the Secretary. Such plan shall include forest management practices to insure both maximum forest productivity and environmental protection of the lands to be treated under the management plan.

(2) 'Approved practices' ~~shall mean~~ mean those silvicultural practices approved by the Secretary for the purpose of commercially growing timber through the establishment of forest stands, or of insuring the

1 proper regeneration of forest stands to commercial production levels
2 following the harvest of mature timber. Such practices shall include
3 those required to accomplish site preparation, natural and artificial
4 forestation, noncommercial removal of residual stands for silvicultural
5 purposes, and cultivation of established young growth of desirable trees.
6 In each case, approved practices will be determined by the needs of the
7 individual forest stand. These practices shall include existing practices
8 and such practices as are developed in the future to insure both
9 maximum forest productivity and environmental protection.

10 (3) 'Department' ~~shall mean~~ means the Department of Environment, Health,
11 and Natural Resources.

12 (4) 'Eligible landowner' ~~shall mean~~ means a private individual, group,
13 association or corporation owning land suitable for forestry purposes.
14 Where forest land is owned jointly by more than one individual, group,
15 association or corporation, as tenants in common, tenants by the
16 entirety, or otherwise, the joint owners shall be considered, for the
17 purpose of this Article, as one eligible landowner and entitled to receive
18 cost-sharing payments as provided herein only once during each fiscal
19 year.

20 (5) 'Eligible lands' ~~shall mean~~ land means land owned by an eligible
21 landowner.

22 (6) 'Forest development assessment' ~~shall mean~~ means an assessment on
23 primary forest products from timber severed in North Carolina for the
24 funding of the provisions of this Article, as authorized by the General
25 Assembly.

26 (7) 'Forest development ~~cost-sharing~~ cost-sharing payment' ~~shall mean~~ means
27 financial assistance to partially cover the costs of implementing
28 approved practices in such amounts as the Secretary shall determine,
29 subject to the limitations of this Article.

30 (8) 'Forest development fund' ~~shall mean~~ means the ~~special nonlapsing~~
31 ~~fund established in the Department of Environment, Health, and Natural~~
32 ~~Resources, designated as the Forest Development Fund, Fund~~ created
33 by G.S. 113A-183.

34 (9) 'Secretary' ~~shall mean~~ means the Secretary of Environment, Health, and
35 Natural Resources.

36 (10) 'Maintain' means to retain the reforested area as forestland for a 10-year
37 period and to comply with the provisions in the approved forest
38 management plan."

39 Section 2. Article 11 of Chapter 113A of the General Statutes is amended by
40 adding a new section to read:

41 "**§ 113A-180.1. Cost-share agreements.**

42 (a) In order to receive forest development cost-share payments, an eligible
43 landowner shall enter into a written agreement with the Department describing the

1 eligible land, setting forth the approved practices implemented for the area and covered
2 by the approved forest management plan, and agreeing to maintain those practices for a
3 10-year period.

4 (b) In the absence of Vis major or Act of God or other factors beyond the
5 landowner's control, a landowner who fails to maintain the practice or practices for a 10-
6 year period in accordance with the agreement set forth in subsection (a) of this section
7 shall repay to the Fund all cost-sharing funds received for that area.

8 (c) If the landowner voluntarily relinquishes control or title to the land on which
9 the approved practices have been established, the landowner shall:

10 (1) Obtain a written statement, or a form approved by the Department, from
11 the new owner or transferee in which the new owner or transferee
12 agrees to maintain the approved practices for the remainder of the 10-
13 year period; or

14 (2) Repay to the Fund all cost-sharing funds received for implementing the
15 approved practices on the land.

16 If a written statement is obtained from the new owner or transferee, the original
17 landowner will no longer be responsible for maintaining the approved practices or
18 repaying the cost-sharing funds. The responsibility for maintaining those practices for
19 the remainder of the 10 years shall devolve to the new owner or transferee."

20 Section 3. G.S. 113A-183 reads as rewritten:

21 "**§ 113A-183. Forest Development Fund.**

22 (a) ~~There is hereby~~ The Forest Development Fund is created in the Department of
23 Environment, Health, and Natural Resources as a fund to be designated the Forest
24 Development Fund, for which fiscal management and responsibility are hereby vested in
25 the Secretary special fund. Revenue in the Fund does not revert at the end of a fiscal
26 year, and interest and other investment income earned by the Fund accrues to it. The
27 Fund is created to provide revenue to implement this Article. The Fund consists of the
28 following revenue:

29 (1) Assessments on primary forest products collected under Article 12 of
30 Chapter 113A of the General Statutes.

31 (2) General Fund appropriations.

32 (3) Gifts and grants made to the Fund.

33 (b) ~~This fund shall be the depository for all revenue derived from the forest~~
34 ~~development assessment on primary forest product processors as authorized by the~~
35 ~~General Assembly, and for any funds appropriated specifically for the forest development~~
36 ~~program from the general fund. Those funds appropriated from the general fund~~
37 ~~remaining in the Forest Development Fund at the end of any fiscal year shall revert to the~~
38 ~~general fund, but revenues derived from the forest development assessment shall not~~
39 ~~revert but shall remain in the Forest Development Fund until expended under the~~
40 ~~provisions of this Article.~~

41 (e) ~~In any fiscal year, expenditures from the Forest Development Fund shall be~~
42 ~~limited to four times the amount of the general fund appropriation for that year.~~

1 (d) In any fiscal year, no more than five percent (5%) of the available funds
2 generated by the Primary Forest Product Processor Assessment Act ~~shall~~may be used for
3 program support under the provisions of G.S. 113A-179(c).

4 (e) Funds used for the purchase of equipment under the provisions of G.S. 113A-
5 179(d) shall be limited to appropriations from the ~~general fund~~General Fund to the Forest
6 Development Fund designated specifically for equipment purchase."

7 Section 4. This act is effective when it becomes law.