

HOUSE BILL NO. 119

INTRODUCED BY D. LOGE

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING FEES AND BOND AMOUNTS FOR THE FIRE HAZARD REDUCTION PROGRAM; AMENDING SECTIONS 76-13-408 AND 76-13-414, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 76-13-408, MCA, is amended to read:

"76-13-408. Fire hazard reduction agreement and bond -- bond release and penalty -- exemption.

(1) Before cutting any forest product, constructing or reconstructing any road in contemplation of cutting any forest product, or conducting timber stand improvement, ~~such as~~ including but not limited to precommercial thinning, weeding, or pruning, upon private forest lands within the state, the person conducting the work must be issued an exemption certificate by the department or shall provide for the reduction or management of the fire hazard to be created, except where a minimum slash hazard would exist, by entering into a fire hazard reduction agreement or a master fire hazard reduction agreement with the department, providing for the full and faithful compliance with all requirements under this part and the faithful reduction or management of the fire hazard in the manner prescribed by law and by rules adopted under this part.

(2) (a) Either the person conducting the work or the purchaser, as provided in 76-13-409(2), shall post a bond to the state in a form and for an amount prescribed by the department, ~~but the~~. The bond amount may not exceed ~~\$6~~ \$12 for each 1,000 board feet, up to 100,000 board feet, or \$6 for each additional 1,000 board feet over 100,000 board feet (log scale) or the equivalent if forest products other than logs are cut.

(b) Bond amounts for master fire hazard reduction agreements are calculated to cover the potential cost to the department for fire hazard abatement in case of default and are based on the average annual volume of uncompleted abatement.

(c) Master fire hazard reduction agreement bonds ~~are to~~ must be administered as nonsite-specific umbrella bonds, for which the entire bond or any portion of the bond may be collected to pay for unabated fire hazards on all sites covered by the bond.

1 (d) The department shall review master fire hazard reduction agreement bond amounts at least annually.
2 The bonds must be adjusted according to the volume of timber harvested and the level of compliance of the bond
3 provider.

4 (3) The agreement must provide that:

5 (a) all fire hazard reduction or management work comprising nonburning methods and preparations for
6 burning must be completed within 18 months of commencement of cutting in the area covered by the agreement;
7 and

8 (b) all burning work must be completed as specified in the agreement and in compliance with rules
9 adopted under this part.

10 (4) The bond must be released upon the issuance of the certificate of clearance. At the request of the
11 fire hazard reduction agreement holder, cash bonds for fire hazard reduction agreements exceeding 200,000
12 board feet, or the equivalent, must be partially released upon satisfactory completion of slash piling if the fire
13 hazard reduction agreement holder has a record of compliance with the provisions of 76-13-407 or this section.
14 The department may inspect the sites for which release or partial release is being requested, or it may rely on
15 the submittal of a signed affidavit provided by the person posting the bond. A person that submits a fraudulent
16 affidavit is subject to the penalty provisions of 45-7-202, may have other fire hazard reduction agreements
17 revoked, or may be denied the issuance of fire hazard reduction agreements in the future.

18 (5) If a minimum slash hazard will be created, the activity is exempt from the provisions of this part."
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20 **Section 2.** Section 76-13-414, MCA, is amended to read:

21 **"76-13-414. Fees.** (1) In addition to any bond, the department shall charge the contractor fees for
22 administration, inspections, and enforcement work conducted in the exercise of its duties under this part. The fees
23 must be deposited in the state special revenue fund to the credit of the department.

24 (2) (a) The fee for a fire hazard reduction agreement is \$25 and must be collected by the department
25 upon issuance of the agreement.

26 (b) In addition, a fee of ~~60~~ 85 cents for each 1,000 board feet (log scale) must be charged or an
27 equivalent fee must be charged if products other than logs are cut. This fee must be withheld by the purchaser
28 as provided in 76-13-409(2), except that any fee money withheld for product volumes exceeding 500,000 board
29 feet for each agreement in a calendar year must be returned to the contractor by the department.

30 (c) Either the person conducting the work or the purchaser, as described in 76-13-409, shall pay ~~45~~ 30

1 cents for each 1,000 board feet (log scale) or the equivalent measure if forest products other than logs are cut.
2 The assessment may not exceed \$20,000 a year. The full amount of this money must be deposited in the forestry
3 extension service account provided for in 76-13-415.

4 (3) (a) The fee for master fire hazard reduction agreements must be equal to 100% of the department's
5 actual costs incurred in the direct administration, inspection, and enforcement of each agreement, and the
6 department shall submit a detailed bill to the contractor annually to collect the fees.

7 (b) In addition, each contractor with a master fire hazard reduction agreement shall pay to the
8 department 15 cents for each 1,000 board feet (log scale) or equivalent measure if forest products other than logs
9 are cut. The assessment may not exceed \$20,000 a year for each master fire hazard agreement. The full amount
10 of this money must be deposited in the forestry extension service account provided for in 76-13-415.

11 (c) The fee required under subsection (3)(b) must be paid annually in conjunction with the fee paid under
12 subsection (3)(a). The department may, in its discretion, conduct an audit to determine the volume of forest
13 products harvested by a contractor. If the department conducts an audit, the contractor shall cooperate and make
14 available to the department all requested records, inventories, and other information relevant to the audit."

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16 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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18 NEW SECTION. **Section 4. Applicability.** [This act] applies to fire hazard reduction agreements or
19 master fire hazard reduction agreements with the department of natural resources and conservation entered into
20 on or after [the effective date of this act].

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