

Article 84.

Primary Forest Product Assessment Act.

§ 106-1025. Short title.

This Article shall be known as the Primary Forest Product Assessment Act. (1977, c. 573, s. 1; 2011-145, s. 13.25(ii).)

§ 106-1026. Statement of purpose.

(a) The purpose of this Article 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 Article 83 of this Chapter.

(b) All assessments levied under the provisions of this Article shall be used only for the purposes specified in G.S. 106-1029(c) and in Article 83 of this Chapter. (1977, c. 573, s. 2; 2011-145, s. 13.25(ii), (jj); 2019-177, s. 5.2(b).)

§ 106-1027. Definitions.

The following words, terms and phrases hereinafter used for the purpose of this Article are defined as follows:

- (1) "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.
- (2) "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.
- (3) "Forest Development Fund" shall mean the special fund established by G.S. 106-1018.
- (4) For the purpose of this Article, the following are not considered "primary forest products":
 - a. Christmas trees and associated greens;
 - b. Material harvested from an individual's own land and used on said land for the construction of fences, buildings or other personal use developments;
 - c. Fuel wood harvested for personal use or use in individual homes. (1977, c. 573, s. 3; 2011-145, s. 13.25(ii), (jj).)

§ 106-1028. Operation of 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 G.S. 106-1030(b) and the proceeds of such assessment shall be deposited in the Forest Development Fund. (1977, c. 573, s. 4; 2009-451, s. 13.9; 2011-145, s. 13.25(ii), (jj).)

§ 106-1029. Duties.

(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 Article.
- (b) The Commissioner of Agriculture 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 Article;
 - (3) Establish in November prior to those sessions in which the General Assembly considers the State budget, the estimated total assessment that will be collectible in the next budget period and so inform the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.
 - (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.
 - (5) By January 15 of each odd-numbered year, report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on the number of acres reforested, type of owners assisted, geographic distribution of funds, the amount of funds encumbered, and other matters. The report shall include the information by forestry district and statewide and shall be for the two fiscal years prior to the date of the report.

(c) The Secretary 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 five percent (5%) of the total assessments collected on primary forest products during the preceding fiscal year. (1977, c. 573, s. 5; c. 771, s. 4; 1983, c. 761, s. 120; 1985, c. 526; 1989, c. 727, s. 218(76); 1989 (Reg. Sess., 1990), c. 1004, s. 19(b); 1997-443, s. 11A.119(a); 2006-203, s. 29; 2011-145, s. 13.25(ii), (jj); 2020-78, s. 5.1(h).)

§ 106-1030. 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 Commissioner of Agriculture 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. (1977, c. 573, s. 6; c. 771, s. 4; 1989, c. 727, s. 218(77); 1989 (Reg. Sess., 1990), c. 1004, s. 19(b); 1997-443, s. 11A.119(a); 2011-145, s. 13.25(ii), (jj).)

§ 106-1031. 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 last day 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 Class 3 misdemeanor punishable only by a fine not to exceed fifty dollars (\$50.00). (1977, c. 573, s. 7; 1987, c. 523; 1993, c. 539, s. 876; 1994, Ex. Sess., c. 24, s. 14(c); 2011-145, s. 13.25(ii).)

§ 106-1032. Enforcement of collection.

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. (1977, c. 573, s. 8; 2011-145, s. 13.25(ii).)

§ 106-1033: Reserved for future codification purposes.

§ 106-1034: Reserved for future codification purposes.

§ 106-1035: Reserved for future codification purposes.

§ 106-1036: Reserved for future codification purposes.

§ 106-1037: Reserved for future codification purposes.

§ 106-1038: Reserved for future codification purposes.

§ 106-1039: Reserved for future codification purposes.