

AMENDED IN SENATE JANUARY 7, 2004

AMENDED IN SENATE MAY 5, 2003

AMENDED IN SENATE APRIL 29, 2003

AMENDED IN SENATE APRIL 7, 2003

SENATE BILL

No. 557

Introduced by Senator Kuehl

February 20, 2003

~~An act to add Article 10 (commencing with Section 4629) to Chapter 8 of Part 2 of Division 4 of the Public Resources Code, relating to forest practices.~~
An act relating to forest practices.

LEGISLATIVE COUNSEL'S DIGEST

SB 557, as amended, Kuehl. Forest practices: timber products user ~~forest restoration fee~~.

Existing law provides for the regulation of forest practices. *Under existing law, money in the Forest Resources Improvement Fund may be expended, upon appropriation by the Legislature, for specified purposes relating to forest resources and to reimburse the General Fund for the costs of operation of state forests administered by the Director of Forestry and Fire Protection.*

This bill would state the intent of the Legislature to establish a timber products use fee for timber restoration and fire risk reduction and to fund the review of timber harvesting plan applications, the removal of dead and diseased trees in southern California, and the Forest Resources Improvement Fund.

This bill would also require the Legislative Analyst's Office to report on and recommend to the Legislature options to collect, at the point of

purchase, a timber user fee imposed on consumers of sawn lumber and unsawn wood products, as specified.

~~This bill would establish a timber products user forest restoration fee on timber products sold for consumption in California by levying an excise tax in the amount of 1¢ per board foot or board foot equivalent on specified timber products. The bill would create the Timber Products User Forest Restoration Fund in the State Treasury. Moneys in the fund would be available for appropriation for, among other things, restoration of the environment and habitat related to the effects of timber harvesting, protection of forested watersheds, and assistance to timber industry workers.~~

~~This bill would result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of ²/₃ of the membership of each house of the Legislature.~~

~~Vote: ²/₃ majority. Appropriation: no. Fiscal committee: ~~yes~~ no. State-mandated local program: no.~~

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Forested lands in California provide significant
- 4 environmental benefits, including serving as the source of more
- 5 than half the state’s supply of drinking water, habitat for numerous
- 6 wildlife and plant species, some of which are rare, threatened, or
- 7 endangered, the source of raw materials for the timber products
- 8 industry, and a source of jobs for those who are employed in that
- 9 industry.
- 10 (b) Regulation of timber harvesting practices, including timber
- 11 harvesting plans, nonindustrial timber management plans,
- 12 exemptions, and emergency notices has become increasingly
- 13 complex and expensive, even given the fact that some reviewing
- 14 agencies review less than 20 percent of the proposed timber
- 15 harvesting plans presented to them.
- 16 (c) The current budget crisis presents an opportunity to
- 17 reevaluate financing of the timber harvesting plan review process
- 18 that currently draws approximately twenty-one million dollars
- 19 (\$21,000,000) annually from the General Fund.



1 (d) It is appropriate to support the timber harvesting plan
2 review process through user fees.

3 (e) The economic pressures faced by the timber industry,
4 caused by globalization and imported timber products, is likely to
5 mean a protracted period of low prices that have already reduced
6 the margin of profitability of timber companies and the harvests
7 of private landowners in California.

8 (f) Under those conditions, it is inequitable to add twenty
9 million dollars (\$20,000,000) or more in timber harvesting plan
10 review costs to applicants, many of whom are individual
11 landowners. If the approximately twenty million dollars
12 (\$20,000,000) were evenly divided among the approximately
13 1,000 timber harvesting plans applied for annually, the increase in
14 review costs would be twenty thousand dollars (\$20,000) per
15 timber harvesting plan application, which is too onerous a burden.

16 (g) It is fair and equitable to require purchasers of timber
17 products to contribute to the public cost of reviewing timber
18 harvesting plan applications and further to contribute to the
19 watershed and habitat restoration that are vital public trust
20 resources that will also serve to rehabilitate California's
21 forestlands, as well as assist in the development of new and
22 creative techniques to protect those forestlands now and in the
23 future.

24 (h) It is also fair and equitable that purchasers of timber
25 products be directly linked to the restoration of the stability of the
26 lives of workers and working families whose lives have been
27 disrupted by economic fluctuations within the timber products
28 industry. Restoring jobs, retraining workers, and providing new
29 opportunities for workers are legitimate objectives for the use of
30 funds obtained by a user fee on timber products. It is fair and
31 equitable that purchasers of timber products recognize that a small
32 fraction of their timber product purchases will contribute to the
33 stability of the timber products industry for the benefit of the entire
34 state.

35 (i) The Legislature has concluded that a user fee on timber
36 products is an equitable way to fund watershed and wildlife
37 restoration projects and economic development projects that are
38 closely associated with timber harvesting activities in California.

39 (j) As an alternative to a direct fee on landowners and industrial
40 timberland owners who apply for timber harvest plan permits, ~~an~~



1 ~~excise tax in the amount of one cent (\$0.01) per board foot or board~~
2 ~~foot equivalent on timber products could generate sufficient funds~~
3 *a timber products user fee for timber restoration and fire risk*
4 *reduction could generate sufficient funds to adequately review*
5 *timber harvesting plan applications, fund the removal of dead and*
6 *diseased trees that pose significant fire risks in southern*
7 *California, and fund the Forest Resources Improvement Fund.*
8 *These funds might also be used to replace the general fund outlay*
9 *for timber harvest plan review, and generate additional funds to*
10 *help restore the forest practices industry in California, mitigate the*
11 *effects of historic logging practices on watersheds and wildlife,*
12 *and protect drinking water supplies for millions of Californians.*

13 *SEC. 2. (a) The Legislative Analyst's Office shall report on*
14 *and recommend to the Legislature one or more options to collect,*
15 *at the point of purchase, a timber products user fee imposed on*
16 *consumers of sawn lumber and unsawn wood products. Unsawn*
17 *wood products that would be subject to the fee shall be specifically*
18 *identified in the report. The State Board of Equalization would*
19 *collect and administer the fee.*

20 *(b) Based on best available revenue estimates and an*
21 *assessment of other relevant information, the report may*
22 *recommend the termination of the fee at a date certain.*

23 *(c) It is the intent of the Legislature that a timber products user*
24 *fee, as described in subdivision (a), shall be deposited in a special*
25 *fund and shall be appropriated only for the following purposes:*

26 *(1) To fund the complete administrative review of timber*
27 *harvesting plans and other harvesting procedures by the*
28 *appropriate departments within the Resources Agency and the*
29 *appropriate regional water board as measured by the*
30 *appropriations dedicated to these purposes in the 2000–01 fiscal*
31 *year.*

32 *(2) To reduce the risk of catastrophic wildfire in southern*
33 *California by measures that include, but are not limited to, the*
34 *removal and disposition of dead, diseased, or hazardous trees in*
35 *high- or very high fire severity zones in the Counties of Los*
36 *Angeles, Orange, Riverside, San Bernadino, San Diego, or*
37 *Ventura.*

38 *(3) Expenditures authorized by the Forest Resources*
39 *Improvement Fund as set forth in Section 4799.13 of the Public*
40 *Resources Code.*



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All matter deleted in this version of the bill appears in the bill as amended in the Senate, May 5, 2003 (JR 11)

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