

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 457
Committee Substitute Favorable 4/2/97

Short Title: Amend Forest Development Act/AB.

(Public)

Sponsors:

Referred to:

March 10, 1997

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

6 The General Assembly of North Carolina enacts:

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

8 **"§ 113A-178. Definitions.**

9 As used in this Article:

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

15 (2) 'Approved practices' ~~shall mean~~ mean those silvicultural practices
16 approved by the Secretary for the purpose of commercially growing
17 timber through the establishment of forest stands, or of insuring the
18 proper regeneration of forest stands to commercial production levels
19 following the harvest of mature timber. Such practices shall include

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

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

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

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

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

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

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

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

34 (10) 'Maintain' means to make every reasonable effort to protect the
35 reforested area from destructive fire and grazing, insects, disease,
36 noxious weeds, and being cleared or partially cleared of trees for any
37 purpose other than as provided in an approved forest management plan."

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

40 "**§ 113A-180.1. Cost-share agreements.**

41 (a) In order to receive forest development cost-share payments, an eligible
42 landowner shall enter into a written agreement with the Department describing the
43 eligible land, setting forth the approved practices implemented for the area and covered

1 by the approved forest management plan, and agreeing to maintain those practices for a
2 10-year period.

3 (b) A landowner who fails to maintain the practice or practices for a 10-year
4 period in accordance with the agreement set forth in subsection (a) of this section shall
5 repay to the Fund all cost-sharing funds received for that area.

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

8 (1) Obtain a written statement from the new owner or transferee in which
9 the new owner or transferee agrees to maintain the approved practices
10 for the remainder of the 10-year period; or

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

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

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

18 "**§ 113A-183. Forest Development Fund.**

19 (a) ~~There is hereby~~ The Forest Development Fund is created in the Department of
20 Environment, Health, and Natural Resources as a nonreverting fund to be designated the
21 Forest Development Fund, fund, for which fiscal management and responsibility are hereby
22 vested in the Secretary. The Fund is a special trust fund, and the State Treasurer shall
23 credit interest to the Fund.

24 (b) ~~This fund~~ Fund shall be the depository for all revenue derived from the forest
25 development assessment on primary forest product processors as authorized by the
26 General Assembly, and for any funds appropriated specifically for the forest development
27 program from the general fund. General Fund, for monetary contribution and donations,
28 and for accrued interest. Those funds appropriated from the general fund remaining in the
29 Forest Development Fund at the end of any fiscal year shall revert to the general fund, but
30 ~~revenues~~ Revenues derived from the forest development assessment shall not revert but
31 shall remain in the Forest Development Fund until expended under the provisions of this
32 Article.

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

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

38 (e) Funds used for the purchase of equipment under the provisions of G.S. 113A-
39 179(d) shall be limited to appropriations from the ~~general fund~~ General Fund to the Forest
40 Development Fund designated specifically for equipment purchase."

41 Section 4. This act becomes effective June 30, 1997.