

HOUSE BILL NO. 906

INTRODUCED BY CONNELLY, HARP, HARPER, GILBERT,
DRISCOLL, J. JOHNSON, KADAS, GRADY, T. BECK,
STEPPLER, HALLIGAN, BENEDICT, WANZENRIED,
WILLIAMS, FOSTER, GROSFIELD, PETERSON,
LARSON, WEEDING, KNOX, DOWELL, RANEY,
KENNEDY, MEASURE, REAM, SWIFT

"AN ACT INCREASING THE FEES PAID UNDER FIRE HAZARD REDUCTION AGREEMENTS AND MASTER FIRE HAZARD REDUCTION AGREEMENTS; ESTABLISHING A FORESTRY EXTENSION SERVICE SPECIAL REVENUE ACCOUNT FOR THE MONTANA UNIVERSITY SYSTEM; ~~PROVIDING AN APPROPRIATION~~; AMENDING SECTIONS 76-13-408 AND 76-13-414, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

IN THE HOUSE

FEBRUARY 16, 1991

INTRODUCED AND REFERRED TO COMMITTEE
ON NATURAL RESOURCES.

FIRST READING.

MARCH 13, 1991

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 14, 1991

PRINTING REPORT.

ON MOTION, TAKEN FROM SECOND READING
AND REREFERRED TO THE COMMITTEE
ON APPROPRIATIONS.

MARCH 25, 1991

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 26, 1991

ON MOTION, ADDITIONAL SPONSORS ADDED.

PRINTING REPORT.

MARCH 28, 1991

SECOND READING, DO PASS.

ENGROSSING REPORT.

ON MOTION, RULES SUSPENDED. BILL
PLACED ON THIRD READING THIS DAY.

THIRD READING, PASSED.
AYES, 84; NOES, 15.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 28, 1991

INTRODUCED AND REFERRED TO COMMITTEE
ON FINANCE & CLAIMS.

FIRST READING.

APRIL 4, 1991

COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 9, 1991

SECOND READING, CONCURRED IN.

APRIL 10, 1991

THIRD READING, CONCURRED IN.
AYES, 49; NOES, 1.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 11, 1991

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 faithful compliance with all requirements under this part
2 and the faithful reduction or management of the fire hazard
3 in the manner prescribed by law and by rules adopted by the
4 board.

5 (2) Either the person conducting the work or the
6 purchaser, as provided in 76-13-409(2), shall post a bond to
7 the state in a form and for an amount as may be prescribed
8 by the department, but the amount may not exceed \$6 for each
9 1,000 board feet (log scale) or the equivalent if forest
10 products other than logs are cut.

11 (3) Either the person conducting the work or the
12 purchaser, as provided in 76-13-409(2), shall pay 15 cents
13 for each 1,000 board feet (log scale) or equivalent measure
14 if forest products other than logs are cut. The full amount
15 of this money must be deposited in the forestry extension
16 service account provided for in [section 3].

17 ~~(3)~~(4) The agreement must provide that:

18 (a) all fire hazard reduction or management work
19 comprising nonburning methods and preparations for burning
20 must be completed within 18 months of commencement of
21 cutting in the area covered by the agreement; and

22 (b) all burning work must be completed as specified in
23 the agreement and in compliance with rules adopted by the
24 board.

25 ~~(4)~~(5) The bond must be released upon the issuance of

1 the certificate of clearance."

2 **Section 2.** Section 76-13-414, MCA, is amended to read:

3 "76-13-414. Fees. (1) In addition to any bond, the
4 department shall charge the contractor fees for
5 administration, inspections, and enforcement work conducted
6 in the exercise of its duties under this part. The fees must
7 be deposited in the state special revenue fund to the credit
8 of the department.

9 (2) (a) The fee for a fire hazard reduction agreement
10 is \$25 and must be collected by the department upon issuance
11 of the agreement.

12 (b) In addition, a fee of 60 cents for each 1,000 board
13 feet (log scale) must be charged or an equivalent fee must
14 be charged if products other than logs are cut. This fee
15 must be withheld by the purchaser as provided in
16 76-13-409(2), except that any fee money withheld for product
17 volumes exceeding 500,000 board feet per agreement in a
18 calendar year must be returned to the contractor by the
19 department.

20 (3) ~~(a) Fees~~ The fee for master fire hazard reduction
21 agreements must be equal to 100% of the department's actual
22 costs incurred in the administration, inspection, and
23 enforcement of each agreement, and the department shall bill
24 the contractor annually to collect such fees.

25 (b) In addition, each contractor with a master fire

1 hazard reduction agreement shall pay to the department 15
 2 cents for each 1,000 board feet (log scale) or equivalent
 3 measure if forest products other than logs are cut. The full
 4 amount of this money must be deposited in the forestry
 5 extension service account provided for in [section 3].

6 (c) The fee required under subsection (3)(b) must be
 7 paid annually in conjunction with the fee paid under
 8 subsection (3)(a). The board may, in its discretion, conduct
 9 an audit to determine the volume of forest products
 10 harvested by a contractor. If the board conducts an audit,
 11 the contractor shall cooperate and make available to the
 12 board all requested records, inventories, and other
 13 information relevant to the audit."

14 NEW SECTION. Section 3. Forestry extension service
 15 account -- purpose -- appropriation. (1) There is a forestry
 16 extension service account in the state special revenue fund
 17 provided for in 17-2-102.

18 (2) There must be deposited in the account:

19 (a) all revenue from the fire hazard reduction
 20 agreement provided for in 76-13-408(3);

21 (b) all revenue from the master fire hazard reduction
 22 agreement provided for in 76-13-414(3)(b); and

23 (c) money received by the department of state lands in
 24 the form of legislative appropriations, reimbursements,
 25 gifts, federal funds, or appropriations from any source

1 intended to be used for the purposes of this account.

2 (3) Money in the account is available to the Montana
 3 university system by appropriation for the uses set forth in
 4 subsection (4). Any unencumbered and unexpended balance of
 5 this account remaining at the end of a fiscal year does not
 6 lapse but must be carried forward for the purposes of this
 7 section until expended or appropriated.

8 (4) Except as provided in subsection (5), money in the
 9 account may be used by the university system only to fund
 10 forestry services through the Montana cooperative extension
 11 service of Montana state university.

12 (5) The use of money in this account by the Montana
 13 university system is contingent upon the university system
 14 funding the extension service's forestry and natural
 15 resources program at a biennial level of at least \$108,000
 16 from sources other than the account.

17 NEW SECTION. Section 4. Appropriation. There is
 18 appropriated from the state general fund to the forestry
 19 extension service account provided for in [section 3]
 20 \$64,500 for fiscal year 1992 and \$56,500 for fiscal year
 21 1993.

22 NEW SECTION. Section 5. Effective date. [This act] is
 23 effective on passage and approval.

24 NEW SECTION. Section 6. Applicability. [This act]
 25 applies to forest products cut after June 30, 1991.

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0906, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the fees paid under fire hazard reduction agreements and master fire hazard reduction agreements; establishing a forestry extension service special revenue account for the Montana University System; providing an appropriation and providing an immediate effective and applicability date.

ASSUMPTIONS:

Department of State Lands:


1. DSL will need to purchase a \$5,000 personal computer with an expanded memory and software to maintain the information. Additional start-up expenses will include the contracted services of a college intern for six months to set up the system and input the additional information. Contracted services will cost \$4,000.
2. The administration of this program will generate additional clerical work at the Forestry Division office; employment of 0.25 FTE forestry accounting technician (grade 9) to perform daily auditing of purchaser slash withholding accounts (average 5,100 accounts transactions per year); production and processing of billing letters for Master Hazard Reduction Agreements; and maintenance of program records.
3. All audit work required under this law change will be done through independent contract, and all cost would be paid by the purchaser.
4. DSL FY91 budget cannot absorb start-up expenses to implement this legislation by July 1, 1991.


MSU Extension:

1. 1.00 FTE forester will be added to the MSU forestry extension program. Additional administrative and clerical duties would be absorbed by existing staff.
2. Additional office and audio-visual equipment will be required.
3. Approximately 572,000,000 board feet of forest products will be harvested in each fiscal year and the 15 cents for each 1,000 board feet will be deposited in the forestry extension service account.

FISCAL IMPACT:

see next page


ROD SUNDSTED, BUDGET DIRECTOR DATE 2-21-91
Office of Budget and Program Planning


MARY ELLEN CONNELLY, PRIMARY SPONSOR DATE 2-25-91
Fiscal Note for HB0906, as introduced **HB 906**

Fiscal Note Request, HB0906, as introduced

Form BD-15

Page 2

FISCAL IMPACT:

Department of State Lands:

<u>Expenditures:</u>	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
FTE		0.25	0.25		0.25	0.25
Personal Services	0	5,530	5,530	0	5,530	5,530
Operating Costs	0	4,500	4,500	0	500	500
Capital Outlay	0	<u>5,000</u>	<u>5,000</u>	0	<u>0</u>	<u>0</u>
Total	0	15,030	15,030	0	6,030	6,030
<u>Funding:</u>						
General Fund	0	15,030	15,030	0	6,030	6,030

MSU Forestry Extension:

Expenditures:

FTE	2.00	3.00	1.00	2.00	3.00	1.00
Personal Services	68,880	118,080	49,200	68,880	125,164	56,284
Operating Costs	15,667	23,500	7,833	15,667	33,150	17,483
Capital Outlay	0	<u>18,500</u>	<u>18,500</u>	0	<u>2,000</u>	<u>2,000</u>
Total	84,547	160,080	75,533	84,547	160,314	75,767
<u>Funding:</u>						
Current Unrestricted	0	74,280	74,280	84,547	74,514	(10,033)
Current Restricted	<u>84,547</u>	<u>85,800</u>	<u>1,253</u>	<u>0</u>	<u>85,800</u>	<u>85,800</u>
Total	84,547	160,080	75,533	84,547	160,314	75,767

General Fund Impact

(15,030)

(6,030)

Revenues:

Department of State Lands:

This bill would have the effect of producing \$80,000 to \$100,000 per year in special revenue to the credit of MSU Extension Forestry. The exact level will be based upon the actual private land timber harvest.

TECHNICAL NOTES:

1. New section 3(5) specifies that the use of the money generated in this bill by the Montana University System is contingent upon the university system funding the extension services's forestry and natural resources program at a biennial level of at least \$108,000 from other sources. The forestry extension currently receives \$54,000 through the Federal Renewable Resources Extension Act. Executive budgets for the last four federal fiscal years have recommended these funds be eliminated. If this federal funding were eliminated, the required matching funds could be difficult to obtain.
2. The University System does not use the special revenue fund designation; therefore, the section 3 reference to a the state special revenue fund should be changed to the current restricted fund.
3. The DSL notes that the current Hazard Reduction Law requires that any fee money withheld for product volumes exceeding 500,000 board feet per agreement (regular B-option HRA) in a calendar year must be returned to the contractor by the department. If the \$.15 fee imposed by HB906 qualifies as a fee, it may be necessary to refund in cases where volumes exceed 500,000 board feet.

HB 906

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0906, as introduced, revised.

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the fees paid under fire hazard reduction agreements and master fire hazard reduction agreements; establishing a forestry extension service special revenue account for the Montana University System; providing an appropriation and providing an immediate effective and applicability date.

ASSUMPTIONS:

Department of State Lands:


1. DSL will need to purchase a \$5,000 personal computer with an expanded memory and software to maintain the information. Additional start-up expenses will include the contracted services of a college intern for six months to set up the system and input the additional information. Contracted services will cost \$4,000.
2. The administration of this program will generate additional clerical work at the Forestry Division office; employment of 0.25 FTE forestry accounting technician (grade 9) to perform daily auditing of purchaser slash withholding accounts (average 5,100 accounts transactions per year); production and processing of billing letters for Master Hazard Reduction Agreements; and maintenance of program records.
3. All audit work required under this law change will be done through independent contract and all cost would be paid by the purchaser.
4. DSL FY91 budget cannot absorb start-up expenses to implement this legislation by July 1, 1991.

MSU Extension:

5. 1.00 FTE forester would be added to the MSU forestry extension program. Additional administrative and clerical duties would be absorbed by existing staff.
6. Additional office and audio-visual equipment would be required.
7. Approximately 572,000,000 board feet of forest products will be harvested in each fiscal year and the 15 cents for each 1,000 board feet would be deposited in the forestry extension service account.
8. Approximately \$85,800 of fee revenue will be generated annually. Fees received in excess of expenditures will be carried forward in the fund balance. In FY92, \$74,767 will be carried forward (\$85,800-11,033); in FY93, \$66,533 will be carried forward (\$85,800-19,267).
9. The general fund appropriation contained in the bill of \$64,500 in FY92 and \$56,500 in FY93 would be added to current unrestricted funding under the proposed law.

FISCAL IMPACT:

see next page


ROD SUNDSTED, BUDGET DIRECTOR 3-13-91 DATE
Office of Budget and Program Planning


MARY ELLEN CONNELLY, PRIMARY SPONSOR 3-18-91 DATE

Fiscal Note for HB0906, as introduced, revised **HB906-2**
Rev.

FISCAL IMPACT:

Department of State Lands:

<u>Expenditures:</u>	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
FTE		0.25	0.25		0.25	0.25
Personal Services	0	5,530	5,530	0	5,530	5,530
Operating Costs	0	4,500	4,500	0	500	500
Capital Outlay	0	5,000	5,000	0	0	0
Total	0	15,030	15,030	0	6,030	6,030
<u>Funding:</u>						
General Fund	0	15,030	15,030	0	6,030	6,030

MSU Forestry Extension:

<u>Expenditures:</u>						
FTE	2.00	3.00	1.00	2.00	3.00	1.00
Personal Services	68,880	118,080	49,200	68,880	125,164	56,284
Operating Costs	15,667	23,500	7,833	15,667	33,150	17,483
Capital Outlay	0	18,500	18,500	0	2,000	2,000
Total	84,547	160,080	75,533	84,547	160,314	75,767
<u>Funding:</u>						
Current Unrestricted	84,547	149,047	64,500	84,547	141,047	56,500
Current Restricted	0	11,033	11,033	0	19,267	19,267
Total	84,547	160,080	75,533	84,547	160,314	75,767

General Fund Impact (decrease) (79,530) (62,530)

Revenues:

Department of State Lands:

This bill would have the effect of producing \$80,000 to \$100,000 per year in special revenue to the credit of MSU Extension Forestry. The exact level will be based upon the actual private land timber harvest.

TECHNICAL NOTES:

1. New section 3(5) specifies that the money generated in this bill is to be used by the university system contingent upon the university system funding the extension services forestry and natural resources program at a biennial level of at least \$108,000 from other sources. The forestry extension currently receives \$54,000 through the Federal Renewable Resources Extension Act. Federal executive budgets for the last four fiscal years recommended these funds be eliminated. If this federal funding were eliminated, the required matching funds could be difficult to obtain.
2. The University System does not use the special revenue fund designation; therefore, the section 3 reference to the state special revenue fund should be changed to the current restricted fund.
3. The DSL notes that the current Hazard Reduction Law requires that any fee money withheld for product volumes exceeding 500,000 board feet per agreement (regular B-option HRA) in a calendar year must be returned to the contractor by the department. If the \$.15 fee imposed by HB906 qualifies as a fee, it may be necessary to refund in cases where volumes exceed 500,000 board feet.
4. The level of general fund appropriated in the bill along with the anticipated fees exceed the funding required to meet the legislative intent of adding one extension forester.

HB 906-2
Rev.

APPROVED BY COMM. ON
NATURAL RESOURCES

1 HOUSE BILL NO. 906

2 INTRODUCED BY CONNELLY, HARP

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE FEES
5 PAID UNDER FIRE HAZARD REDUCTION AGREEMENTS AND MASTER FIRE
6 HAZARD REDUCTION AGREEMENTS; ESTABLISHING A FORESTRY
7 EXTENSION SERVICE SPECIAL REVENUE ACCOUNT FOR THE MONTANA
8 UNIVERSITY SYSTEM; PROVIDING AN APPROPRIATION; AMENDING
9 SECTIONS 76-13-408 AND 76-13-414, MCA; AND PROVIDING AN
10 IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

11
12 STATEMENT OF INTENT

13 The legislature has committed the state of Montana to a
14 course of voluntary compliance with best management
15 practices for forestry. The educational programs and
16 expertise of the Montana state university forestry extension
17 program are critical to the effectiveness and success of
18 this approach. However, the forestry extension program
19 requires the addition of a second extension forester to
20 serve the needs of the state's commercial and 11,000
21 nonindustrial private forest landowners and to ensure
22 protection of water quality and proper management of the
23 state's forested lands.

24 The legislature believes that the extension service, the
25 forest products industry, and the state should be equal

1 partners in the continuation and the expansion of the
2 forestry extension program. Accordingly, the legislature in
3 [section 4] has appropriated \$121,000 for the biennium and
4 the forest products industry, as provided in 76-13-408 and
5 76-13-414, has committed \$60,000 annually for the purpose of
6 funding one additional extension forester position and one
7 administrative position. This additional funding is intended
8 to supplement the existing federal funding for extension
9 forestry, and the legislature strongly urges the Montana
10 state university extension program to match these
11 commitments by earmarking \$54,000 annually for the extension
12 service's forestry and natural resources program.

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 **Section 1.** Section 76-13-408, MCA, is amended to read:

16 **"76-13-408. Fire hazard reduction agreement and bond.**
17 (1) Before cutting any forest product, constructing or
18 reconstructing any road in contemplation of cutting any
19 forest product, or conducting timber stand improvement, such
20 as but not limited to thinning, weeding, or pruning, upon
21 private lands within the state, the person conducting the
22 work shall provide for the reduction or management of the
23 fire hazard to be created by entering into a fire hazard
24 reduction agreement or a master fire hazard reduction
25 agreement with the department, providing for the full and

1 faithful compliance with all requirements under this part
 2 and the faithful reduction or management of the fire hazard
 3 in the manner prescribed by law and by rules adopted by the
 4 board.

5 (2) Either the person conducting the work or the
 6 purchaser, as provided in 76-13-409(2), shall post a bond to
 7 the state in a form and for an amount as may be prescribed
 8 by the department, but the amount may not exceed \$6 for each
 9 1,000 board feet (log scale) or the equivalent if forest
 10 products other than logs are cut.

11 (3) Either the person conducting the work or the
 12 purchaser, as provided in 76-13-409(2), shall pay 15 cents
 13 for each 1,000 board feet (log scale) or equivalent measure
 14 if forest products other than logs are cut. THE ASSESSMENT
 15 MAY NOT EXCEED \$20,000 A YEAR. The full amount of this money
 16 must be deposited in the forestry extension service account
 17 provided for in [section 3].

18 ~~(3)~~(4) The agreement must provide that:

19 (a) all fire hazard reduction or management work
 20 comprising nonburning methods and preparations for burning
 21 must be completed within 18 months of commencement of
 22 cutting in the area covered by the agreement; and

23 (b) all burning work must be completed as specified in
 24 the agreement and in compliance with rules adopted by the
 25 board.

1 ~~(4)~~(5) The bond must be released upon the issuance of
 2 the certificate of clearance."

3 **Section 2.** Section 76-13-414, MCA, is amended to read:

4 "76-13-414. Fees. (1) In addition to any bond, the
 5 department shall charge the contractor fees for
 6 administration, inspections, and enforcement work conducted
 7 in the exercise of its duties under this part. The fees must
 8 be deposited in the state special revenue fund to the credit
 9 of the department.

10 (2) (a) The fee for a fire hazard reduction agreement
 11 is \$25 and must be collected by the department upon issuance
 12 of the agreement.

13 (b) In addition, a fee of 60 cents for each 1,000 board
 14 feet (log scale) must be charged or an equivalent fee must
 15 be charged if products other than logs are cut. This fee
 16 must be withheld by the purchaser as provided in
 17 76-13-409(2), except that any fee money withheld for product
 18 volumes exceeding 500,000 board feet per agreement in a
 19 calendar year must be returned to the contractor by the
 20 department.

21 (3) (a) Fees The fee for master fire hazard reduction
 22 agreements must be equal to 100% of the department's actual
 23 costs incurred in the administration, inspection, and
 24 enforcement of each agreement, and the department shall bill
 25 the contractor annually to collect such fees.

1 (b) In addition, each contractor with a master fire
 2 hazard reduction agreement shall pay to the department 15
 3 cents for each 1,000 board feet (log scale) or equivalent
 4 measure if forest products other than logs are cut. THE
 5 ASSESSMENT MAY NOT EXCEED \$20,000 A YEAR FOR EACH MASTER
 6 FIRE HAZARD ATTACHMENT. The full amount of this money must
 7 be deposited in the forestry extension service account
 8 provided for in [section 3].

9 (c) The fee required under subsection (3)(b) must be
 10 paid annually in conjunction with the fee paid under
 11 subsection (3)(a). The board may, in its discretion, conduct
 12 an audit to determine the volume of forest products
 13 harvested by a contractor. If the board conducts an audit,
 14 the contractor shall cooperate and make available to the
 15 board all requested records, inventories, and other
 16 information relevant to the audit."

17 NEW SECTION. Section 3. Forestry extension service
 18 account -- purpose -- appropriation. (1) There is a forestry
 19 extension service account in the state special revenue fund
 20 provided for in 17-2-102.

21 (2) There must be deposited in the account:

22 (a) all revenue from the fire hazard reduction
 23 agreement provided for in 76-13-408(3);

24 (b) all revenue from the master fire hazard reduction
 25 agreement provided for in 76-13-414(3)(b); and

1 (c) money received by the department of state lands in
 2 the form of legislative appropriations, reimbursements,
 3 gifts, federal funds, or appropriations from any source
 4 intended to be used for the purposes of this account.

5 (3) Money in the account is available to the Montana
 6 university system by appropriation for the uses set forth in
 7 subsection (4). Any unencumbered and unexpended balance of
 8 this account remaining at the end of a fiscal year does not
 9 lapse but must be carried forward for the purposes of this
 10 section until expended or appropriated.

11 (4) Except as provided in subsection (5), money in the
 12 account may be used by the university system only to fund
 13 forestry services through the Montana cooperative extension
 14 service of Montana state university. THE FORESTRY SERVICES
 15 MUST BE CONDUCTED AT MONTANA STATE UNIVERSITY, THE
 16 UNIVERSITY OF MONTANA, AND FLATHEAD VALLEY COMMUNITY
 17 COLLEGE.

18 (5) The use of money in this account by the Montana
 19 university system is contingent upon the university system
 20 funding the extension service's forestry and natural
 21 resources program at a biennial level of at least \$108,000
 22 from sources other than the account.

23 NEW SECTION. Section 4. Appropriation. There is
 24 appropriated from the state general fund to the forestry
 25 extension service account provided for in [section 3]

HB 0906/02

1 \$64,500 for fiscal year 1992 and \$56,500 for fiscal year
2 1993.

3 NEW SECTION. **Section 5. Effective date.** [This act] is
4 effective on passage and approval.

5 NEW SECTION. **Section 6. Applicability.** [This act]
6 applies to forest products cut after June 30, 1991.

-End-

RE-REFERRED AND
APPROVED BY COMMITTEE
ON APPROPRIATIONS
AS AMENDED

HOUSE BILL NO. 906

INTRODUCED BY CONNELLY, HARP

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE FEES PAID UNDER FIRE HAZARD REDUCTION AGREEMENTS AND MASTER FIRE HAZARD REDUCTION AGREEMENTS; ESTABLISHING A FORESTRY EXTENSION SERVICE SPECIAL REVENUE ACCOUNT FOR THE MONTANA UNIVERSITY SYSTEM; PROVIDING--AN--APPROPRIATION; AMENDING SECTIONS 76-13-408 AND 76-13-414, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

STATEMENT OF INTENT

The legislature has committed the state of Montana to a course of voluntary compliance with best management practices for forestry. The educational programs and expertise of the Montana state university forestry extension program are critical to the effectiveness and success of this approach. However, the forestry extension program requires the addition of a second extension forester to serve the needs of the state's commercial and 11,000 nonindustrial private forest landowners and to ensure protection of water quality and proper management of the state's forested lands.

The legislature believes that the extension service, AND the forest products industry, and the state should be equal

partners in the continuation and the expansion of the forestry extension program. Accordingly, the legislature in ~~(section 4)~~ has appropriated \$121,888 for the biennium and the THE forest products industry, as provided in 76-13-408 and 76-13-414, has committed \$60,000 annually for the purpose of funding one additional extension forester position and one administrative position. This additional funding is intended to supplement the existing federal funding for extension forestry, and the legislature strongly urges the Montana state university extension program to match these commitments by earmarking \$54,000 annually for the extension service's forestry and natural resources program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 76-13-408, MCA, is amended to read:

*76-13-408. Fire hazard reduction agreement and bond.

(1) Before cutting any forest product, constructing or reconstructing any road in contemplation of cutting any forest product, or conducting timber stand improvement, such as but not limited to thinning, weeding, or pruning, upon private lands within the state, the person conducting the work shall provide for the reduction or management of the fire hazard to be created by entering into a fire hazard reduction agreement or a master fire hazard reduction



1 agreement with the department, providing for the full and
 2 faithful compliance with all requirements under this part
 3 and the faithful reduction or management of the fire hazard
 4 in the manner prescribed by law and by rules adopted by the
 5 board.

6 (2) Either the person conducting the work or the
 7 purchaser, as provided in 76-13-409(2), shall post a bond to
 8 the state in a form and for an amount as may be prescribed
 9 by the department, but the amount may not exceed \$6 for each
 10 1,000 board feet (log scale) or the equivalent if forest
 11 products other than logs are cut.

12 (3) Either the person conducting the work or the
 13 purchaser, as provided in 76-13-409(2), shall pay 15 cents
 14 for each 1,000 board feet (log scale) or equivalent measure
 15 if forest products other than logs are cut. THE ASSESSMENT
 16 MAY NOT EXCEED \$20,000 A YEAR. The full amount of this money
 17 must be deposited in the forestry extension service account
 18 provided for in [section 3].

19 ~~(3)~~(4) The agreement must provide that:

20 (a) all fire hazard reduction or management work
 21 comprising nonburning methods and preparations for burning
 22 must be completed within 18 months of commencement of
 23 cutting in the area covered by the agreement; and

24 (b) all burning work must be completed as specified in
 25 the agreement and in compliance with rules adopted by the

1 board.

2 ~~(4)~~(5) The bond must be released upon the issuance of
 3 the certificate of clearance."

4 **Section 2.** Section 76-13-414, MCA, is amended to read:

5 "76-13-414. Fees. (1) In addition to any bond, the
 6 department shall charge the contractor fees for
 7 administration, inspections, and enforcement work conducted
 8 in the exercise of its duties under this part. The fees must
 9 be deposited in the state special revenue fund to the credit
 10 of the department.

11 (2) (a) The fee for a fire hazard reduction agreement
 12 is \$25 and must be collected by the department upon issuance
 13 of the agreement.

14 (b) In addition, a fee of 60 cents for each 1,000 board
 15 feet (log scale) must be charged or an equivalent fee must
 16 be charged if products other than logs are cut. This fee
 17 must be withheld by the purchaser as provided in
 18 76-13-409(2), except that any fee money withheld for product
 19 volumes exceeding 500,000 board feet per agreement in a
 20 calendar year must be returned to the contractor by the
 21 department.

22 (3) (a) Fees The fee for master fire hazard reduction
 23 agreements must be equal to 100% of the department's actual
 24 costs incurred in the administration, inspection, and
 25 enforcement of each agreement, and the department shall bill

1 the contractor annually to collect such fees.

2 (b) In addition, each contractor with a master fire
 3 hazard reduction agreement shall pay to the department 15
 4 cents for each 1,000 board feet (log scale) or equivalent
 5 measure if forest products other than logs are cut. THE
 6 ASSESSMENT MAY NOT EXCEED \$20,000 A YEAR FOR EACH MASTER
 7 FIRE HAZARD ATTACHMENT. The full amount of this money must
 8 be deposited in the forestry extension service account
 9 provided for in [section 3].

10 (c) The fee required under subsection (3)(b) must be
 11 paid annually in conjunction with the fee paid under
 12 subsection (3)(a). The board may, in its discretion, conduct
 13 an audit to determine the volume of forest products
 14 harvested by a contractor. If the board conducts an audit,
 15 the contractor shall cooperate and make available to the
 16 board all requested records, inventories, and other
 17 information relevant to the audit."

18 NEW SECTION. Section 3. Forestry extension service
 19 account -- purpose -- appropriation. (1) There is a forestry
 20 extension service account in the state--special-revenue
 21 CURRENT RESTRICTED fund provided for in 17-2-102.

22 (2) There must be deposited in the account:

23 (a) all revenue from the fire hazard reduction
 24 agreement provided for in 76-13-408(3);

25 (b) all revenue from the master fire hazard reduction

1 agreement provided for in 76-13-414(3)(b); and

2 (c) money received by the department of state lands in
 3 the form of legislative appropriations, reimbursements,
 4 gifts, federal funds, or appropriations from any source
 5 intended to be used for the purposes of this account.

6 (3) Money in the account is available to the Montana
 7 university system by appropriation for the uses set forth in
 8 subsection (4). Any unencumbered and unexpended balance of
 9 this account remaining at the end of a fiscal year does not
 10 lapse but must be carried forward for the purposes of this
 11 section until expended or appropriated.

12 (4) Except as provided in subsection (5), money in the
 13 account may be used by the university system only to fund
 14 forestry services through the Montana cooperative extension
 15 service of Montana state university. THE FORESTRY SERVICES
 16 MUST BE CONDUCTED AT MONTANA STATE UNIVERSITY, THE
 17 UNIVERSITY OF MONTANA, AND FLATHEAD VALLEY COMMUNITY
 18 COLLEGE.

19 (5) The use of money in this account by the Montana
 20 university system is contingent upon the university system
 21 funding the extension service's forestry and natural
 22 resources program at a biennial level of at least \$108,000
 23 from sources other than the account.

24 ~~NEW SECTION. Section 4. Appropriation. There is~~
 25 ~~appropriated from the state general fund to the forestry~~

1 ~~extension--service--account--provided--for--in--{section--3}~~
2 ~~\$647500--for--fiscal--year--1992--and--\$567500--for--fiscal--year~~
3 ~~1993.~~

4 NEW SECTION. **Section 4. Effective date.** [This act] is
5 effective on passage and approval.

6 NEW SECTION. **Section 5. Applicability.** [This act]
7 applies to forest products cut after June 30, 1991.

-End-

HOUSE BILL NO. 906

INTRODUCED BY CONNELLY, HARP

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE FEES PAID UNDER FIRE HAZARD REDUCTION AGREEMENTS AND MASTER FIRE HAZARD REDUCTION AGREEMENTS; ESTABLISHING A FORESTRY EXTENSION SERVICE SPECIAL REVENUE ACCOUNT FOR THE MONTANA UNIVERSITY SYSTEM; PROVIDING--AN--APPROPRIATION; AMENDING SECTIONS 76-13-408 AND 76-13-414, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

STATEMENT OF INTENT

The legislature has committed the state of Montana to a course of voluntary compliance with best management practices for forestry. The educational programs and expertise of the Montana state university forestry extension program are critical to the effectiveness and success of this approach. However, the forestry extension program requires the addition of a second extension forester to serve the needs of the state's commercial and 11,000 nonindustrial private forest landowners and to ensure protection of water quality and proper management of the state's forested lands.

The legislature believes that the extension service, AND the forest products industry, and the state should be equal

partners in the continuation and the expansion of the forestry extension program. Accordingly, the legislature in [section 4] has appropriated \$121,000 for the biennium and the THE forest products industry, as provided in 76-13-408 and 76-13-414, has committed \$60,000 annually for the purpose of funding one additional extension forester position and one administrative position. This additional funding is intended to supplement the existing federal funding for extension forestry, and the legislature strongly urges the Montana state university extension program to match these commitments by earmarking \$54,000 annually for the extension service's forestry and natural resources program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 76-13-408, MCA, is amended to read:

"76-13-408. Fire hazard reduction agreement and bond.

(1) Before cutting any forest product, constructing or reconstructing any road in contemplation of cutting any forest product, or conducting timber stand improvement, such as but not limited to thinning, weeding, or pruning, upon private lands within the state, the person conducting the work shall provide for the reduction or management of the fire hazard to be created by entering into a fire hazard reduction agreement or a master fire hazard reduction



1 agreement with the department, providing for the full and
 2 faithful compliance with all requirements under this part
 3 and the faithful reduction or management of the fire hazard
 4 in the manner prescribed by law and by rules adopted by the
 5 board.

6 (2) Either the person conducting the work or the
 7 purchaser, as provided in 76-13-409(2), shall post a bond to
 8 the state in a form and for an amount as may be prescribed
 9 by the department, but the amount may not exceed \$6 for each
 10 1,000 board feet (log scale) or the equivalent if forest
 11 products other than logs are cut.

12 (3) Either the person conducting the work or the
 13 purchaser, as provided in 76-13-409(2), shall pay 15 cents
 14 for each 1,000 board feet (log scale) or equivalent measure
 15 if forest products other than logs are cut. THE ASSESSMENT
 16 MAY NOT EXCEED \$20,000 A YEAR. The full amount of this money
 17 must be deposited in the forestry extension service account
 18 provided for in [section 3].

19 ~~(3)~~(4) The agreement must provide that:

20 (a) all fire hazard reduction or management work
 21 comprising nonburning methods and preparations for burning
 22 must be completed within 18 months of commencement of
 23 cutting in the area covered by the agreement; and

24 (b) all burning work must be completed as specified in
 25 the agreement and in compliance with rules adopted by the

1 board.

2 ~~(4)~~(5) The bond must be released upon the issuance of
 3 the certificate of clearance."

4 **Section 2.** Section 76-13-414, MCA, is amended to read:

5 "76-13-414. Fees. (1) In addition to any bond, the
 6 department shall charge the contractor fees for
 7 administration, inspections, and enforcement work conducted
 8 in the exercise of its duties under this part. The fees must
 9 be deposited in the state special revenue fund to the credit
 10 of the department.

11 (2) (a) The fee for a fire hazard reduction agreement
 12 is \$25 and must be collected by the department upon issuance
 13 of the agreement.

14 (b) In addition, a fee of 60 cents for each 1,000 board
 15 feet (log scale) must be charged or an equivalent fee must
 16 be charged if products other than logs are cut. This fee
 17 must be withheld by the purchaser as provided in
 18 76-13-409(2), except that any fee money withheld for product
 19 volumes exceeding 500,000 board feet per agreement in a
 20 calendar year must be returned to the contractor by the
 21 department.

22 (3) (a) Fees The fee for master fire hazard reduction
 23 agreements must be equal to 100% of the department's actual
 24 costs incurred in the administration, inspection, and
 25 enforcement of each agreement, and the department shall bill

1 the contractor annually to collect such fees.

2 (b) In addition, each contractor with a master fire
 3 hazard reduction agreement shall pay to the department 15
 4 cents for each 1,000 board feet (log scale) or equivalent
 5 measure if forest products other than logs are cut. THE
 6 ASSESSMENT MAY NOT EXCEED \$20,000 A YEAR FOR EACH MASTER
 7 FIRE HAZARD ATTACHMENT. The full amount of this money must
 8 be deposited in the forestry extension service account
 9 provided for in [section 3].

10 (c) The fee required under subsection (3)(b) must be
 11 paid annually in conjunction with the fee paid under
 12 subsection (3)(a). The board may, in its discretion, conduct
 13 an audit to determine the volume of forest products
 14 harvested by a contractor. If the board conducts an audit,
 15 the contractor shall cooperate and make available to the
 16 board all requested records, inventories, and other
 17 information relevant to the audit."

18 NEW SECTION. Section 3. Forestry extension service
 19 account -- purpose -- appropriation. (1) There is a forestry
 20 extension service account in the state--special-revenue
 21 CURRENT RESTRICTED fund provided for in 17-2-102.

22 (2) There must be deposited in the account:

23 (a) all revenue from the fire hazard reduction
 24 agreement provided for in 76-13-408(3);

25 (b) all revenue from the master fire hazard reduction

1 agreement provided for in 76-13-414(3)(b); and

2 (c) money received by the department of state lands in
 3 the form of legislative appropriations, reimbursements,
 4 gifts, federal funds, or appropriations from any source
 5 intended to be used for the purposes of this account.

6 (3) Money in the account is available to the Montana
 7 university system by appropriation for the uses set forth in
 8 subsection (4). Any unencumbered and unexpended balance of
 9 this account remaining at the end of a fiscal year does not
 10 lapse but must be carried forward for the purposes of this
 11 section until expended or appropriated.

12 (4) Except as provided in subsection (5), money in the
 13 account may be used by the university system only to fund
 14 forestry services through the Montana cooperative extension
 15 service of Montana state university. THE FORESTRY SERVICES
 16 MUST BE CONDUCTED AT MONTANA STATE UNIVERSITY, THE
 17 UNIVERSITY OF MONTANA, AND FLATHEAD VALLEY COMMUNITY
 18 COLLEGE.

19 (5) The use of money in this account by the Montana
 20 university system is contingent upon the university system
 21 funding the extension service's forestry and natural
 22 resources program at a biennial level of at least \$108,000
 23 from sources other than the account.

24 ~~NEW SECTION. Section 4. Appropriation. There is~~
 25 ~~appropriated from the state general fund to the forestry~~

1 ~~extension--service--account--provided--for--in--{section--3}~~
2 ~~964,500--for--fiscal--year--1992--and--956,500--for--fiscal--year~~
3 ~~1993.~~

4 NEW SECTION. **Section 4. Effective date.** [This act] is
5 effective on passage and approval.

6 NEW SECTION. **Section 5. Applicability.** [This act]
7 applies to forest products cut after June 30, 1991.

-End-

1 HOUSE BILL NO. 906

2 INTRODUCED BY CONNELLY, HARP

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE FEES
5 PAID UNDER FIRE HAZARD REDUCTION AGREEMENTS AND MASTER FIRE
6 HAZARD REDUCTION AGREEMENTS; ESTABLISHING A FORESTRY
7 EXTENSION SERVICE SPECIAL REVENUE ACCOUNT FOR THE MONTANA
8 UNIVERSITY SYSTEM; PROVIDING--AN--APPROPRIATION; AMENDING
9 SECTIONS 76-13-408 AND 76-13-414, MCA; AND PROVIDING AN
10 IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."
11

12 STATEMENT OF INTENT

13 The legislature has committed the state of Montana to a
14 course of voluntary compliance with best management
15 practices for forestry. The educational programs and
16 expertise of the Montana state university forestry extension
17 program are critical to the effectiveness and success of
18 this approach. However, the forestry extension program
19 requires the addition of a second extension forester to
20 serve the needs of the state's commercial and 11,000
21 nonindustrial private forest landowners and to ensure
22 protection of water quality and proper management of the
23 state's forested lands.

24 The legislature believes that the extension services AND
25 the forest products industry, ~~and the state~~ should be equal

1 partners in the continuation and the expansion of the
2 forestry extension program. ~~Accordingly, the legislature--in~~
3 ~~{section--4}--has appropriated \$121,000 for the biennium and~~
4 the THE forest products industry, as provided in 76-13-408
5 and 76-13-414, has committed \$60,000 annually for the
6 purpose of funding one additional extension forester
7 position and one administrative position. This additional
8 funding is intended to supplement the existing federal
9 funding for extension forestry, and the legislature strongly
10 urges the Montana state university extension program to
11 match these commitments by earmarking \$54,000 annually for
12 the extension service's forestry and natural resources
13 program.
14

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 **Section 1.** Section 76-13-408, MCA, is amended to read:

17 **"76-13-408. Fire hazard reduction agreement and bond.**

18 (1) Before cutting any forest product, constructing or
19 reconstructing any road in contemplation of cutting any
20 forest product, or conducting timber stand improvement, such
21 as but not limited to thinning, weeding, or pruning, upon
22 private lands within the state, the person conducting the
23 work shall provide for the reduction or management of the
24 fire hazard to be created by entering into a fire hazard
25 reduction agreement or a master fire hazard reduction

1 agreement with the department, providing for the full and
 2 faithful compliance with all requirements under this part
 3 and the faithful reduction or management of the fire hazard
 4 in the manner prescribed by law and by rules adopted by the
 5 board.

6 (2) Either the person conducting the work or the
 7 purchaser, as provided in 76-13-409(2), shall post a bond to
 8 the state in a form and for an amount as may be prescribed
 9 by the department, but the amount may not exceed \$6 for each
 10 1,000 board feet (log scale) or the equivalent if forest
 11 products other than logs are cut.

12 (3) Either the person conducting the work or the
 13 purchaser, as provided in 76-13-409(2), shall pay 15 cents
 14 for each 1,000 board feet (log scale) or equivalent measure
 15 if forest products other than logs are cut. THE ASSESSMENT
 16 MAY NOT EXCEED \$20,000 A YEAR. The full amount of this money
 17 must be deposited in the forestry extension service account
 18 provided for in [section 3].

19 ~~(3)~~(4) The agreement must provide that:

20 (a) all fire hazard reduction or management work
 21 comprising nonburning methods and preparations for burning
 22 must be completed within 18 months of commencement of
 23 cutting in the area covered by the agreement; and

24 (b) all burning work must be completed as specified in
 25 the agreement and in compliance with rules adopted by the

1 board.

2 ~~(4)~~(5) The bond must be released upon the issuance of
 3 the certificate of clearance."

4 **Section 2.** Section 76-13-414, MCA, is amended to read:

5 "76-13-414. Fees. (1) In addition to any bond, the
 6 department shall charge the contractor fees for
 7 administration, inspections, and enforcement work conducted
 8 in the exercise of its duties under this part. The fees must
 9 be deposited in the state special revenue fund to the credit
 10 of the department.

11 (2) (a) The fee for a fire hazard reduction agreement
 12 is \$25 and must be collected by the department upon issuance
 13 of the agreement.

14 (b) In addition, a fee of 60 cents for each 1,000 board
 15 feet (log scale) must be charged or an equivalent fee must
 16 be charged if products other than logs are cut. This fee
 17 must be withheld by the purchaser as provided in
 18 76-13-409(2), except that any fee money withheld for product
 19 volumes exceeding 500,000 board feet per agreement in a
 20 calendar year must be returned to the contractor by the
 21 department.

22 (3) (a) Fees The fee for master fire hazard reduction
 23 agreements must be equal to 100% of the department's actual
 24 costs incurred in the administration, inspection, and
 25 enforcement of each agreement, and the department shall bill

1 the contractor annually to collect such fees.

2 (b) In addition, each contractor with a master fire
3 hazard reduction agreement shall pay to the department 15
4 cents for each 1,000 board feet (log scale) or equivalent
5 measure if forest products other than logs are cut. THE
6 ASSESSMENT MAY NOT EXCEED \$20,000 A YEAR FOR EACH MASTER
7 FIRE HAZARD ATTACHMENT. The full amount of this money must
8 be deposited in the forestry extension service account
9 provided for in [section 3].

10 (c) The fee required under subsection (3)(b) must be
11 paid annually in conjunction with the fee paid under
12 subsection (3)(a). The board may, in its discretion, conduct
13 an audit to determine the volume of forest products
14 harvested by a contractor. If the board conducts an audit,
15 the contractor shall cooperate and make available to the
16 board all requested records, inventories, and other
17 information relevant to the audit."

18 NEW SECTION. Section 3. Forestry extension service
19 account -- purpose -- appropriation. (1) There is a forestry
20 extension service account in the state--special-revenue
21 CURRENT RESTRICTED fund provided for in 17-2-102.

22 (2) There must be deposited in the account:

23 (a) all revenue from the fire hazard reduction
24 agreement provided for in 76-13-408(3);

25 (b) all revenue from the master fire hazard reduction

1 agreement provided for in 76-13-414(3)(b); and

2 (c) money received by the department of state lands in
3 the form of legislative appropriations, reimbursements,
4 gifts, federal funds, or appropriations from any source
5 intended to be used for the purposes of this account.

6 (3) Money in the account is available to the Montana
7 university system by appropriation for the uses set forth in
8 subsection (4). Any unencumbered and unexpended balance of
9 this account remaining at the end of a fiscal year does not
10 lapse but must be carried forward for the purposes of this
11 section until expended or appropriated.

12 (4) Except as provided in subsection (5), money in the
13 account may be used by the university system only to fund
14 forestry services through the Montana cooperative extension
15 service of Montana state university. THE FORESTRY SERVICES
16 MUST BE CONDUCTED AT MONTANA STATE UNIVERSITY, THE
17 UNIVERSITY OF MONTANA, AND FLATHEAD VALLEY COMMUNITY
18 COLLEGE.

19 (5) The use of money in this account by the Montana
20 university system is contingent upon the university system
21 funding the extension service's forestry and natural
22 resources program at a biennial level of at least \$108,000
23 from sources other than the account.

24 ~~NEW SECTION. Section 4. Appropriation. There is~~
25 ~~appropriated from the state general fund to the forestry~~

1 ~~extension--service--account--provided--for--in--{section--3}~~
2 ~~\$64,500--for--fiscal--year--1992--and--\$56,500--for--fiscal--year~~
3 ~~1993.~~

4 NEW SECTION. **Section 4. Effective date.** [This act] is
5 effective on passage and approval.

6 NEW SECTION. **Section 5. Applicability.** [This act]
7 applies to forest products cut after June 30, 1991.

-End-

1 HOUSE BILL NO. 906

2 INTRODUCED BY CONNELLY, HARP, HARPER, GILBERT,
3 DRISCOLL, J. JOHNSON, KADAS, GRADY, T. BECK,
4 STEPLER, HALLIGAN, BENEDICT, WANZENRIED,
5 WILLIAMS, FOSTER, GROSFIELD, PETERSON,
6 LARSON, WEEDING, KNOX, DOWELL, RANEY,
7 KENNEDY, MEASURE, REAM, SWIFT

8
9 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE FEES
10 PAID UNDER FIRE HAZARD REDUCTION AGREEMENTS AND MASTER FIRE
11 HAZARD REDUCTION AGREEMENTS; ESTABLISHING A FORESTRY
12 EXTENSION SERVICE SPECIAL REVENUE ACCOUNT FOR THE MONTANA
13 UNIVERSITY SYSTEM; PROVIDING--AN--APPROPRIATION; AMENDING
14 SECTIONS 76-13-408 AND 76-13-414, MCA; AND PROVIDING AN
15 IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

16
17 STATEMENT OF INTENT

18 The legislature has committed the state of Montana to a
19 course of voluntary compliance with best management
20 practices for forestry. The educational programs and
21 expertise of the Montana state university forestry extension
22 program are critical to the effectiveness and success of
23 this approach. However, the forestry extension program
24 requires the addition of a second extension forester to
25 serve the needs of the state's commercial and 11,000

1 nonindustrial private forest landowners and to ensure
2 protection of water quality and proper management of the
3 state's forested lands.

4 The legislature believes that the extension service, AND
5 the forest products industry, ~~and the state~~ should be equal
6 partners in the continuation and the expansion of the
7 forestry extension program. ~~Accordingly, the legislature in~~
8 ~~section--4--has appropriated \$1217000 for the biennium and~~
9 the THE forest products industry, as provided in 76-13-408
10 and 76-13-414, has committed \$60,000 annually for the
11 purpose of funding one additional extension forester
12 position and one administrative position. This additional
13 funding is intended to supplement the existing federal
14 funding for extension forestry, and the legislature strongly
15 urges the Montana state university extension program to
16 match these commitments by earmarking \$54,000 annually for
17 the extension service's forestry and natural resources
18 program.

19
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

21 **Section 1.** Section 76-13-408, MCA, is amended to read:

22 **"76-13-408. Fire hazard reduction agreement and bond.**

23 (1) Before cutting any forest product, constructing or
24 reconstructing any road in contemplation of cutting any
25 forest product, or conducting timber stand improvement, such

1 as but not limited to thinning, weeding, or pruning, upon
 2 private lands within the state, the person conducting the
 3 work shall provide for the reduction or management of the
 4 fire hazard to be created by entering into a fire hazard
 5 reduction agreement or a master fire hazard reduction
 6 agreement with the department, providing for the full and
 7 faithful compliance with all requirements under this part
 8 and the faithful reduction or management of the fire hazard
 9 in the manner prescribed by law and by rules adopted by the
 10 board.

11 (2) Either the person conducting the work or the
 12 purchaser, as provided in 76-13-409(2), shall post a bond to
 13 the state in a form and for an amount as may be prescribed
 14 by the department, but the amount may not exceed \$6 for each
 15 1,000 board feet (log scale) or the equivalent if forest
 16 products other than logs are cut.

17 (3) Either the person conducting the work or the
 18 purchaser, as provided in 76-13-409(2), shall pay 15 cents
 19 for each 1,000 board feet (log scale) or equivalent measure
 20 if forest products other than logs are cut. THE ASSESSMENT
 21 MAY NOT EXCEED \$20,000 A YEAR. The full amount of this money
 22 must be deposited in the forestry extension service account
 23 provided for in [section 3].

24 †3†(4) The agreement must provide that:

25 (a) all fire hazard reduction or management work

1 comprising nonburning methods and preparations for burning
 2 must be completed within 18 months of commencement of
 3 cutting in the area covered by the agreement; and

4 (b) all burning work must be completed as specified in
 5 the agreement and in compliance with rules adopted by the
 6 board.

7 †4†(5) The bond must be released upon the issuance of
 8 the certificate of clearance."

9 **Section 2.** Section 76-13-414, MCA, is amended to read:

10 "76-13-414. Fees. (1) In addition to any bond, the
 11 department shall charge the contractor fees for
 12 administration, inspections, and enforcement work conducted
 13 in the exercise of its duties under this part. The fees must
 14 be deposited in the state special revenue fund to the credit
 15 of the department.

16 (2) (a) The fee for a fire hazard reduction agreement
 17 is \$25 and must be collected by the department upon issuance
 18 of the agreement.

19 (b) In addition, a fee of 60 cents for each 1,000 board
 20 feet (log scale) must be charged or an equivalent fee must
 21 be charged if products other than logs are cut. This fee
 22 must be withheld by the purchaser as provided in
 23 76-13-409(2), except that any fee money withheld for product
 24 volumes exceeding 500,000 board feet per agreement in a
 25 calendar year must be returned to the contractor by the

1 department.

2 (3) (a) Fees The fee for master fire hazard reduction
3 agreements must be equal to 100% of the department's actual
4 costs incurred in the administration, inspection, and
5 enforcement of each agreement, and the department shall bill
6 the contractor annually to collect such fees.

7 (b) In addition, each contractor with a master fire
8 hazard reduction agreement shall pay to the department 15
9 cents for each 1,000 board feet (log scale) or equivalent
10 measure if forest products other than logs are cut. THE
11 ASSESSMENT MAY NOT EXCEED \$20,000 A YEAR FOR EACH MASTER
12 FIRE HAZARD ATTACHMENT. The full amount of this money must
13 be deposited in the forestry extension service account
14 provided for in [section 3].

15 (c) The fee required under subsection (3)(b) must be
16 paid annually in conjunction with the fee paid under
17 subsection (3)(a). The board may, in its discretion, conduct
18 an audit to determine the volume of forest products
19 harvested by a contractor. If the board conducts an audit,
20 the contractor shall cooperate and make available to the
21 board all requested records, inventories, and other
22 information relevant to the audit."

23 NEW SECTION. Section 3. Forestry extension service
24 account -- purpose -- appropriation. (1) There is a forestry
25 extension service account in the state--special--revenue

1 CURRENT RESTRICTED fund provided for in 17-2-102.

2 (2) There must be deposited in the account:

3 (a) all revenue from the fire hazard reduction
4 agreement provided for in 76-13-408(3);

5 (b) all revenue from the master fire hazard reduction
6 agreement provided for in 76-13-414(3)(b); and

7 (c) money received by the department of state lands in
8 the form of legislative appropriations, reimbursements,
9 gifts, federal funds, or appropriations from any source
10 intended to be used for the purposes of this account.

11 (3) Money in the account is available to the Montana
12 university system by appropriation for the uses set forth in
13 subsection (4). Any unencumbered and unexpended balance of
14 this account remaining at the end of a fiscal year does not
15 lapse but must be carried forward for the purposes of this
16 section until expended or appropriated.

17 (4) Except as provided in subsection (5), money in the
18 account may be used by the university system only to fund
19 forestry services through the Montana cooperative extension
20 service of Montana state university. THE FORESTRY SERVICES
21 MUST BE CONDUCTED AT MONTANA STATE UNIVERSITY, THE
22 UNIVERSITY OF MONTANA, AND FLATHEAD VALLEY COMMUNITY
23 COLLEGE.

24 (5) The use of money in this account by the Montana
25 university system is contingent upon the university system

1 funding the extension service's forestry and natural
2 resources program at a biennial level of at least \$108,000
3 from sources other than the account.

4 ~~NEW SECTION. Section 4. Appropriation. There is~~
5 ~~appropriated from the state general fund to the forestry~~
6 ~~extension service account provided for in {section 3}~~
7 ~~\$64,500 for fiscal year 1992 and \$56,500 for fiscal year~~
8 ~~1993.~~

9 NEW SECTION. Section 4. Effective date. [This act] is
10 effective on passage and approval.

11 NEW SECTION. Section 5. Applicability. [This act]
12 applies to forest products cut after June 30, 1991.

-End-