

AMENDED IN SENATE JANUARY 24, 2002

AMENDED IN SENATE MARCH 27, 2001

SENATE BILL

No. 812

Introduced by Senator Sher

February 23, 2001

~~An act to amend Sections 4793, 4794, 4799.01, and 12260 of the Public Resources Code, relating to forest resources. An act to amend Sections 42801.1, 42823, 42840, and 42841 of the Health and Safety Code, relating to air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 812, as amended, Sher. ~~Land management plans: Forest Stewardship Council~~ *Air pollution: California Climate Action Registry.*

(1) Existing law requires the Secretary of the Resources Agency to establish the California Climate Action Registry as a nonprofit public benefit corporation, governed by a prescribed board of directors, that is required to record and register voluntary greenhouse gas emissions reductions made by California entities after 1990. Existing law requires the registry to provide referrals to approved providers for advice on designing programs to establish emissions baselines and to monitor and track greenhouse gas emissions, establishing emissions reduction goals, and designing and implementing organization-specific plans that improve energy efficiency or utilize renewable energy, or both, and that are capable of achieving emission reduction targets.

This bill would require the registry to also provide referrals to approved providers for advice on incorporating conservation and best management practices of natural forest reservoirs as a mechanism to

assist participants in the attainment of emissions reduction goals and the reporting of emissions results.

(2) Existing law requires the registry to perform various functions, including, among other things, adopting standards for verifying emissions reductions, adopting a list of approved auditors that would verify emission reductions, establishing emissions reduction targets, designing and implementing efficiency improvement plans, maintaining a record of all emission baselines and reductions, and recognizing, publicizing, and promoting entities that participate in the registry.

This bill would require the registry, in coordination with the Resources Agency, to adopt procedures and protocols, including specified criteria, for the monitoring, estimating, calculating, reporting, and certifying of carbon stores and carbon dioxide emissions resulting from the conservation and conservation-based management of natural forest reservoirs in order for registry participants to include the results of those conservation activities in registered emissions results.

~~(1) Under existing law, the Department of Forestry and Fire Protection is authorized to enter into agreements and make loans to improve the condition of forests. To be eligible to enter into an agreement or to receive a loan, existing law requires, among other things, a landowner to submit a long-term forest and land management plan for approval by the director. Existing law requires, among other things, a management plan to analyze the forest land conditions and capabilities, describe the landowner's management objectives, and describe forest resource improvement work.~~

~~This bill would revise the definition of "management plan" to include plans that provide the basis for an eligible landowner's forest land becoming certified as well managed pursuant to standards adopted by the State Board of Forestry. The bill would require the Director of Forestry and Fire Protection, when entering into agreements and making loans to improve the condition of the forests, to give preference to activities and projects that implement or would achieve long-term management of forest land certified as being well managed pursuant to standards adopted by the state board. The bill would also require the director, to consider, as an additional evaluative factor, when allocating available funds among proposed projects, whether the project would encourage, and be consistent with, the long-term management of forest~~



land certified as being well managed pursuant to standards adopted by the state board.

~~(2) Under the existing California Forest Legacy Program Act of 2000, until January 1, 2007, the department is authorized to acquire conservation easements of eligible private forest land according to specified selection criteria, including whether the landowner has developed a land management plan.~~

~~This bill would require the department to give preference to landowners who have developed a management plan certified as being well managed pursuant to standards adopted by the state board.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.—Section 4793 of the Public Resources Code is~~
2 *SECTION 1. Section 42801.1 of the Health and Safety Code*
3 *is amended to read:*

4 42801.1. For purposes of this chapter, the following terms
5 have the following meanings:

6 (a) “Annual emissions results” means the participant’s
7 applicable data ~~on the release of greenhouse gas emissions, both~~
8 ~~direct and indirect, from one particular year on the direct and~~
9 ~~indirect release or absorption of greenhouse gases in one~~
10 ~~particular year.~~

11 (b) “Baseline” means a datum against which to measure
12 greenhouse gas emissions performance over time, usually annual
13 emissions in a selected base year. For the purposes of this
14 subdivision, the baseline shall start on or after January 1, 1990.

15 (c) “Certification” means the determination of whether a
16 given participant’s greenhouse gas emissions inventory (either
17 baseline or annual result) has met a minimum quality standard and
18 complied with an appropriate set of registry-approved procedures
19 and protocols for submitting emissions inventory information.
20 The process for certification of emissions results will be specified
21 within the procedures and protocols approved for
22 industry-specific emissions inventory reporting, and may involve
23 a range of options depending upon the nature of the emissions,
24 complexity of a company’s facilities and operations, or both, and



1 the procedures deemed necessary by the registry board to validate
2 a participant's emissions information.

3 (d) "De minimis emissions" means emissions that are below
4 a certain threshold, when summed across all applicable sources of
5 the participating entity. The State Energy Resources Conservation
6 and Development Commission shall recommend to the registry for
7 adoption a threshold emissions level for each type of greenhouse
8 gas emission that shall be considered de minimus.

9 (e) "Emissions" means the release of greenhouse gases into
10 the atmosphere.

11 (f) (1) "Emissions inventory" means an accounting of the
12 amount of greenhouse gases discharged into the atmosphere. It is
13 generally characterized by all of the following factors:

14 (A) The chemical or physical identity of the pollutants
15 included.

16 (B) The geographic area covered.

17 (C) The institutional entities covered.

18 (D) The time period over which emissions are estimated.

19 (E) The types of activities that cause emissions.

20 (2) An emissions inventory shall include sufficient
21 documentation and supporting data to make transparent the
22 underlying assumptions and calculations for all of the reported
23 results.

24 (g) "Greenhouse gases" includes all of the following gases:
25 carbon dioxide, methane, nitrous oxide, hydrofluorocarbons,
26 perfluorocarbons, and sulfur hexafluoride.

27 (h) "Material" means any emission of greenhouse gas that is
28 not de minimis.

29 *SEC. 2. Section 42823 of the Health and Safety Code is*
30 *amended to read:*

31 42823. The registry shall perform all of the following
32 functions:

33 (a) Provide participants with referrals to approved providers
34 for technical assistance and advice, upon the request of a
35 participant, on any or all of the following:

36 (1) Designing programs to establish greenhouse gas emissions
37 baselines and to monitor, estimate, calculate, report, and certify
38 greenhouse gas emissions.



1 (2) Establishing emissions reduction goals based on
2 international or federal best practices for specific industries and
3 economic sectors.

4 (3) Designing and implementing organization-specific plans
5 that improve energy efficiency or utilize renewable energy, or
6 both, and that are capable of achieving emission reduction targets.

7 *(4) Incorporating conservation and best management*
8 *practices of natural forest reservoirs as a mechanism to assist*
9 *participants in the attainment of emissions reduction goals and the*
10 *reporting of emission results.*

11 (b) In coordination with the State Energy Resources
12 Conservation and Development Commission, the registry shall
13 adopt and periodically update a list of organizations recognized by
14 the state as qualified to provide the detailed technical assistance
15 and advice in subdivision (a) and assist participants in identifying
16 and selecting providers that have expertise applicable to each
17 participant's circumstances.

18 *(c) In coordination with the Resources Agency and consistent*
19 *with the data and information acquired and developed pursuant to*
20 *subdivision (b) of Section 25730 of the Public Resources Code, the*
21 *registry shall adopt procedures and protocols for the monitoring,*
22 *estimating, calculating, reporting, and certifying of carbon stores*
23 *and carbon dioxide emissions resulting from the conservation and*
24 *conservation-based management of natural forest reservoirs in*
25 *order to permit participants to include the results of those activities*
26 *in registered emissions results. Procedures and protocols shall*
27 *require, at a minimum, that those forestry activities meet the*
28 *following criteria in order to be reported in a participant's*
29 *emissions results:*

30 *(1) Emissions results that include the management of natural*
31 *forest reservoirs are permanent and based on forestry practices*
32 *that exceed all applicable federal, state, and local land use laws*
33 *and regulations.*

34 *(2) Forestry activities reported as emissions results reflect the*
35 *amount of time carbon is stored.*

36 *(3) Forestry activities maintain and promote native forest*
37 *types.*

38 *(4) If emissions results are derived from forest lands*
39 *undergoing harvest and regeneration, those results are derived*
40 *from natural forest management practices.*



1 (5) Forest carbon stores be certifiable by independent
2 third-party organizations that are preapproved by the registry
3 pursuant to Section 42842.

4 (d) Adopt procedures and protocols for certification of
5 reported baseline emissions and emissions results. When adopting
6 procedures and protocols for the certification, the registry shall
7 consider the availability and suitability of simplified techniques
8 and tools.

9 ~~(d)~~

10 (e) Qualify third-party organizations that have the capability to
11 certify reported baseline emissions and emissions results, and that
12 are capable of certifying the participant-reported results as
13 provided in this chapter.

14 ~~(e)~~

15 (f) Adopt procedures and protocols, including a uniform
16 format for reporting emissions baselines and emissions results to
17 facilitate their recognition in any future regulatory regime.

18 ~~(f)~~

19 (g) Maintain a record of all certified greenhouse gas emissions
20 baselines and emissions results. Separate records shall be kept for
21 direct and indirect emissions results. The public shall have access
22 to this record, except for any portions of a participant's emissions
23 results that a participant may deem confidential.

24 ~~(g)~~

25 (h) Encourage organizations from various sectors of the state's
26 economy, and those from various geographic regions of the state,
27 to report emissions, establish baselines and reduction targets, and
28 implement efficiency improvement and renewable energy
29 programs to achieve those targets.

30 ~~(h)~~

31 (i) Recognize, publicize, and promote participants.

32 ~~(i)~~

33 (j) In coordination with the State Energy Resources
34 Conservation and Development Commission and the State Air
35 Resources Board, adopt industry-specific reporting metrics at one
36 or more public meetings.

37 SEC. 3. Section 42840 of the Health and Safety Code is
38 amended to read:

39 42840. (a) Participants shall utilize the following reporting
40 procedures to establish a greenhouse gas emissions baseline,



1 participants shall report their certified emissions for the most
2 recent year for which they have complete energy use and fuel
3 consumption data as specified in this chapter. Participants that
4 have complete energy use or fuel consumption data for earlier
5 years that can be certified may establish their baseline as any year
6 beginning on or after January 1, 1990. After establishing baseline
7 emissions, participants shall report their certified emissions results
8 in each subsequent year in order to show changes in emissions
9 levels with respect to their baseline year. Participants may report
10 annual emission results without establishing an emissions
11 baseline. Participants shall also report using industry-specific
12 metrics once the registry adopts an industry-specific metric for the
13 industry in question.

14 (b) (1) Participants shall report direct emissions and indirect
15 emissions separately. Direct emissions are those emissions from
16 applicable sources that are under management control of a
17 participating entity, including onsite combustion, fugitive
18 noncombustion emissions, and vehicles owned and operated by
19 the participant. Indirect emissions that are required to be reported
20 by participants are those emissions embodied in net electricity and
21 steam imports, including offsite steam generation and district
22 heating and cooling. Participants are encouraged, but are not
23 required, to report other indirect emissions based on guidance that
24 is adopted by the registry.

25 (2) On or after January 1, 2004, the registry board, in
26 coordination with the State Energy Resources Conservation and
27 Development Commission, may revise the scope of indirect
28 emission source types that are required to be reported by
29 participants specified in paragraph (1) after a public workshop and
30 review process conducted by the registry if all of the following
31 requirements have been met.

32 (A) The State Energy Resources Conservation and
33 Development Commission has approved that revision at a public
34 hearing following a public workshop.

35 (B) Prior to approving that proposed revision, the commission
36 determines all of the following:

37 (i) A reasonable and generally-accepted methodology exists
38 that will enable participants to accurately estimate and report the
39 emissions for the indirect source type in question.



1 (ii) The proposed revision will not create an unreasonable
2 reporting burden on the participants.

3 (iii) The proposed revision is necessary to achieve the purposes
4 listed in Section 42810.

5 (C) The registry, at any time it acts to revise the scope of
6 indirect emission source types that are required to be reported by
7 participants, establishes a timeframe for the phase in of the revised
8 scope so that participants shall have at least four months before the
9 start of the next annual reporting cycle that incorporates the
10 revised scope.

11 (3) In cases of joint ownership, emissions are reported by the
12 managing entity, unless the owners decide to report emissions on
13 a pro rata basis.

14 (4) Participants shall not be required to report emissions of any
15 greenhouse gas that is de minimis in quantity, when summed up
16 across all applicable sources of the participating entity. The State
17 Energy Resources Conservation and Development Commission
18 shall recommend to the registry a definition of de minimis
19 emissions that reasonably accounts for differences in the size,
20 activities, and sources of direct and indirect baseline emissions of
21 participants, and is consistent with the goals and intent of
22 subdivision (f) of Section 42801.

23 (c) (1) All participants shall report direct and indirect carbon
24 dioxide (CO₂) emissions that are material to their operations.

25 (2) The registry shall also encourage participants to monitor
26 and report emissions of the following gases:

27 (A) Hydrofluorocarbons (HFCs).

28 (B) Methane (CH₄).

29 (C) Oxides of nitrogen (N₂O).

30 (D) Perfluorocarbons (PFCs).

31 (E) Sulfur hexafluoride (SF₆).

32 (3) The report of information specified in paragraph (2) is
33 optional for three years after a participant joins the registry. After
34 participating in the registry for a total of three years, participants
35 shall report emissions required by both paragraphs (1) and (2).

36 (4) Emissions of all gases under this subdivision shall be
37 reported in mass units.

38 (d) The basic unit of participation in the registry shall be an
39 entity in its entirety such as a corporation or other legally
40 constituted body, any city or county, and each state government



1 agency. The registry shall not record emissions baselines and
2 reductions for individual facilities or projects, except to the extent
3 they are included in an entity’s emissions reporting.

4 (1) Corporations may report emissions baselines and annual
5 emissions results from subsidiaries if the parent corporation is
6 clearly defined.

7 (2) Participants shall report emissions *results* from all of their
8 applicable sources in the state when they initially register.

9 (3) Participants may, and are encouraged to, at any time,
10 register emissions from all applicable sources based in the United
11 States, so long as this reporting meets all the other requirements
12 established by this chapter. Those participants with emissions in
13 other states that report California emissions only may not be able
14 to receive equal consideration for their emissions records in future
15 national or international regulatory regimes relating to greenhouse
16 gas emissions. In addition, participants with operations outside of
17 the United States are encouraged to register their total worldwide
18 emissions baselines and annual emissions results. Within three
19 years, the registry shall review and report to the Legislature with
20 a recommendation on whether the registry should require, rather
21 than encourage, participants to report all of their greenhouse gas
22 emissions in the United States, not just California emissions.

23 (4) To ensure that reported emissions reflect actual emissions,
24 participants that outsource production or services shall report
25 emissions associated with the outsourced activity, and remove
26 these emissions from their emissions baseline. The subcontracted
27 entity, if it voluntarily chooses to participate in the registry shall
28 report emissions associated with the outsourced activities it has
29 taken over. Participants shall attest at least once each year that the
30 entity has not outsourced any emissions, or that if it has, that all
31 emissions associated with the outsourced activity have been
32 reported and subtracted from the entity’s baseline emissions.

33 (5) To prevent changes in vertical integration within
34 corporations from leading to apparent emissions reductions when
35 in fact no reductions have occurred, the registry shall treat
36 mergers, acquisitions, and divestitures as follows:

37 (A) The emissions baselines of any merged or acquired entity
38 shall be added together, and the registry shall treat the resulting
39 entity as if it had been one corporation from the beginning.



1 (B) In divestitures, the emissions baselines of the affected
2 corporations shall be split, with the effect that the registry shall
3 treat them as if they had been separate corporations from the
4 beginning. If the divested corporation is purchased by another
5 firm, the registry shall treat that purchase as a merger with the
6 purchasing corporation. If the divested corporation remains a
7 separate entity after the divestiture, its registry baseline shall
8 reflect the emissions associated with the entity's operations before
9 the divestiture. Corporations that divest operations may allocate
10 certified emissions results achieved prior to the divestiture among
11 the divesting and the divested entities, and the registry shall adjust
12 their baselines accordingly.

13 (C) Any adjustments for changes in vertical integration shall be
14 verified in the annual emissions certifications required for
15 recordation of emissions results.

16 (6) If a participant changes from statewide to national reporting
17 under this program, changes to its baseline will be treated in a
18 similar manner as changes in vertical integration as described in
19 paragraph (5).

20 (7) To ensure that reported emissions accurately reflect shifts
21 in operations to or from other states, the registry shall adopt, in
22 consultation with the State Energy Resources Conservation and
23 Development Commission, at a public meeting and following at
24 least one public workshop, reporting procedures for participants
25 that choose to report greenhouse emissions on a statewide basis
26 that require participants to show both of the following:

27 (A) Changes in a participant's operations, such as a facility
28 startup or shutdown, that result in a significant and long-term shift
29 of greenhouse gas emissions from California to other states or
30 from other states to California.

31 (B) The corresponding change in the participant's baseline.

32 *SEC. 4. Section 42841 of the Health and Safety Code is*
33 *amended to read:*

34 42841. (a) To support the estimation, calculation, reporting,
35 and certification of emissions *results* in a consistent format, the
36 registry shall adopt standardized forms that all participants shall
37 use to calculate, report, and certify emissions, unless an alternative
38 format is (1) reviewed and recommended by the State Energy
39 Resources Conservation and Development Commission and the
40 State Air Resources Board, and (2) adopted by the registry, and



1 deemed to be consistent with the goals and intent of this chapter.
2 In cooperation with the State Energy Resources Conservation and
3 Development Commission, the registry shall review commonly
4 available emissions tracking software to determine whether
5 existing software packages are able to generate reports for the
6 registry.

7 (b) The procedures established for all of the following shall
8 conform to the requirements of Article 6 (commencing with
9 Section 42870):

10 (1) Establishing electricity and fuel usage and for calculating
11 associated emissions.

12 (2) Mass-balance calculations, stack testing, or continuous
13 emissions monitoring of greenhouse gases from onsite fuel
14 combustion are all acceptable ways of reporting greenhouse gases
15 from onsite fuel combustion.

16 (3) Estimating, calculating, reporting, and certifying
17 noncombustion emissions of the gases listed in paragraphs (1) and
18 (2) of subdivision (c) of Section 42840.

19 (4) Collecting and maintaining data and records of energy, fuel,
20 and chemical consumption sufficient to allow contemporaneous
21 and ex post certification of direct and indirect emissions.

22 ~~amended to read:~~

23 ~~4793.— As used in this chapter:~~

24 (a) ~~“A county with high unemployment” means a county with~~
25 ~~an annual unemployment rate, as reported by the Employment~~
26 ~~Development Department, higher than the mean annual~~
27 ~~unemployment rate of “rate adjustment counties” as defined~~
28 ~~pursuant to the Timber Yield Tax Law (Part 18.5 (commencing~~
29 ~~with Section 38101) of Division 2 of the Revenue and Taxation~~
30 ~~Code).~~

31 (b) ~~“Eligible landowner” means any person who meets the~~
32 ~~conditions set forth in Sections 4797 and 4799. Where ownership~~
33 ~~of forest land and timber is not held by the same person,~~
34 ~~“landowner” means either the person or persons owning the land~~
35 ~~or the person or persons owning the timber.~~

36 (c) ~~“Fish and wildlife habitat improvements” means measures~~
37 ~~designed to protect, maintain, or enhance fish and wildlife habitat~~
38 ~~including, but not limited to, stream clearance, reestablishment of~~
39 ~~desirable vegetation along stream channels and elsewhere,~~
40 ~~measures to encourage habitat diversity, restoration of~~



1 anadromous fisheries, and forest road repair and upgrading that
2 protect, maintain, or enhance fish and wildlife habitat.

3 (d) ~~“Followup work” means forest resource improvement~~
4 ~~work necessary to promote the survival of seed or seedlings~~
5 ~~planted, or protection or enhancement of other work undertaken,~~
6 ~~as part of a prior forest resource improvement project pursuant to~~
7 ~~this chapter.~~

8 (e) ~~“Forest land” means land at least 10 percent occupied by~~
9 ~~trees of any size that are native to California, including native oaks,~~
10 ~~or formerly having had that tree cover and not currently zoned for~~
11 ~~uses incompatible with forest resource management.~~

12 (f) ~~“Forest land conservation measures” means measures~~
13 ~~designed to protect, maintain, or enhance the forest resource~~
14 ~~system, including soil and watershed values, diversity of forest~~
15 ~~species, and protection of a forest stand from fire. These measures~~
16 ~~include thinning, shaded fuel breaks, and other land treatments or~~
17 ~~forest resource improvement projects consistent with Section~~
18 ~~4794.~~

19 (g) ~~“Forest land with demonstrated potential for improved~~
20 ~~forest resource management” means forest land that could~~
21 ~~produce significantly greater forest resource benefits if forest~~
22 ~~resource improvement work was carried out and that is not~~
23 ~~managed for uses incompatible with forest resource management.~~

24 (h) ~~“Forest resources” means those uses and values associated~~
25 ~~with forest land, including fish, forage, recreation and aesthetics,~~
26 ~~soils, timber, watershed, wilderness, and wildlife.~~

27 (i) ~~“Forest resource system” means the interdependent system~~
28 ~~of air, water, solar energy, and forest resources, as defined by~~
29 ~~subdivision (h).~~

30 (j) ~~“Forest resource improvement work” means the forest~~
31 ~~resource improvement measures enumerated in Section 4794 for~~
32 ~~which assistance is authorized pursuant to this chapter.~~

33 (k) ~~“Forest resource improvement project” means a project~~
34 ~~undertaken pursuant to Section 4795 or a loan made pursuant to~~
35 ~~Section 4796.~~

36 (l) ~~“Management plan” means a long-term forest and land~~
37 ~~management plan submitted to the director pursuant to Section~~
38 ~~4799, including plans that provide the basis for an eligible~~
39 ~~landowner’s forest land becoming certified as well-managed~~
40 ~~pursuant to standards adopted by the board.~~



- 1 ~~(m) “Person” includes:~~
- 2 ~~(1) Any private individual, organization, partnership, limited~~
- 3 ~~liability company, or corporation.~~
- 4 ~~(2) Except for the purposes of Section 4795 and subdivision (a)~~
- 5 ~~of Section 4796, any city, county, or district.~~
- 6 ~~(n) “Prevailing rate” means the average annual rate earned by~~
- 7 ~~the state on moneys deposited in the Pooled Money Investment~~
- 8 ~~Account in the General Fund.~~
- 9 ~~(o) “Reforestation” means planting of tree seedlings, cuttings,~~
- 10 ~~or seed.~~
- 11 ~~(p) “Restocked” means stocking to the degree required by the~~
- 12 ~~Z’berg-Nejedly Forest Practice Act of 1973, Chapter 8~~
- 13 ~~(commencing with Section 4511) of Part 2.~~
- 14 ~~(q) “Small business entity” means a business enterprise,~~
- 15 ~~including a landowner, with five hundred thousand dollars~~
- 16 ~~(\$500,000) or less annual gross revenue.~~
- 17 ~~(r) “Smaller nonindustrial landowners” means owners of~~
- 18 ~~5,000 acres or less of forest land.~~
- 19 ~~(s) “Uses incompatible with forest resource management”~~
- 20 ~~means uses not listed in subdivision (h) of Section 51104 or~~
- 21 ~~Section 51111 of the Government Code by the city or county in~~
- 22 ~~which the parcel subject to a forest resource improvement project~~
- 23 ~~lies.~~
- 24 ~~(t) “Young growth stand improvement” means precommercial~~
- 25 ~~thinning or weeding of young growth stands to provide more~~
- 26 ~~growing space and release of young trees from competing~~
- 27 ~~vegetation.~~
- 28 ~~SEC. 2. Section 4794 of the Public Resources Code is~~
- 29 ~~amended to read:~~
- 30 ~~4794. (a) Agreements may be entered into and loans may be~~
- 31 ~~made by the director pursuant to this chapter for all of the purposes~~
- 32 ~~set forth below. The director shall give preference to those~~
- 33 ~~activities and projects that implement or would achieve long-term~~
- 34 ~~management of forest land certified as being well-managed~~
- 35 ~~pursuant to standards adopted by the board.~~
- 36 ~~(1) Preparation of management plans for forest land.~~
- 37 ~~(2) Site preparation.~~
- 38 ~~(3) Planting and costs of seeds and seedlings.~~
- 39 ~~(4) Young growth stand improvement.~~
- 40 ~~(5) Forest land conservation measures.~~



1 ~~(6) Fish and wildlife habitat improvement.~~

2 ~~(7) Followup work.~~

3 ~~Consistent with this section, the director shall prepare, and~~
4 ~~submit to the board for its review and approval, guidelines further~~
5 ~~specifying the scope of forest resource improvement work for~~
6 ~~which agreements may be entered into or loans made pursuant to~~
7 ~~this chapter.~~

8 ~~(b) Proposed forest resource improvement projects may~~
9 ~~combine work described in paragraphs (1) to (7), inclusive, of~~
10 ~~subdivision (a). Projects shall include work described in~~
11 ~~paragraphs (1) to (7), inclusive, of subdivision (a) to be eligible for~~
12 ~~a cost sharing agreement signed pursuant to Section 4795 or a loan~~
13 ~~made pursuant to Section 4796.~~

14 ~~(c) Projects for forest resource improvement subsequent to~~
15 ~~harvesting subject to the Z'berg-Nejedly Forest Practice Act of~~
16 ~~1973, Chapter 8 (commencing with Section 4511) of Part 2, shall~~
17 ~~not be eligible for agreements executed pursuant to Section 4795~~
18 ~~or loans made pursuant to Section 4796 of this chapter unless~~
19 ~~either of the following occur:~~

20 ~~(1) The land has been restocked and the established forest~~
21 ~~growth has subsequently been adversely affected by fire, wind,~~
22 ~~flood, insects, disease, or other natural causes.~~

23 ~~(2) The work to be undertaken is not otherwise required to be~~
24 ~~carried out pursuant to the Z'berg-Nejedly Forest Practice Act of~~
25 ~~1973, Chapter 8 (commencing with Section 4511) of Part 2.~~

26 ~~SEC. 3. Section 4799.01 of the Public Resources Code is~~
27 ~~amended to read:~~

28 ~~4799.01. (a) When allocating available funds among projects~~
29 ~~proposed pursuant to this chapter, the director shall select those~~
30 ~~projects that, in the judgment of the director, produce the greatest~~
31 ~~public benefit, giving consideration to the following factors:~~

32 ~~(1) The need for and potential benefits of forest resource~~
33 ~~establishment or improvement were the project to be undertaken.~~

34 ~~(2) The need for and potential benefits to long-term~~
35 ~~production, maintenance, and enhancement of the forest resource~~
36 ~~system resulting from forest land conservation measures, fish and~~
37 ~~wildlife habitat improvements, or other work.~~

38 ~~(3) The project would encourage, and be consistent with, the~~
39 ~~long-term management of forest land certified as being~~
40 ~~well-managed pursuant to standards adopted by the board.~~



1 ~~(b) The director shall give increased preference to projects to~~
2 ~~the extent that the project applies to forest land that has been~~
3 ~~substantially damaged by fire, flood, insects, disease, or other~~
4 ~~natural causes within 36 months of submission of an application~~
5 ~~pursuant to this chapter.~~

6 ~~(c) The director shall also give preference to projects to the~~
7 ~~extent that each of the following factors are present:~~

8 ~~(1) The project involves a substantial amount of followup~~
9 ~~work.~~

10 ~~(2) The project or other actions of the landowner would~~
11 ~~increase recreational opportunities for the public.~~

12 ~~(3) The forest land to which the project applies is equivalent to~~
13 ~~site quality III or better.~~

14 ~~(4) The project would provide relatively more employment~~
15 ~~opportunities than other proposed projects.~~

16 ~~(5) The project is located in a county with high unemployment.~~

17 ~~(6) A small business entity will carry out the proposed project.~~

18 ~~(d) Consistent with the criteria set forth in subdivisions (a), (b),~~
19 ~~and (c), the director shall prepare and submit to the board proposed~~
20 ~~guidelines further specifying the criteria for evaluation and~~
21 ~~approval of forest resource improvement projects. The board shall~~
22 ~~review, approve, or amend the guidelines that the director shall~~
23 ~~follow when carrying out this chapter.~~

24 ~~(e) The director shall establish, in consultation with interested~~
25 ~~persons or agencies and with the review and approval of the board,~~
26 ~~procedures for the review of proposed forest resource~~
27 ~~improvement projects. Those procedures shall insure that~~
28 ~~department specialists and other specialists in the areas of water~~
29 ~~quality, erosion control, and fish and wildlife protection are~~
30 ~~integrated into the review of proposed forest resource~~
31 ~~improvement projects.~~

32 ~~(f) No allocation of funds pursuant to this chapter shall, in any~~
33 ~~fiscal year, exceed the total amount expended during the~~
34 ~~1999-2000 fiscal year until the completion, review, and final~~
35 ~~approval by the board of an updated management plan for the~~
36 ~~Jackson Demonstration State Forest that complies with applicable~~
37 ~~state and federal law.~~

38 ~~SEC. 4. Section 12260 of the Public Resources Code is~~
39 ~~amended to read:~~



1 ~~12260. If the department determines that the proposed~~
2 ~~conservation easement meets the eligibility criteria set forth in~~
3 ~~Section 12251, the application shall be reviewed based upon the~~
4 ~~extent to which it satisfies the following selection criteria:~~

5 ~~(a) The nature of the environmental values proposed for~~
6 ~~protection, and whether they can be monitored efficiently and~~
7 ~~effectively.~~

8 ~~(b) Whether the parcels are likely to become isolated from~~
9 ~~other areas maintained for key forest resources by development on~~
10 ~~adjacent parcels.~~

11 ~~(c) Whether the landowner's management goal for his or her~~
12 ~~parcel is compatible with the resource protections he or she is~~
13 ~~proposing.~~

14 ~~(d) Whether the landowner has developed, or commits to~~
15 ~~developing by the time the easement is finalized, a management~~
16 ~~plan equivalent to, or better than, a forest stewardship plan that~~
17 ~~governs management on the parcel. For purposes of this~~
18 ~~subdivision, if the easement has a significant timber production~~
19 ~~component the department shall give preference to landowners~~
20 ~~who have developed a management plan certified as being~~
21 ~~well-managed pursuant to standards adopted by the board.~~

22 ~~(e) Whether a nonprofit land trust organization, public agency,~~
23 ~~or other suitable organization has expressed an interest in working~~
24 ~~with the department and the landowner to establish, hold, and~~
25 ~~monitor the easement.~~

26 ~~(f) Whether other sources of funding for easement acquisition,~~
27 ~~closing costs monitoring, and other costs, are available.~~

28 ~~(g) Other relevant considerations established by the director.~~

