

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 502

BY RESOURCES AND CONSERVATION COMMITTEE

AN ACT

1 RELATING TO THE IDAHO FOREST PRODUCTS COMMISSION; AMENDING SECTION 38-1502,  
2 IDAHO CODE, TO REVISE DEFINITIONS AND TO MAKE TECHNICAL CORRECTIONS;  
3 AMENDING SECTION 38-1503, IDAHO CODE, TO REVISE PROVISIONS REGARDING  
4 THE IDAHO FOREST PRODUCTS COMMISSION AND TO MAKE TECHNICAL CORRECTIONS;  
5 AMENDING SECTION 38-1506, IDAHO CODE, TO ESTABLISH PROVISIONS REGARD-  
6 ING OFFICERS OF THE COMMISSION; AMENDING SECTION 38-1515, IDAHO CODE,  
7 TO REVISE PROVISIONS REGARDING THE IMPOSITION OF ASSESSMENTS AND LATE  
8 FEES AND TO MAKE TECHNICAL CORRECTIONS; PROVIDING THAT CERTAIN ADMINIS-  
9 TRATIVE RULES CONTAINED IN IDAPA 15.03.01 SHALL BE NULL, VOID, AND OF NO  
10 FORCE AND EFFECT; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE  
11 DATE.  
12

13 Be It Enacted by the Legislature of the State of Idaho:

14 SECTION 1. That Section 38-1502, Idaho Code, be, and the same is hereby  
15 amended to read as follows:

16 38-1502. DEFINITIONS. As used in this chapter:

17 (1) "Assessment year" means January 1 through December 31 of any calen-  
18 dar year in which the commission levies an assessment.

19 (2) "Base year" means the calendar year immediately preceding the as-  
20 sessment year.

21 (3) "Business entity" means a person, firm, partnership, corporation,  
22 association, trust, or other recognized legal entity.

23 (4) "Commission" means the Idaho forest products commission created by  
24 section 38-1503, Idaho Code.

25 (5) "Financial supporter" means entities who have paid assessments  
26 pursuant to this chapter.

27 (6) "Forest lands" means federal, state, and private land growing for-  
28 est tree species ~~which~~ that are, or could be at maturity, capable of furnish-  
29 ing raw material used in the manufacture of lumber or other forest products.  
30 The term includes federal, state, and private land from which forest tree  
31 species have been removed but have not yet been restocked, but it does not in-  
32 clude land affirmatively converted to uses other than the growing of forest  
33 tree species.

34 (7) "Forest product manufacturer" means a business entity that engages  
35 in the processing, cutting, fabricating or other process ~~which~~ that converts  
36 timber, chips, sawdust, or shavings into lumber, paper, plywood, particle  
37 board, or other usable products for sale in commerce, ~~provided, however, as~~  
38 used in this chapter, forest products. Forest product manufacturers shall  
39 include those business entities that buy timber in Idaho and then sell it to  
40 other persons outside of the state for manufacture into finished products.  
41 Forest product manufacturers shall not include the following business enti-  
42 ties engaged in:

- 1 (a) The production of fence or corral posts or rails;  
 2 (b) Producing shingles or shakes;  
 3 (c) Producing firewood or pellets for energy; or  
 4 (d) Producing logs ~~which~~ that have been shaped or scribed and used in  
 5 the construction of log structures.  
 6 (8) "Hog fuel" means wood or wood scraps that have been shredded or pul-  
 7 verized and used by forest product manufacturers to generate energy.  
 8 (9) "Private forest lands" means forest lands not owned by the federal  
 9 government, state government, an Indian tribe, or a political subdivision of  
 10 the state.

11 SECTION 2. That Section 38-1503, Idaho Code, be, and the same is hereby  
 12 amended to read as follows:

13 38-1503. FOREST PRODUCTS COMMISSION CREATED -- MEMBERS. (1) There is  
 14 hereby created and established in the department of self-governing agencies  
 15 the Idaho forest products commission, to be composed of five (5) voting mem-  
 16 bers appointed by the governor from a list of names with at least two (2)  
 17 names for each appointive office for each district submitted to the gover-  
 18 nor by the financial supporters of the commission in each district. ~~Initial~~  
 19 ~~members of the commission shall serve either a three (3) or five (5) year~~  
 20 ~~term, with two (2) members of the commission serving three (3) year terms,~~  
 21 ~~and three (3) members of the commission serving five (5) year terms. For the~~  
 22 ~~initial commission members, the duration of each member's term shall be de-~~  
 23 ~~termined by lot. Thereafter, all All~~ commission members shall serve terms  
 24 of three (3) years, and may be reappointed. The commission ~~shall~~ may adopt  
 25 rules ~~to,~~ subject to legislative approval, to further define the process for  
 26 filling vacancies to the commission and ~~to provide for determining the terms~~  
 27 ~~of office for all members of the commission after the expiration of the terms~~  
 28 ~~of the original members.~~

29 (2) The governor shall ~~also~~ name as permanent advisory members to the  
 30 commission, the director of the department of lands, a representative of the  
 31 United States forest service, the dean of the ~~University~~ university of Idaho  
 32 college of natural resources or the dean's designee, a representative of the  
 33 Idaho department of commerce and the Idaho department of agriculture with  
 34 expertise in marketing and promotion, and the executive director of the as-  
 35 sociated logging contractors. No advisory member of the commission shall  
 36 have a vote on the commission.

37 (3) Nominations for expiring seats on the commission shall be made by  
 38 the financial supporters of the commission from the district in which the  
 39 seat is expiring, or from all districts if an at-large member seat is expir-  
 40 ing, no later than June 1 of the year in which the seat is expiring. The com-  
 41 mission shall provide nomination applications to all financial supporters  
 42 of the commission. The commission shall send the names of all qualified nom-  
 43 inees to the governor and may make its own recommendations and nominations.  
 44 In making the appointments, the governor shall take into consideration the  
 45 recommendations made by the commission and organizations that represent or  
 46 are engaged in harvesting, transporting, or manufacturing forest products.

47 (4) Vacancies in any unexpired term shall be filled by the governor.  
 48 The commission shall identify qualified candidates and send their names to  
 49 the governor. The appointed member shall serve on the commission for the re-

1 mainder of the unexpired term and shall represent the same region and inter-  
 2 ests as the person whose seat had become vacant. A member appointed to fill  
 3 an at-large member vacancy shall represent all regions.

4 SECTION 3. That Section 38-1506, Idaho Code, be, and the same is hereby  
 5 amended to read as follows:

6 38-1506. ~~CHAIRMAN AND STAFF, CHAIR, AND VICE CHAIR~~ OF THE COMMIS-  
 7 SION. (1) ~~The commission shall elect a chairman and~~ may employ clerical or  
 8 other staff who are not members of the commission.

9 (2) The commission shall nominate and elect, by majority vote, a chair  
 10 to serve as the presiding officer at all commission meetings.

11 (3) The commission may nominate and elect, by majority vote, a vice  
 12 chair to accept the duties of the chair in the event that the chair is unable  
 13 to attend a commission meeting.

14 (4) The term of office for chair and vice chair positions, if elected,  
 15 shall be one (1) year, commencing on July 30 of each year.

16 SECTION 4. That Section 38-1515, Idaho Code, be, and the same is hereby  
 17 amended to read as follows:

18 38-1515. IMPOSITION OF ASSESSMENTS AND PROVISION FOR LATE FEES. (1)  
 19 ~~From and after the first day of July, 1995, the~~ The commission is hereby au-  
 20 thorized to levy the following assessments:

21 (a) For all forest ~~products~~ product manufacturers, an amount no greater  
 22 than fifty cents (50¢) per thousand board feet or the equivalent thereof  
 23 for all logs ~~either~~ harvested in Idaho, ~~or~~ measured or processed by a  
 24 manufacturing entity located in the state of Idaho, regardless of the  
 25 state in which the logs ~~might~~ may have been cut, or cut within Idaho and  
 26 then distributed to other persons outside of the state. For purposes  
 27 of this chapter, "forest products manufacturers" shall include those  
 28 business entities which buy timber in Idaho and then sell it to other  
 29 persons outside the state for manufacture into finished products. Such  
 30 business entities shall be liable for the assessments described in this  
 31 paragraph for all timber cut within Idaho and then distributed to other  
 32 persons outside the state.

33 (b) For all business entities engaged in the harvest or transport of  
 34 timber, logs, unfinished lumber, chips, sawdust, shavings, or hog fuel  
 35 in Idaho, a sum no greater than twenty-five dollars (\$25.00) per em-  
 36 ployee, including single, self-employers and the individuals involved  
 37 in partnerships, as measured by the records of the department of labor  
 38 during the month of July of the preceding year, or as provided in sub-  
 39 section (2) of this section, provided, however, those business entities  
 40 engaged solely in the harvest or transport of those exclusions to forest  
 41 ~~products~~ product manufacturers as set forth in subsection (7) (a), ~~(b),~~  
 42 ~~(c) and~~ through (d) of section 38-1502, Idaho Code, shall owe no duty or  
 43 assessment ~~under~~ pursuant to this chapter, nor shall any assessment be  
 44 levied ~~upon~~ on forest products transported by railroad.

45 (c) For business entities or persons owning more than ten thousand  
 46 (10,000) acres of private forest land within the state of Idaho, a sum no  
 47 greater than ten cents (10¢) per each acre of forest land.

1 (d) No person, firm, or business entity shall be liable for assessments  
 2 ~~under pursuant to this~~ chapter in more than one (1) of the categories  
 3 described in this section. In the event that a person, firm, or busi-  
 4 ness entity qualifies to pay more than one (1) assessment as described  
 5 herein, then the greater of the assessments shall be assessed, due, and  
 6 payable.

7 (2) In collecting assessments due the commission, the commission is au-  
 8 thorized to cooperate with and coordinate its actions to collect assessments  
 9 with the various efforts of the Idaho board of scaling practices, the state  
 10 tax commission, the department of labor, the transportation department,  
 11 and the department of lands to either collect assessments or taxes due ~~under~~  
 12 pursuant to the provisions of this chapter or to identify those who may owe  
 13 assessments ~~under pursuant to the provisions of this chapter~~.

14 ~~(3) Any person or firm who makes payment to the commission at a date~~  
 15 ~~later than that prescribed in rules set forth by the commission under this~~  
 16 ~~section may be subject to a late payment penalty as set forth by the commis-~~  
 17 ~~sion by rule. Such penalty shall not exceed fifteen percent (15%) per annum~~  
 18 ~~on the amount due. In addition to the above penalty, the commission shall be~~  
 19 ~~entitled to recover all costs, fees, and reasonable attorney's fees incurred~~  
 20 ~~in the collection of the tax and penalty provided for in this section.~~

21 ~~(4) (3) An assessment levied under pursuant to this chapter shall be~~  
 22 ~~based upon on data compiled from the base year. Assessments shall be paid to~~  
 23 ~~the commission according to such rules as may be adopted by the commission.~~  
 24 ~~The assessment shall be set by the commission no later than January 1 of the~~  
 25 ~~assessment year. The commission shall mail notice of the assessment no later~~  
 26 ~~than the last day of the fourth week of May of the assessment year to the last~~  
 27 ~~known address of each financial supporter. Assessments shall not be reduced~~  
 28 ~~for financial supporters who cease business during an assessment year.~~

29 (4) Financial supporters may pay assessments in either one (1) full  
 30 payment due thirty (30) days after the date the notice of assessment is  
 31 mailed or in four (4) equal payments with payment in full due by December 31  
 32 of the assessment year.

33 (5) A payment in full or a quarterly payment that is not received within  
 34 thirty (30) days of the date the notice of assessment is mailed shall re-  
 35 sult in the account being considered delinquent. Delinquent accounts shall  
 36 accrue a one percent (1%) interest per calendar month on the balance due.  
 37 Such interest shall begin to accrue thirty-one (31) calendar days after the  
 38 date the notice of assessment was mailed. Any person, firm, or business that  
 39 fails to make a payment may be subject to a late payment penalty that shall  
 40 not exceed fifteen percent (15%) per annum on the amount due. The commission  
 41 shall be entitled to recover all costs, fees, and reasonable attorney's fees  
 42 incurred in the collection of the tax and penalty provided for in this chap-  
 43 ter.

44 (6) The commission may establish a policy and schedule for checks that  
 45 are returned due to insufficient funds. The policy and schedule shall be  
 46 made available to the public pursuant to chapter 1, title 74, Idaho Code.

47 SECTION 5. The rules contained in IDAPA 15.03.01, Forest Products Com-  
 48 mission, relating to Rules of Administrative Procedure of the Idaho Forest  
 49 Products Commission, shall be null, void, and of no force and effect on and  
 50 after July 1, 2026.

1           SECTION 6. An emergency existing therefor, which emergency is hereby  
2 declared to exist, this act shall be in full force and effect on and after  
3 July 1, 2026.