



House Bill 72 Sectional Analysis

Short Title: Timber Management Leases

Section 1 adds a new paragraph to AS 36.30.850(b) exempting timber management leases from state procurement laws.

Section 2 amends AS 38.05.035(e)(6) to exempt timber management leases from the typical best interest finding requirement as Section 4 provides a process specific to timber leases.

Section 3 amends AS 38.05.075(a) to exempt a timber management lease (proposed AS 38.05.124) from typical competitive bid requirements, as Section 4 proposes a process specific to timber management leases.

Section 4 amends AS 38.05 by adding new section 38.05.124 governing timber management leases. The proposed new section allows for timber management leases for harvest and management of timber on state forest land for the result of sustained yield of merchantable timber, managed in accordance with the Forest Resource Practices Act's regulatory and administrative standards under AS 41.17.060, if the Department of Natural Resources (DNR) commissioner finds it is in the best interest of the state. The section, among other things:

- Sets minimum lease requirements
- Establishes a competitive process and sets award criteria
- Requires public notice before issuing a lease
- Limits leases to 55 years with a one-time renewal option
- Enables DNR to terminate a lease if terms are not met
- Requires a fair return to the state, and
- Defines "forest land."

Sections 5-7 amend statutes governing the Haines State Forest Resource Management Area, which is located separately in statute from laws governing other state forests.

Section 5 amends AS 41.15.300(b) to allow DNR to delegate the management of timber located in the Haines State Forest Resource Management Area (HSF) in a timber management lease.

Section 6 amends AS 41.15.315(a) to exempt timber management leases within HSF from the general provisions of the Forest Resources and Practices Act (AS 41.17), except as required under the new leasing provisions in proposed AS 05.124 in bill Section 4, as the lease will include management guidelines specific to that lease.

Section 7 amends AS 41.15.315(d) which governs the sale and disposal of lands within HSF. Allows the commissioner to issue a timber management lease in HSF.

Section 8 amends AS 41.15.315(e) regarding timber management plans in HSF. Requires that a timber management lease issued in HSF be consistent with the applicable management plan, which must identify land appropriate for timber management leases, and allows for the management plan to be amended to allow for timber management leases.

Sections 9-12 amend the Forest Resources and Practices Act, AS 41.17.

Section 9 amends AS 41.17.200(b) to allow the DNR commissioner to delegate the management of timber located in a state forest through a timber management lease.

Section 10 amends AS 41.17.220, management of state forests, to exempt timber management leases from Forest Resources and Practices Act management principles for land within a state forest, except as required under the new leasing provisions in proposed AS 05.124 in bill Section 4, as the lease will include management guidelines specific to that lease.

Section 11 amends AS 41.17.230(a) to include consideration and permit uses of forest land for timber management leasing under AS 38.05.124 in forest management plans.

Section 12 amends AS 41.17.230(g) to require a timber management lease within a state forest to be consistent with the applicable forest management plan, requires the management plan to identify the land appropriate for a timber management lease, and allows the department to amend the management plan for this purpose.

Section 13 amends AS 41.17.900(a) regarding the applicability of the Forest Resources and Practices Act to all forested land under state, municipal, and private ownership by exempting timber management leases under AS 38.05.124, except as required under the new leasing provisions in proposed AS 05.124 in bill Section 4.

Section 14 provides for an immediate effective date.