

# ALASKA STATE LEGISLATURE

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### Explanation of Changes

SENATE CS for House Bill 104

Version 33-LS0474\U.A to 33-LS0474\D

The Committee Substitute adopts the following changes:

#### Summary

1. SRES CS \D simplifies and expedites the negotiated timber sale process.
2. SRES CS \D retains the usual Department of Natural Resources (DNR) public processes to meet the constitutional requirement to give public notice for disposals of natural resources:

Article VIII, Section 10. Public Notice. No disposals or leases of state lands, or interests therein, shall be made without prior public notice and other safeguards of the public interest as may be prescribed by law.
3. SRES CS \D retains the local manufacturing requirement for negotiated sales; if logs are to be sold as export (not manufactured locally), timber sales must be sold competitively. This protects local manufacturers' advantage to negotiate timber sales, since they create local jobs and contribute more to the local and state economy than a company focusing on export sales.
4. SRES CS \D creates the requirement for a DNR report to the Legislature during the 2024 session describing each timber sale in detail and how long they took to implement. It also requires DNR to describe timber sales that did not occur because of loss of value and asks for information that would increase timber sales and improve timber sale procedures.

#### Summary of Changes

**Section 1** of version U.A which contained Legislative Purpose language is deleted from version D.

**Section 2** of version U.A which removed the requirement for a Best Interest Finding under AS 38.05.035 for salvage sales (AS 38.05.117) is deleted.

Conforming changes to **Sections 3 and 5** with updated references.

**Section 4** of version U.A is deleted which would have removed the requirement for a Forest Land Use Plan (FLUP) for salvage sales under AS 38.05.117 and the proposed AS 38.05.124 expedited timber sales.

**Section 6** of version U.A. amended AS 38.05.115, creating a requirement for sales requiring a Forest Land Use Plan to be for 25 years unless a shorter term is determined to be in the best interest of the state is deleted. DNR can already negotiate or competitively sell 25-year timber sales under current statutes, but every timber sale need not be long-term. Requiring all of them to be for 25 years would unnecessarily lengthen the process since preparing a 25-year sale takes longer and a sale that would provide timber for that length of time costs more for the operator than a short-term sale.

**Sections 7 and 8** of version U.A. regarding AS 38.05.117 Salvage Sales are removed. Under section 3 of version D, AS 38.05.117 is repealed and reenacted as “Expedited sales for salvage, fire, and pest mitigation” under section 3 of version D. This language combines elements of the proposed AS 38.05.124 Expedited Timber Sales and the existing AS 38.05.117 Salvage Sales under one section.

**Section 9** of version U.A. which would amend AS 38.05.123 Negotiated timber sales for local manufacture of wood products is deleted. Version D proposes to repeal this section and add the ability of the Department to negotiate a timber sale to a local manufacturer of wood products or a user of wood fiber at less than the appraised value to negotiated sales under AS 38.05.118 in section 4 of version D.

**Section 10** of version U.A which would create a new section AS 38.05.124 Expedited timber sales is deleted. This language is merged with the salvage sales under AS 38.05.117 in section 3 of version D.

**Version D adds the following:**

1. Sec. 5 repeals AS 38.05.123
2. Sec. 6 adds a requirement for DNR to provide a report to the Legislature during the 2024 session that includes descriptions of each timber sale's limitations, conditions, and terms; what type of sale it is; how long the sale took to prepare and sell; and how the sale was publicly noticed. It also requires that the Department provide information on any timber sale that did not occur because of loss of value as a result of insect infestation, disease, or fire. Lastly, it requests information on recommendations to make the state's timber more available, and improve the state's timber sale disposal procedures.

## Sectional Analysis CS version D

**Section 1.** Conforming change; AS 38.05.123 is deleted.

**Section 2.** Clarification that sales under AS 38.05.117 are now “expedited sales” for salvage, fire, and pest mitigation, not “emergency sales.”

**Section 3.** Salvage sales under the proposed AS 38.05.117 are broadened from the existing statute to “aid in preventing surrounding timber or forested land from losing economic value due to insect infestation, disease, or fire;” and retain the exemption from salvage sales being on the Five-Year Schedule of Timber Sales (FYSTS) under AS 38.05.113.

**Section 4.** This section streamlines the negotiated timber sale statutes, combining high-value-added sales (AS 38.05.123) and value-added sales (AS 38.05.118) into one negotiated sale type, under AS 38.05.118. Combining both under AS 38.05.118 will eliminate the many requirements of the purchaser under AS 38.05.123. AS 38.05.118 sales, unlike sales under the proposed 38.05.124, protect the local manufacturer's advantage for negotiated sales.

This section retains the usual DNR public process, including public notice through the Five-Year Schedule of Timber Sales (FYSTS) under AS 38.05.113 and the Forest Land Use Plan (FLUP) under AS 38.05.112, lessening the likelihood of litigation.

This section allows negotiated timber sales to be sold at less than appraised value for promoting economic activity, or to protect against fire risk or insect or disease, potentially lessening the cost of a timber sale to timber operators.

**Section 5** repeals AS 38.05.123, as described above.

**Section 6** adds a requirement for DNR to provide a report to the Legislature during the 2024 session that includes descriptions of each timber sale's limitations, conditions, and terms; what type of sale it is; how long the sale took to prepare and sell; and how the sale was publicly noticed. It also requires that the Department provide information on any timber sale that did not occur because of loss of value as a result of insect infestation, disease, or fire. Lastly, it requests information on recommendations to make the state's timber more available, and improve the state's timber sale disposal procedures.