

## STATEMENT OF PURPOSE

### RS26436

This legislation revises Section 38-134, Idaho Code, Forest Practices Act Administration - Funding to increase the maximum Forest Practices assessment from \$0.10 an acre per year to \$0.20 an acre per year. This assessment is paid by private forest owners in Idaho to help fund Forest Practices Act (FPA) administration by the Idaho Department of Lands (IDL). While the statutory maximum for the assessment is set in Idaho Code, the effective rate is set by the State Board of Land Commissioners. Funding also comes to IDL from the state General Fund, and since 2014, from the state land endowments to administer and enforce the Idaho FPA on state, private, and federal lands and ensure forest practices in Idaho maintain site productivity and protect water quality.

The FPA assessment threshold and rate were last increased from \$0.05 an acre per year to \$0.10 an acre per year in 2003. During the interim years and in response to the economic downturn, IDL worked with private forest owners to avoid increasing FPA assessments until the economy recovered. IDL reduced staffing levels and spent down the FPA Dedicated Fund cash balance.

Since 2009, economic recovery has led to an upswing in market conditions and forest harvesting operations on all forestlands inspected under the FPA program. The number of FPA notifications and regulatory activities have increased each year. In addition, rule changes and expansion of the program to state forestlands increased the time and resources needed to conduct FPA inspections and assist landowners with implementation of the shade rule. Operating, personnel, and equipment costs have also risen significantly since the last assessment increase. An increase to the FPA assessment maximum, as well as an increase to the current assessment rate set by the State Board of Land Commissioners, are needed to sustain IDL administration of the FPA regulatory program.

### FISCAL NOTE

Private forest owners are currently assessed the maximum allowed FPA assessment of \$0.10 an acre per year. If this legislation is approved and the per acre maximum assessment increases to \$0.20 an acre per year, IDL will recommend the State Board of Land Commissioners approve a \$0.13 an acre per year rate or \$0.03 an acre per year increase. This rate increase would generate an additional \$150,000 annually from private forest owners. An equivalent \$.03 an acre increase would be contributed for state forestlands providing an additional \$30,000 annually to the FPA Dedicated Fund. And as outlined in statute, IDL would submit a corresponding ongoing increase of \$177,000 from the state General Fund. Collectively, if approved, these funding level increases are anticipated to be sufficient for IDL to fulfill statutory obligations and administer the Idaho FPA for the next three to five years.

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**DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).**