

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 562
HOUSE BILL 1077

AN ACT RELATING TO FOREST DEVELOPMENT IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. This act shall be known as the "Forest Development Act".

Sec. 2. Statement of purpose. (a) The General Assembly finds that:

- (1) It is in the public interest of the State of North Carolina to encourage the development of the State's forest resources and the protection and improvement of the forest environment.
- (2) Unfavorable environmental impacts, although currently of a local and sporadic nature, are occurring as a result of forest operations. It is in the State's interest that corrective action be developed now to prevent more serious problems in the future.
- (3) Regeneration of potentially productive forest land is a high-priority problem requiring prompt attention and action.
- (4) Growing demands on forests and related land resources cannot be met by intensive management of public and industrial forest lands alone.

(b) The purpose of this act is to direct the Secretary of the Department of Natural and Economic Resources to implement a forest development program to:

- (1) provide financial assistance to eligible landowners to increase the productivity of the privately owned forests of the State through the application of forest renewal practices;
- (2) insure that forest operations in the State are conducted in a manner designed to protect the soil, air, and water resources, including but not limited to which assistance is sought under provisions in this act;
- (3) implement a program of voluntary landowner participation through the use of a forest development fund to meet the above goals.

(c) It is the intent of the General Assembly that in implementing the program under this act, the Secretary will cause it to be coordinated with other related programs in such a manner as to encourage the utilization of private agencies, firms and individuals furnishing services and materials needed in the application of practices included in the forest development program.

Sec. 3. Definitions. As used in this act:

- (a) "Department" shall mean the Department of Natural and Economic Resources.
- (b) "Secretary" shall mean the Secretary of the Department of Natural and Economic Resources.
- (c) "Eligible landowner" shall mean a private individual, group, association or corporation owning land suitable for forestry purposes. Where forest land is owned jointly by more than one individual, group, association or corporation, as tenants in common, tenants by the entirety, or otherwise, the joint owners shall be considered, for the purpose of this act, as one eligible landowner and entitled to receive cost sharing payments as provided herein only once during each fiscal year.

(d) "Eligible lands" shall mean land owned by an eligible landowner.

(e) "Forest development cost sharing payment" shall mean financial assistance to partially cover the costs of implementing approved practices in such amounts as the Secretary shall determine, subject to the limitations of this act.

(f) "Approved practices" shall mean those silvicultural practices approved by the Secretary for the purpose of commercially growing timber through the establishment of forest stands, or of insuring the proper regeneration of forest stands to commercial production levels following the harvest of mature timber. Such practices shall include those required to accomplish site preparation, natural and artificial forestation, noncommercial removal of residual stands for silvicultural purposes, and cultivation of established young growth of desirable trees. In each case, approved practices will be determined by the needs of the individual forest stand. These practices shall include existing practices and such practices as are developed in the future to insure both maximum forest productivity and environmental protection.

(g) "Approved forest management plan" shall mean the forest management plan submitted by the eligible landowner and approved by the Secretary. Such plan shall include forest management practices to insure both maximum forest productivity and environmental protection of the lands to be treated under the management plan.

(h) "Forest development fund" shall mean the special nonlapsing fund established in the Department of Natural and Economic Resources, designated as the Forest Development Fund, created by Section 8 of this act.

(i) "Forest development assessment" shall mean an assessment on primary forest products from timber severed in North Carolina for the funding of the provisions of this act, as authorized by the General Assembly.

Sec. 4. Powers and Duties. (a) The Secretary shall have the powers and duties to administer the provisions of this act.

(b) The department shall serve as the disbursing agency for funds to be expended from and deposited to the credit of the forest development fund.

(c) Subject to the limitations set forth in Section 8(d) of this act, the Secretary is authorized to employ administrative, clerical and field personnel to support the program created by this act and to compensate such employees from the forest development fund for services rendered in direct support of the program.

(d) The Secretary is authorized to purchase equipment for the implementation of this program from the forest development fund subject to the limitations of Section 8(e) of this act. All equipment purchases with these funds will be assigned to and used only for the forest development program, except for emergency use in forest fire suppression and other activities relating to the protection of life or property. The forest development fund will be reimbursed from other program funds for equipment costs incurred during such emergency use.

Sec. 5. Administration of cost sharing. The Secretary shall have authority to administer the cost sharing provisions of this act, including but not limited to the following:

(a) Prescribe the manner and requirements of making application for cost sharing funds.

(b) Identify those approved forestry practices as defined in Section 3(f) which shall be approved for cost sharing under the provisions of this act.

(c) Review periodically the cost of forest development practices and establish allowable ranges for cost sharing purposes for approved practices under varying conditions throughout the State.

(d) Determine, prior to approving forest development cost sharing payments to any landowner, that all proposed practices are appropriate and are comparable in cost to the prevailing cost of those practices in the general area in which the land is located. Should the Secretary determine that the submitted cost of any practice is excessive, he shall approve forest

development cost sharing payments based upon an allowable cost established under Section 5 (c).

(e) Determine, prior to approving forest development cost sharing payments, that an approved forest management plan as defined in Section 3(g) for the eligible land has been filed with the Secretary and that the landowner has indicated in writing his intent to comply with the terms of such management plan.

(f) Determine, prior to approving forest development cost sharing payments, that the approved practices for which payment is requested have been completed in a satisfactory manner, conform to the approved forest management plan submitted under Section 5(e), and otherwise meet the requirements of this act.

(g) Disburse from the forest development fund to eligible landowners cost sharing payments for satisfactory completion of practices provided for by this act and the Secretary shall, insofar as is practicable, disburse the funds from the State's appropriation on a matching basis with the funds generated by the Primary Forest Product Assessment.

Sec. 6. Limitation of payments. (a) An eligible landowner may receive forest development cost sharing payments for satisfactory completion of approved practices as determined by the Secretary, except that the Secretary shall approve no assistance in an amount exceeding the lesser of (i) a sum equal to sixty percent (60%) of the landowner's actual per acre cost incurred in implementing the approved practice or (ii) a sum equal to sixty percent (60%) of the prevailing per acre cost as determined by the Secretary under Section 5(c) for implementing that approved practice.

(b) The maximum amount of forest development cost sharing funds allowed to any landowner in one fiscal year will be the amount required to complete all approved practices on one hundred acres of land at the prevailing cost sharing rate established under Section 6(a).

(c) Eligible landowners may not use State cost sharing funds if funds from any federal cost sharing program are used on the same acreage for forestry practices during the same fiscal year.

Sec. 7. Participation by government political subdivisions. No governmental agency, federal, State or local, will be eligible for forest development payments under the provision of this act.

Sec. 8. Forest development fund. (a) There is hereby created in the Department of Natural and Economic Resources a fund to be designated the forest development fund, for which fiscal management and responsibility are hereby vested in the Secretary.

(b) This fund shall be the depository for all revenue derived from the forest development assessment on primary forest product processors as authorized by the General Assembly, and for any funds appropriated specifically for the forest development program from the General Fund. Those funds appropriated from the General Fund remaining in the forest development fund at the end of any fiscal year shall revert to the General Fund, but revenues derived from the forest development assessment shall not revert but shall remain in the forest development fund until expended under the provisions of this act.

(c) In any fiscal year, expenditures from the forest development fund shall be limited to three times the amount of the General Fund appropriation for that year.

(d) In any fiscal year, no more than five percent (5%) of the available funds generated by the Primary Forest Product Processor Assessment Act shall be used for program support under the provisions of Section 4(c) of this act.

(e) Funds used for the purchase of equipment under the provisions of Section 4(d) of this act shall be limited to appropriations from the General Fund to the forest development fund designated specifically for equipment purchase.

Sec. 9. Severability. If any provision of this act or the application of any provision of this act to any person or circumstance is held invalid, the application of such provision to other persons or circumstances, and the remainder of this act, shall not be affected thereby.

Sec. 10. Effective date. This act shall become effective July 1, 1977.

In the General Assembly read three times and ratified, this the 14th day of June, 1977.