

NORTH CAROLINA GENERAL ASSEMBLY  
1977 SESSION

CHAPTER 573  
HOUSE BILL 1076

AN ACT RELATING TO PRIMARY FOREST PRODUCT ASSESSMENT.

The General Assembly of North Carolina enacts:

**Section 1.** Short title. This act shall be known as the Primary Forest Product Assessment Act.

**Sec. 2.** Statement of purpose. (a) The purpose of this act is to create an assessment on primary forest products processed from North Carolina timber to provide a source of funds to finance the forestry operations provided for in the Forest Development Act of 1977.

(b) All assessments levied under the provisions of this act shall be used only for the purposes specified in this act (Section 5c) and in the Forest Development Act.

**Sec. 3.** Definitions. The following words, terms and phrases hereinafter used for the purpose of this act are defined as follows:

(a) "Primary forest product" shall include those products of the tree after it is severed from the stump and cut to its first roundwood product for further conversion. These products include but are not limited to whole trees for chipping, whole tree logs, sawlogs, pulpwood, veneer bolts, and posts, poles and piling.

(b) "Processor" shall mean the individual, group, association, or corporation that procures primary forest products at their initial point of concentration for conversion to secondary products or for shipment to others for such conversion.

(c) "Forest Development Fund" shall mean the special fund established by the Forest Development Act of 1977.

(d) For the purpose of this act, the following are not considered "primary forest products":

- (1) Christmas trees and associated greens;
- (2) material harvested from an individual's own land and used on said land for the construction of fences, buildings or other personal use developments;
- (3) fuel wood harvested for personal use or use in individual homes.

**Sec. 4.** Operation of the assessment system. (a) The General Assembly hereby levies an assessment on all primary forest products harvested from lands within the State of North Carolina.

(b) This assessment shall be at the rates as established in Section 6(b) of this act and the proceeds of such assessment shall be deposited in the Forest Development Fund.

(c) The collection of the assessment shall be suspended in any fiscal year in which the General Assembly fails to make General Fund appropriations to the Forest Development Fund.

(d) The collection of the assessment shall be suspended in any fiscal year in which there is carried forward from previous years a balance of unobligated funds in the Forest Development Fund greater than twice the amount appropriated from the General Fund for that fiscal year.

(e) If the assessment is suspended because of either clause (c) or (d) above, that suspension shall cease when the condition causing the suspension no longer exists.

**Sec. 5.** Duties of the secretaries. (a) The Secretary, Department of Revenue, shall:

- (1) develop the necessary administrative procedures to collect the assessment;
- (2) collect the assessment from the primary forest product processors;
- (3) deposit funds collected from the assessment in the Forest Development Fund;
- (4) audit the records of processors to determine compliance with the provisions of this act.
- (b) The Secretary, Department of Natural and Economic Resources shall:
  - (1) provide to the Secretary, Department of Revenue, lists of processors subject to the assessment;
  - (2) advise the Secretary, Department of Revenue, of the appropriate methods to convert measurements of primary forest products by other systems to those authorized in this act;
  - (3) establish in November prior to those sessions in which the General Assembly considers the State budget, the estimated total assessment that will be collectable in the next budget period and so inform the Advisory Budget Commission and the General Assembly;
  - (4) within 30 days of certification of the State budget, notify the Secretary, Department of Revenue, of the need to collect the assessment for those years covered by the approved budget.

(c) The Secretary, Department of Revenue, shall be reimbursed for those actual expenditures incurred as a cost of collecting the assessment for the Forest Development Fund. This amount shall be transferred from the Forest Development Fund in equal increments at the end of each quarter of the fiscal year to the Department of Revenue. This amount shall not exceed fifty thousand dollars (\$50,000), annually.

**Sec. 6.** Assessment rates. (a) The assessment rates shall be based on the following standards:

- (1) for primary forest products customarily measured in board feet, the "International 1/4 Inch Log Rule" or equivalent will be used;
- (2) for primary forest products customarily measured in cords, the standard cord of 128 cubic feet or equivalent will be used;
- (3) for any other type of forest product separated from the soil, the Secretary, Department of Natural and Economic Resources shall determine a fair unit assessment rate, based on the cubic foot volume of one thousand foot board measure, International 1/4 Inch Log Rule or one standard cord, 128 cubic feet.
- (b) The assessment levied on primary forest products shall be at the following

rates:

- (1) fifty cents (50¢) per thousand board feet for softwood sawtimber, veneer logs and bolts, and all other softwood products normally measured in board feet;
- (2) forty cents (40¢) per thousand board feet for hardwood and bald cypress sawtimber, veneer, and all other hardwood and bald cypress products normally measured in board feet;
- (3) twenty cents (20¢) per cord for softwood pulpwood and other softwood products normally measured in cords;
- (4) twelve cents (12¢) per cord for hardwood pulpwood and other hardwood and bald cypress products normally measured in cords;
- (5) all material harvested within North Carolina for shipment outside the State for primary processing will be assessed at a percentage of the invoice value. This percentage will be established to yield rates equal to those if the material were processed within the State.

**Sec. 7.** Collection of Assessment. (a) The assessment shall be levied against the processor of the primary forest product.

(b) The assessment shall be submitted on a quarterly basis of the State's fiscal year due and payable the 25th of the month following the end of each quarter.

(c) The assessment shall be remitted to the Secretary, Department of Revenue, by check or money order, with such production reports as may be required by said secretary.

(d) The processor shall maintain for a period of three fiscal years and make available to the Secretary, Department of Revenue, such production records necessary to verify proper reporting and payment of revenue due the Forest Development Fund.

(e) The production reports of the various processors shall be used only for assessment purposes. Production information will not be made a part of the public record on an individual processor basis.

(f) Any official or employee of the State who discloses information obtained from a production report, except as may be necessary for administration and collection of the assessment, or in the performance of official duties, or in administration or judicial proceedings related to the levy or collection of the assessment, shall be guilty of a misdemeanor punishable by a fine not to exceed fifty dollars (\$50.00).

**Sec. 8.** Enforcement. The Secretary of Revenue shall enforce collection of the primary forest product assessment in accordance with the remedies and procedures contained in Article 9 of Chapter 105 of the General Statutes.

**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, and all North Carolina grown primary forest products processed on and after that date shall be subject to this assessment.

In the General Assembly read three times and ratified, this the 15th day of June, 1977.