

SENATE CS FOR CS FOR HOUSE BILL NO. 104(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/24/24

Referred: Rules

Sponsor(s): REPRESENTATIVES CRONK, Rauscher, McCabe, McKay, Sumner, Tomaszewski, Craig Johnson, Carpenter, Vance, DeLena Johnson, Ruffridge, Ortiz

SENATORS Bjorkman, Merrick, Shower, Stedman, Kaufman, Hughes

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to timber sales."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 38.05.110(c) is amended to read:

4 (c) If a sale of timber may be offered under multiple provisions of
5 AS 38.05.110 - 38.05.120 [AS 38.05.110 - 38.05.123], the commissioner shall
6 determine the applicable provisions under which to offer the timber.

7 * **Sec. 2.** AS 38.05.113(c) is amended to read:

8 (c) Sales of 160 acres or less and expedited sales conducted under
9 AS 38.05.117 [EMERGENCY SALES] are exempt from the requirements of this
10 section.

11 * **Sec. 3.** AS 38.05.117 is repealed and reenacted to read:

12 **Sec. 38.05.117. Expedited sales for salvage, fire, and pest mitigation.** (a)
13 After making a written finding that the disposal will serve the best interests of the state
14 under AS 38.05.035(e), the commissioner may offer, on an expedited basis, timber for
15 sale under this section that the commissioner has determined

1 (1) has lost economic value because of insect infestation, disease, or
2 the effects of fire or fire suppression activities;

3 (2) that, if not harvested within two years, is likely to lose substantial
4 economic value because of insect infestation, disease, or the effects of fire or fire
5 suppression activities;

6 (3) the removal of which will aid in preventing surrounding timber or
7 forested land from losing economic value because of imminent insect infestation or
8 disease; or

9 (4) is located on land that is to be cleared for conversion to nonforest
10 uses.

11 (b) The provisions of AS 38.05.113 do not apply to timber sales conducted
12 under this section.

13 (c) In this section, "forested land" has the meaning given in AS 41.15.170.

14 * **Sec. 4.** AS 38.05.118 is amended by adding new subsections to read:

15 (d) Notwithstanding AS 38.05.115 and (a) of this section, and upon a written
16 finding that the sale is in the best interest of the state and will promote economic
17 activity in the timber sector or reduce the risk of fire or the spread of disease or insect
18 infestation, the commissioner may negotiate a sale of timber to a local manufacturer of
19 wood products or a user of wood fiber at less than the appraised value. However,
20 while an initial stumpage rate for a contract under this subsection shall be determined
21 by negotiation, the rate may not be less than the base price for the area as established
22 under regulations adopted by the commissioner. A contract under this subsection must
23 provide that a stumpage rate be redetermined by negotiation at least once every five
24 years during the term of the contract to reflect changes in market conditions. The
25 redetermined rate may not be less than the base price for the area as established under
26 regulations adopted by the commissioner.

27 (e) If more than one local manufacturer of wood products or user of wood
28 fiber expresses interest in the same sale of timber under this section, the commissioner
29 may sell the timber by bid under AS 38.05.120.

30 * **Sec. 5.** AS 38.05.123 is repealed.

31 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 REPORT TO THE LEGISLATURE. Not later than the 30th day of the Second
3 Regular Session of the Thirty-Fourth Alaska State Legislature, the Department of Natural
4 Resources shall prepare and present a report to the senate secretary and chief clerk of the
5 house of representatives on timber sales conducted by the department under AS 38.05.110 -
6 38.05.120 for the period between July 1, 2024, and June 30, 2025, and notify the legislature
7 that the report is available. The report must

8 (1) include an accounting of timber sales conducted under AS 38.05.110 -
9 38.05.120 that describes each timber sale, including

10 (A) the limitations, conditions, and terms of the sale;

11 (B) whether the sale was a salvage, fire, or pest mitigation sale under
12 AS 38.05.117, as repealed and reenacted by sec. 3 of this Act, a negotiated sale under
13 AS 38.05.118, as amended by sec. 4 of this Act, or another type of sale;

14 (C) if applicable, the amount of time between the publication of the
15 written finding and the timber being offered for sale, and any other factors that
16 extended the period required for publication of the written finding authorizing the sale,
17 if any, or otherwise delayed the sale; and

18 (D) how the department provided notice of the sale;

19 (2) describe and account for any timber sale, for which a final best interest
20 finding under AS 38.05.035(e) was issued, that did not occur because the timber subject to the
21 sale lost economic value as a result of insect infestation, disease, or fire;

22 (3) include any changes to state statute that the department recommends to
23 make the state's timber available for the maximum benefit of the people of the state in a
24 manner consistent with the public interest; and

25 (4) any other information that, in the judgment of the department, would be of
26 use to the legislature in improving the state's timber disposal procedures.