

## 1 HOUSE BILL NO. 50

2 INTRODUCED BY LARSON

3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND MAKING PERMANENT CERTAIN PROVISIONS  
6 REGARDING THE SALE OF TIMBER ON STATE LANDS; CONTINUING THE STATE TIMBER SALE ACCOUNT  
7 AND PLACING TIMBER SALE REVENUE IN THE ACCOUNT IN AN AMOUNT EQUAL TO THE AMOUNT  
8 APPROPRIATED FROM THE ACCOUNT; REMOVING THE REQUIREMENT FOR A PERCENTAGE  
9 DOWNPAYMENT UPON THE AWARD OF A TIMBER SALE CONTRACT; ESTABLISHING THE SALE PRICE  
10 OF LIVE TIMBER ON STATE LANDS AT NOT LESS THAN FULL MARKET VALUE; REVISING PROVISIONS  
11 APPLICABLE TO THE TIMBER APPRAISAL PROCESS BY ELIMINATING THE REQUIREMENT THAT THE  
12 APPRAISAL BE ON A BOARD-FOOT BASIS; AMENDING SECTIONS 77-1-613 AND 77-5-204, MCA;  
13 REPEALING SECTION 12, CHAPTER 533, LAWS OF 1993; AND PROVIDING EFFECTIVE DATES."

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

16  
17 **Section 1.** Section 77-1-613, MCA, is amended to read:

18 **"77-1-613. ~~(Temporary)~~ Deduction of portion of income received from sale of timber from state**  
19 **trust lands -- creation of account.** (1) There is an account in the state special revenue fund called the state  
20 timber sale account. ~~The amount of \$312,000 per year of the income received from the sale of timber from~~  
21 ~~state trust lands must be deducted and placed in the account to the credit of the state timber sale program~~  
22 Money in the account may be appropriated by the legislature for use by the department in the manner set  
23 out in this section to enhance the revenue creditable to the trusts. There must be placed in the account  
24 an amount from timber sales on state lands each fiscal year equal to the amount appropriated from the  
25 account for the corresponding fiscal year.

26 (2) Timber sale program funds deducted under subsection (1) must be directly applied to timber  
27 sale preparation and documentation.

28 (3) In order to increase the volume of timber sold at the earliest possible time while continuing to  
29 meet the requirements of applicable state and federal laws and in order to avoid unnecessary delays and  
30 extra costs that would result from increasing its permanent staff, the department may contract for services

1 that will enable achievement of the purposes of this section and that will achieve the highest net return to  
2 the trusts.

3 (4) To maximize overall return to the trusts, the timely salvage of timber must be considered.  
4 However, salvage timber sales may not adversely affect the implementation of green timber sales programs.

5 ~~(5) A timber purchaser who successfully bids on a contract to purchase timber from state trust~~  
6 ~~lands shall deposit with the department 20% of the bid price as a downpayment when the contract is~~  
7 ~~awarded. (Terminates June 30, 1995 sec. 12, Ch. 533, L. 1993.)"~~

8

9 **Section 2.** Section 77-5-204, MCA, is amended to read:

10 **"77-5-204. Sale of timber -- fee for forest improvement.** (1) The board may sell timber on state  
11 lands, at a price per 1,000 feet that, in the board's judgment, is in the best interest of the state, provided  
12 that live timber is not sold for less than:

13 ~~(a) \$3 per 1,000 feet for white pine, yellow pine, and spruce; or~~

14 ~~(b) \$1.50 per 1,000 feet for all other timber species full market value.~~

15 (2) Timber sold or cut from state lands must be cut and removed under rules that may be  
16 prescribed by the board for standing timber preservation and fire prevention. In all cases, the board shall  
17 require the person cutting the timber to pile and burn or otherwise dispose of the brush and slash in the  
18 manner that may be prescribed by the board.

19 (3) Before the sale of timber is granted, the value of the timber must be appraised under the  
20 direction of the department, upon the request and subject to the approval of the board. An appraisal must  
21 show as nearly as possible:

22 ~~(a) the value per 1,000 feet of all merchantable timber;~~

23 ~~(b) the condition of the timber relative to risk from fires or other damage;~~

24 ~~(c) the timber's distance from the nearest lake, stream, or railroad; and~~

25 ~~(d) the timber's value as a protection to a watershed.~~

26 (4) In addition to the price of the timber established under subsection (1), the board may require  
27 a timber purchaser to pay a fee for forest improvement. Revenue from the fee must be deposited in the  
28 state special revenue fund to the credit of the department and, as appropriated by the legislature, may be  
29 used only for:

30 (a) disposing of logging slash;

- 1 (b) acquiring access and maintaining roads necessary for timber harvesting on state lands;  
2 (c) reforestation, thinning, and otherwise improving the condition and income potential of forested  
3 state lands; and  
4 (d) complying with legal requirements for timber harvesting."

5  
6 **NEW SECTION. Section 3. Repealer.** Section 12, Chapter 533, Laws of 1993, is repealed.

7  
8 **NEW SECTION. Section 4. Coordination instruction.** If \_\_Bill No.\_\_ [LC 294] is passed and  
9 approved, then [sections 1 and 3 of this act] are void.

10  
11 **NEW SECTION. Section 5. Effective dates.** (1) [Sections 1, 3, and 4 and this section] are  
12 effective June 30, 1995.

13 (2) [Section 2] is effective October 1, 1995.

14 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0050, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill making permanent certain provisions regarding the sale of timber on state lands; continuing the timber sale account and funding it from timber sale revenues; removing the requirement for a percentage down payment upon the award of a timber sale contract; establishing the sale price of live timber on state lands at not less than full market value; and revising provisions applicable to the timber sale appraisal process by eliminating the requirement that the appraisal be on a board foot basis.

ASSUMPTIONS:

Department of State Lands (DSL)

1. The State Land Board is required to administer the school trust lands to secure the largest measure of legitimate and reasonable advantage to the trust (77-1-202, MCA).
2. Under the direction of the State Land Board, DSL is authorized to sell timber and other forest products off of trust lands (77-5-201, MCA).
3. DSL will sell an additional 5 million board feet (MMBF) of timber annually as a result of this act, beginning in FY96.
4. 50% of the timber volume sold in FY96 will be harvested in FY97, and the other 50% will be harvested in FY98. Similarly, 50% of the timber volume sold in FY97 will be harvested in FY98, and the remainder will be harvested in FY99.
5. DSL will sell the additional volume at an average rate of \$290 per thousand board feet.
6. Revenue estimates are based on additional timber volume contracted for sale as a result of this act.
7. Stumpage prices will not increase.
8. The fiscal impact section only addresses additional revenue produced from work that will be done in FY96 and FY97 if HB50 passes. The additional revenue that will occur in FY96 and FY97, as a result of work completed in FY94 and FY95, is not included because DSL will receive this revenue regardless of the status of HB50.

FISCAL IMPACT:

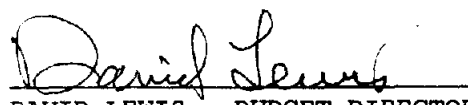
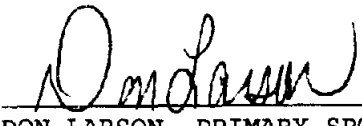
Expenditures:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
FTE	6.00	6.00
Personal Services	183,219	183,697
Operating Expenses	<u>129,875</u>	<u>129,875</u>
Total	313,094	313,572

Revenues:

State Special Revenue (02)	0	313,572
School Equalization	0	390,857
Permanent Trust	<u>0</u>	<u>20,571</u>
Total	0	725,000

(Continued)


1-5-95


DAVID LEWIS, BUDGET DIRECTOR      DATE      DON LARSON, PRIMARY SPONSOR      DATE  
 Office of Budget and Program Planning

(continued)

Net Impact:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
State Special Revenue (02)	(313,094)	0
School Equalization	0	390,857
Permanent Trust	<u>0</u>	<u>20,571</u>
Total	(313,094)	411,428

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: The proposal would increase spending in local communities and sustain or increase the timber-dependent tax base.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: Annual revenues in FY98 should increase by about \$1,450,000 as a result of HB50. This will occur as the expected full increase in annual timber volume harvested of 5 MMBF is realized.

DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (Please explain)  
The revenue to fund HB50 activities comes at the expense of the common school trusts. However, the revenue generated by the HB50 activities will in turn benefit the school trusts, and these benefits are expected to be far greater than the costs.
- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?  
None.
- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program/activity that is intended? X Yes \_\_\_ No (if no, explain)  
In the current biennium we are using \$312,000 from the same funding source to conduct a program identical to what is proposed under HB 50. The source of revenue is relevant because it is reflected in the Executive Budget. The amount of funding proposed in the Executive Budget is adequate to fund the program/activity that is intended.
- d) Does the need for this state special revenue provision still exist? X Yes \_\_\_ No (Explain) If not, our revenue from timber sales will drop by about \$1,450,000 annually.
- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please explain)  
The legislature will set the appropriation and will have the ability to control expenditures from this dedicated revenue account.
- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please explain)  
The proposal continues the activities that were initiated under HB 652, as passed by the 1993 Legislature.
- g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)  
There are no efficiencies/inefficiencies associated with the dedicated revenue provision. DSL could account for the program/activity if the program were general funded.

APPROVED BY COMM. ON  
NATURAL RESOURCES

1 HOUSE BILL NO. 50

2 INTRODUCED BY LARSON

3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND MAKING PERMANENT CERTAIN PROVISIONS  
6 REGARDING THE SALE OF TIMBER ON STATE LANDS; CONTINUING THE STATE TIMBER SALE ACCOUNT  
7 AND PLACING TIMBER SALE REVENUE IN THE ACCOUNT IN AN AMOUNT EQUAL TO THE AMOUNT  
8 APPROPRIATED FROM THE ACCOUNT; REMOVING THE REQUIREMENT FOR A PERCENTAGE  
9 DOWNPAYMENT UPON THE AWARD OF A TIMBER SALE CONTRACT; ESTABLISHING THE SALE PRICE  
10 OF LIVE TIMBER ON STATE LANDS AT NOT LESS THAN FULL MARKET VALUE; REVISING PROVISIONS  
11 APPLICABLE TO THE TIMBER APPRAISAL PROCESS BY ELIMINATING THE REQUIREMENT THAT THE  
12 APPRAISAL BE ON A BOARD-FOOT BASIS; AMENDING SECTIONS 77-1-613 AND 77-5-204, MCA;  
13 REPEALING SECTION 12, CHAPTER 533, LAWS OF 1993; AND PROVIDING EFFECTIVE DATES."

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

16  
17 **Section 1.** Section 77-1-613, MCA, is amended to read:

18 **"77-1-613. ~~(Temporary)~~ Deduction of portion of income received from sale of timber from state**  
19 **trust lands -- creation of account.** (1) There is an account in the state special revenue fund called the state  
20 timber sale account. ~~The amount of \$312,000 per year of the income received from the sale of timber from~~  
21 ~~state trust lands must be deducted and placed in the account to the credit of the state timber sale program~~  
22 Money in the account may be appropriated by the legislature for use by the department in the manner set  
23 out in this section to enhance the revenue creditable to the trusts. There must be placed in the account  
24 an amount from timber sales on state lands each fiscal year equal to the amount appropriated from the  
25 account for the corresponding fiscal year.

26 (2) Timber sale program funds deducted under subsection (1) must be directly applied to timber  
27 sale preparation and documentation.

28 (3) In order to increase the volume of timber sold at the earliest possible time while continuing to  
29 meet the requirements of applicable state and federal laws and in order to avoid unnecessary delays and  
30 extra costs that would result from increasing its permanent staff, the department may contract for services

1 that will enable achievement of the purposes of this section and that will achieve the highest net return to  
2 the trusts.

3 (4) To maximize overall return to the trusts, the timely salvage of timber must be considered.  
4 However, salvage timber sales may not adversely affect the implementation of green timber sales programs.

5 ~~(5) A timber purchaser who successfully bids on a contract to purchase timber from state trust~~  
6 ~~lands shall deposit with the department 20% of the bid price as a downpayment when the contract is~~  
7 ~~awarded. (Terminates June 30, 1995 see. 12, Ch. 533, L. 1993.)"~~

8

9 **Section 2.** Section 77-5-204, MCA, is amended to read:

10 **"77-5-204. Sale of timber -- fee for forest improvement.** (1) The board may sell timber on state  
11 lands, at a price per 1,000 feet that, in the board's judgment, is in the best interest of the state, provided  
12 that live timber is not sold for less than:

13 ~~(a) \$3 per 1,000 feet for white pine, yellow pine, and spruce; or~~

14 ~~(b) \$1.50 per 1,000 feet for all other timber species full market value.~~

15 (2) Timber sold or cut from state lands must be cut and removed under rules that may be  
16 prescribed by the board for standing timber preservation and fire prevention. In all cases, the board shall  
17 require the person cutting the timber to pile and burn or otherwise dispose of the brush and slash in the  
18 manner that may be prescribed by the board.

19 (3) Before the sale of timber is granted, the value of the timber must be appraised under the  
20 direction of the department, upon the request and subject to the approval of the board. An appraisal must  
21 show as nearly as possible:

22 ~~(a) the value per 1,000 feet of all merchantable timber;~~

23 ~~(b) the condition of the timber relative to risk from fires or other damage;~~

24 ~~(c) the timber's distance from the nearest lake, stream, or railroad; and~~

25 ~~(d) the timber's value as a protection to a watershed.~~

26 (4) In addition to the price of the timber established under subsection (1), the board may require  
27 a timber purchaser to pay a fee for forest improvement. Revenue from the fee must be deposited in the  
28 state special revenue fund to the credit of the department and, as appropriated by the legislature, may be  
29 used only for:

30 (a) disposing of logging slash;

- 1 (b) acquiring access and maintaining roads necessary for timber harvesting on state lands;  
2 (c) reforestation, thinning, and otherwise improving the condition and income potential of forested  
3 state lands; and  
4 (d) complying with legal requirements for timber harvesting."

5

6 **NEW SECTION.** **Section 3. Repealer.** Section 12, Chapter 533, Laws of 1993, is repealed.

7

8 **NEW SECTION.** **Section 4. Coordination instruction.** If \_\_Bill No. \_\_ [LC 294] is passed and  
9 approved, then [sections 1 and 3 of this act] are void.

10

11 **NEW SECTION.** **Section 5. Effective dates.** (1) [Sections 1, 3, and 4 and this section] are  
12 effective June 30, 1995.

13 (2) [Section 2] is effective October 1, 1995.

14

-END-



## 1 HOUSE BILL NO. 50

2 INTRODUCED BY LARSON

3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND MAKING PERMANENT CERTAIN PROVISIONS  
6 REGARDING THE SALE OF TIMBER ON STATE LANDS; CONTINUING THE STATE TIMBER SALE ACCOUNT  
7 AND PLACING TIMBER SALE REVENUE IN THE ACCOUNT IN AN AMOUNT EQUAL TO THE AMOUNT  
8 APPROPRIATED FROM THE ACCOUNT; REMOVING THE REQUIREMENT FOR A PERCENTAGE  
9 DOWNPAYMENT UPON THE AWARD OF A TIMBER SALE CONTRACT; ESTABLISHING THE SALE PRICE  
10 OF LIVE TIMBER ON STATE LANDS AT NOT LESS THAN FULL MARKET VALUE; ~~REVISING PROVISIONS  
11 APPLICABLE TO THE TIMBER APPRAISAL PROCESS BY ELIMINATING THE REQUIREMENT THAT THE  
12 APPRAISAL BE ON A BOARD FOOT BASIS;~~ AMENDING SECTIONS 77-1-613 AND 77-5-204, MCA;  
13 REPEALING SECTION 12, CHAPTER 533, LAWS OF 1993; AND PROVIDING EFFECTIVE DATES."

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
1617 **Section 1.** Section 77-1-613, MCA, is amended to read:

18 **"77-1-613. ~~(Temporary)~~ Deduction of portion of income received from sale of timber from state**  
19 **trust lands -- creation of account.** (1) There is an account in the state special revenue fund called the state  
20 timber sale account. ~~The amount of \$312,000 per year of the income received from the sale of timber from~~  
21 ~~state trust lands must be deducted and placed in the account to the credit of the state timber sale program~~  
22 Money in the account may be appropriated by the legislature for use by the department in the manner set  
23 out in this section to enhance the revenue creditable to the trusts. There must be placed in the account  
24 an amount from timber sales on state lands each fiscal year equal to the amount appropriated from the  
25 account for the corresponding fiscal year.

26 (2) Timber sale program funds deducted under subsection (1) must be directly applied to timber  
27 sale preparation and documentation.

28 (3) In order to increase the volume of timber sold at the earliest possible time while continuing to  
29 meet the requirements of applicable state and federal laws and in order to avoid unnecessary delays and  
30 extra costs that would result from increasing its permanent staff, the department may contract for services

1 that will enable achievement of the purposes of this section and that will achieve the highest net return to  
2 the trusts.

3 (4) To maximize overall return to the trusts, the timely salvage of timber must be considered.  
4 However, salvage timber sales may not adversely affect the implementation of green timber sales programs.

5 ~~(5) A timber purchaser who successfully bids on a contract to purchase timber from state trust  
6 lands shall deposit with the department 20% of the bid price as a downpayment when the contract is  
7 awarded. (Terminates June 30, 1995 see. 12, Ch. 533, L. 1993.)"~~

8

9 **Section 2.** Section 77-5-204, MCA, is amended to read:

10 **"77-5-204. Sale of timber -- fee for forest improvement.** (1) The board may sell timber on state  
11 lands, at a price per 1,000 BOARD feet, WHEN APPROPRIATE, that, in the board's judgment, is in the best  
12 interest of the state, provided that live timber is not sold for less than:

13 ~~(a) \$3 per 1,000 feet for white pine, yellow pine, and spruce; or~~

14 ~~(b) \$1.50 per 1,000 feet for all other timber species full market value.~~

15 (2) Timber sold or cut from state lands must be cut and removed under rules that may be  
16 prescribed by the board for standing timber preservation and fire prevention. In all cases, the board shall  
17 require the person cutting the timber to pile and burn or otherwise dispose of the brush and slash in the  
18 manner that may be prescribed by the board.

19 (3) Before the sale of timber is granted, the value of the timber must be appraised under the  
20 direction of the department, upon the request and subject to the approval of the board. An appraisal must  
21 show as nearly as possible:

22 ~~(a) the value per 1,000 feet PER 1,000 BOARD FEET, WHEN APPROPRIATE, of all merchantable  
23 timber;~~

24 ~~(b) the condition of the timber relative to risk from fires or other damage;~~

25 ~~(c) the timber's distance from the nearest lake, stream, or railroad; and~~

26 ~~(d) the timber's value as a protection to a watershed.~~

27 (4) In addition to the price of the timber established under subsection (1), the board may require  
28 a timber purchaser to pay a fee for forest improvement. Revenue from the fee must be deposited in the  
29 state special revenue fund to the credit of the department and, as appropriated by the legislature, may be  
30 used only for:

- 1 (a) disposing of logging slash;  
2 (b) acquiring access and maintaining roads necessary for timber harvesting on state lands;  
3 (c) reforestation, thinning, and otherwise improving the condition and income potential of forested  
4 state lands; and  
5 (d) complying with legal requirements for timber harvesting."  
6

7 **NEW SECTION.** **Section 3. Repealer.** Section 12, Chapter 533, Laws of 1993, is repealed.  
8

9 **NEW SECTION.** **Section 4. Coordination Instruction.** If \_\_Bill No.\_\_ [LC 294] is passed and  
10 approved, then [sections 1 and 3 of this act] are void.  
11

12 **NEW SECTION.** **Section 5. Effective dates.** (1) [Sections 1, 3, and 4 and this section] are  
13 effective June 30, 1995.

14 (2) [Section 2] is effective October 1, 1995.  
15

-END-

## 1 HOUSE BILL NO. 50

2 INTRODUCED BY LARSON

3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND MAKING PERMANENT CERTAIN PROVISIONS  
6 REGARDING THE SALE OF TIMBER ON STATE LANDS; CONTINUING THE STATE TIMBER SALE ACCOUNT  
7 AND PLACING TIMBER SALE REVENUE IN THE ACCOUNT IN AN AMOUNT EQUAL TO THE AMOUNT  
8 APPROPRIATED FROM THE ACCOUNT; REMOVING THE REQUIREMENT FOR A PERCENTAGE  
9 DOWNPAYMENT UPON THE AWARD OF A TIMBER SALE CONTRACT; ESTABLISHING THE SALE PRICE  
10 OF LIVE TIMBER ON STATE LANDS AT NOT LESS THAN FULL MARKET VALUE; ~~REVISING PROVISIONS  
11 APPLICABLE TO THE TIMBER APPRAISAL PROCESS BY ELIMINATING THE REQUIREMENT THAT THE  
12 APPRAISAL BE ON A BOARD FOOT BASIS;~~ AMENDING SECTIONS 77-1-613 AND 77-5-204, MCA;  
13 REPEALING SECTION 12, CHAPTER 533, LAWS OF 1993; AND PROVIDING EFFECTIVE DATES."  
14

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
16

17 Section 1. Section 77-1-613, MCA, is amended to read:

18 "77-1-613. ~~(Temporary)~~ Deduction of portion of income received from sale of timber from state  
19 trust lands -- creation of account. (1) There is an account in the state special revenue fund called the state  
20 timber sale account. ~~The amount of \$312,000 per year of the income received from the sale of timber from~~  
21 ~~state trust lands must be deducted and placed in the account to the credit of the state timber sale program~~  
22 Money in the account may be appropriated by the legislature for use by the department in the manner set  
23 out in this section to enhance the revenue creditable to the trusts. There must be placed in the account  
24 an amount from timber sales on state lands each fiscal year equal to the amount appropriated from the  
25 account for the corresponding fiscal year.

26 (2) Timber sale program funds deducted under subsection (1) must be directly applied to timber  
27 sale preparation and documentation.

28 (3) In order to increase the volume of timber sold at the earliest possible time while continuing to  
29 meet the requirements of applicable state and federal laws and in order to avoid unnecessary delays and  
30 extra costs that would result from increasing its permanent staff, the department may contract for services

1 that will enable achievement of the purposes of this section and that will achieve the highest net return to  
2 the trusts.

3 (4) To maximize overall return to the trusts, the timely salvage of timber must be considered.  
4 However, salvage timber sales may not adversely affect the implementation of green timber sales programs.

5 ~~(5) A timber purchaser who successfully bids on a contract to purchase timber from state trust~~  
6 ~~lands shall deposit with the department 20% of the bid price as a downpayment when the contract is~~  
7 ~~awarded. (Terminates June 30, 1995 see. 12, Ch. 533, L. 1993.)"~~

8

9 **Section 2.** Section 77-5-204, MCA, is amended to read:

10 **"77-5-204. Sale of timber -- fee for forest improvement.** (1) The board may sell timber on state  
11 lands, at a price per 1,000 BOARD feet, WHEN APPROPRIATE, that, in the board's judgment, is in the best  
12 interest of the state, provided that live timber is not sold for less than:

13 ~~(a) \$3 per 1,000 feet for white pine, yellow pine, and spruce; or~~

14 ~~(b) \$1.50 per 1,000 feet for all other timber species full market value.~~

15 (2) Timber sold or cut from state lands must be cut and removed under rules that may be  
16 prescribed by the board for standing timber preservation and fire prevention. In all cases, the board shall  
17 require the person cutting the timber to pile and burn or otherwise dispose of the brush and slash in the  
18 manner that may be prescribed by the board.

19 (3) Before the sale of timber is granted, the value of the timber must be appraised under the  
20 direction of the department, upon the request and subject to the approval of the board. An appraisal must  
21 show as nearly as possible:

22 ~~(a) the value per 1,000 feet PER 1,000 BOARD FEET, WHEN APPROPRIATE, of all merchantable~~  
23 ~~timber;~~

24 ~~(b) the condition of the timber relative to risk from fires or other damage;~~

25 ~~(c) the timber's distance from the nearest lake, stream, or railroad; and~~

26 ~~(d) the timber's value as a protection to a watershed.~~

27 (4) In addition to the price of the timber established under subsection (1), the board may require  
28 a timber purchaser to pay a fee for forest improvement. Revenue from the fee must be deposited in the  
29 state special revenue fund to the credit of the department and, as appropriated by the legislature, may be  
30 used only for:

1 (a) disposing of logging slash;

2 (b) acquiring access and maintaining roads necessary for timber harvesting on state lands;

3 (c) reforestation, thinning, and otherwise improving the condition and income potential of forested  
4 state lands; and

5 (d) complying with legal requirements for timber harvesting."

6  
7 **NEW SECTION. Section 3. Repealer.** Section 12, Chapter 533, Laws of 1993, is repealed.

8  
9 **NEW SECTION. Section 4. Coordination instruction.** If \_\_Bill No.\_\_ [LC 294] is passed and  
10 approved, then [sections 1 and 3 of this act] are void.

11  
12 **NEW SECTION. Section 5. Effective dates.** (1) [Sections 1, 3, and 4 and this section] are  
13 effective June 30, 1995.

14 (2) [Section 2] is effective October 1, 1995.

15 -END-