

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 286

6
7 H.P. 245

House of Representatives, January 30, 1985

8 Reference to the Committee on Taxation suggested and ordered printed.

9 EDWIN H. PERT, Clerk

10 Presented by Speaker Martin of Eagle Lake.
Cosponsored by Senator Pray of Penobscot.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT to Create the Northern and Eastern
18 Maine Emergency Forestry District.
19

20 Be it enacted by the People of the State of Maine as
21 follows:

22 PART A

23 Sec. 1. 12 MRSA, c. 217, first 2 lines are re-
24 pealed and the following enacted in their place:

25 CHAPTER 217
26 MAINE FOREST AUTHORITY

27 SUBCHAPTER I
28 GENERAL PROVISIONS

29 Sec. 2. 12 MRSA c. 217, sub-c. II is enacted to read

30 SUBCHAPTER II

1 NORTHERN AND EASTERN MAINE EMERGENCY
2 FORESTRY DISTRICT ACT

3 §1801. Short title

4 This subchapter shall be known as the "Northern
5 and Eastern Maine Emergency Forestry District Act."

6 §1802. Findings and purposes

7 The Legislature finds that there exists a grave
8 emergency to the future of the Maine forest. The Leg-
9 islature finds as follows.

10 1. Uneven economic development. Various parts of
11 the State are experiencing, and are expected to con-
12 tinue to experience, dramatically different rates of
13 economic growth. Northern and eastern Maine espe-
14 cially are lagging behind other regions in this re-
15 gard, with adverse implications for population, stan-
16 dards of living, public services and quality of life
17 for the citizens of these regions of the State.

18 2. Public policy. It is contrary to the best in-
19 terest of the citizens of all parts of the State for
20 major regions to lag seriously behind the rest of the
21 State in their economic prosperity and social well-
22 being. It is in the public interest for the State to
23 assist in rectifying these imbalances by encouraging
24 the development of northern and eastern Maine.

25 3. Future of the forest. The future health and
26 extent of the forest resource is critical to the eco-
27 nomical development and public welfare of this State,
28 and especially to its northern and eastern regions,
29 where nearly 1/2 of all manufacturing employment is
30 provided by the forest products industry and where
31 the forest contributes a substantial additional in-
32 come through its recreational use.

33 4. Wood supply jeopardized. Notwithstanding the
34 importance of the forest to northern and eastern
35 Maine, the United States Forest Service Decennial
36 Resurvey, and the complementary studies of the Maine
37 Forest Service authorized by section 8424, subsection
38 8, and chapter 805, subchapter IV, conclude that the
39 supply of wood, especially spruce and fir, will expe-

1 rience both an absolute and relative decrease in
2 quality and quantity during the next 3 decades. This
3 decline is attributable in large part to the sus-
4 tained depredations of the spruce budworm and
5 imbalanced age classes, the increased demand for wood
6 and the lack of adequate incentives for intensive
7 management of this resource, particularly by small
8 nonindustrial undercapitalized landowners.

9 5. Government responsibility. State Government
10 has a legitimate and vital responsibility to assist
11 in the restoration of a healthy and productive forest
12 to help assure that the future development of north-
13 ern and eastern Maine will keep pace with that in
14 other parts of the State, to the ultimate benefit of
15 all Maine citizens.

16 6. Assistance programs. State Government can
17 best fulfill its responsibilities for meeting this
18 emergency through provisions of management and utili-
19 zation assistance programs for small nonindustrial
20 forest land owners; research to develop genetically
21 superior trees, improved stand management and har-
22 vesting practices; and direct incentives to improve
23 the climate for private investment in timber stand
24 improvement.

25 §1803. Northern and Eastern Maine Emergency Forestry
26 District

27 There is established a Northern and Eastern Maine
28 Emergency Forestry District consisting of all of the
29 municipalities, plantations and unorganized territory
30 in each of the following counties:

- 31 1. Aroostook;
- 32 2. Franklin;
- 33 3. Hancock;
- 34 4. Penobscot;
- 35 5. Piscataquis;
- 36 6. Somerset; and

1 7. Washington.

2 §1804. Purposes and duties

3 1. General. It is the purpose of the district to
4 assist in the development of a new and more produc-
5 tive forest with reduced vulnerability to budworm
6 over the course of the next 30 years by developing
7 and encouraging intensive forest management programs,
8 including, without limitation, planting, integrated
9 pest management, including spraying to protect
10 against insect and disease problems, vegetation man-
11 agement, precommercial and commercial thinning and
12 computer modeling and mapping.

13 2. Duties. The district shall have the following
14 responsibilities:

15 A. Provide long-term forest management planning
16 advice to landowners;

17 B. Provide incentives for landowners to carry
18 out intensive forest management;

19 C. Provide financial assistance to planning for
20 the maintenance of wildlife habitat in the chang-
21 ing forests of northern and eastern Maine;

22 D. Contract with universities, colleges and oth-
23 ers to conduct studies;

24 E. Cooperate with the environmental agencies of
25 the State in developing and implementing manage-
26 ment techniques consistent with maintaining the
27 environmental quality of the Maine forest;

28 F. Coordinate activities with other Bureau of
29 Forestry programs to avoid duplication;

30 G. Coordinate activities relating to the devel-
31 opment of marketing programs with the Finance Au-
32 thority of Maine, the State Development Office,
33 the Maine Development Foundation and other eco-
34 nomical development agencies; and

35 H. Recommend to the Governor and Legislature ad-
36 ditional measures needed to assure a high priori-

1 ty for the development and management of a new
2 forest in northern and eastern Maine.

3 §1805. Northern and Eastern Maine Emergency Forestry
4 District Policy Committee

5 1. Organization. There is established in the
6 Maine Forest Service a Northern and Eastern Maine
7 Emergency Forestry District Policy Committee. The
8 committee shall be composed of 11 members, appointed
9 by the Governor, subject to approval by the joint
10 standing committee of the Legislature having juris-
11 isdiction over forest resources and to confirmation by
12 the Legislature. The term of office shall be for 3
13 years, except that, of the initial appointees, 4 mem-
14 bers shall serve 3-year terms, 4 shall serve 2-year
15 terms and 3 shall serve one-year terms. Any vacancy
16 shall be filled by an appointment for the remainder
17 of the unexpired term. To provide the knowledge or
18 experience necessary to carry out the duties of the
19 committee, one person shall be appointed who is the
20 manager of more than 5,000 acres of timberland; one
21 person who is the manager of less than 5,000 but more
22 than 500 acres of timberland; 2 persons representing
23 industries which use wood and raw material; 3 members
24 of the general public, at least 2 of whom must reside
25 within the boundaries of the district; and, ex offi-
26 cio, the Dean of the College of Forestry of the Uni-
27 versity of Maine at Orono and the Director of the
28 Maine Forest Service of the Department of Conserva-
29 tion.

30 2. Chairman. The director shall serve as chair-
31 man. The committee shall elect other officers as it
32 deems necessary from among the membership. The com-
33 mittee shall meet at the call of the chairman or at
34 the request of any 3 members. Six members shall con-
35 stitute a quorum and any action shall require the af-
36 firmative vote of the greater of either a majority of
37 those present and voting or at least 4 members. The
38 chairman and the other officers shall serve in these
39 capacities for a period of one year following their
40 elections.

41 3. Compensation of the committee. Each public
42 member shall be entitled to \$40 per day for services
43 at meetings or hearings and shall be entitled to pay-

1 ment of necessary expenses, consistent with Title 5,
2 section 13, for attending any meetings or hearings of
3 the committee or for any other expenses in connection
4 with the official business of the committee under the
5 authorization of the committee.

6 4. Conflicts of interest. In addition to the
7 limitations of Title 5, section 18, no member of the
8 committee may participate in any action or delibera-
9 tion on any contract, grant or provision of any ser-
10 vice to be entered into by the district, if the mem-
11 ber has any interest individually or in any firm,
12 partnership or corporation which may be a party to
13 the contract, grant or service. A general benefit to
14 a sector of the economy, an industry or a class of
15 firms, partnerships or corporations which incidental-
16 ly enures to his or its benefit shall not be con-
17 strued to fall within the restriction of this subsec-
18 tion.

19 5. District administration. The Director of the
20 Maine Forest Service shall appoint a district admin-
21 istrator. The district administrator shall be the
22 principal administrative, operational and executive
23 employee of the district. The district administrator
24 shall not be subject to the Personnel Law, but shall
25 serve at the pleasure of the committee. His salary
26 shall be set by the committee, but in no event shall
27 be greater than the highest step of the range next
28 below that of the Director of the Maine Forest Ser-
29 vice.

30 6. Rules. From time to time, the committee may
31 adopt and amend rules for the implementation of this
32 subchapter and of Title 36, section 5217. The rules
33 shall be adopted in accordance with the procedures
34 set forth in Title 5, chapter 375, subchapter II.

35 7. Research. The Director of the Maine Forest
36 Service may enter into contracts, grants or coopera-
37 tive agreements with the University of Maine to un-
38 dertake research to further the goals of this sub-
39 chapter.

40 §1806. Duties and authority of the district adminis-
41 trator

1 1. Staff of the committee. The district adminis-
2 trator shall attend and participate in all meetings
3 of the committee, but may not vote.

4 2. Personnel. The district administrator, with
5 the approval of the Director of the Maine Forest Ser-
6 vice, may hire such competent, professional personnel
7 and other staff as he deems necessary. Any such em-
8 ployees shall be subject to Title 5, Part 2. With the
9 approval of the Director of the Maine Forest Service,
10 personnel may be transferred to the district staff.

11 3. Officer. The district administrator, with the
12 approval of the Director of the Maine Forest Service,
13 may obtain office space, goods and services as re-
14 quired, provided that the headquarters are estab-
15 lished in a state facility within the district and
16 staff foresters will be assigned space in state fa-
17 ilities throughout the area.

18 4. General authority. The district administra-
19 tor, with the approval of the Director of the Maine
20 Forest Service, shall seek to promote more intensive
21 forest management at all levels of government with
22 the academic community, landowners and the general
23 public. He may plan for and undertake activities to
24 promote such management on behalf of the State, in-
25 cluding, without limitation, disseminating informa-
26 tion and planning assistance to landowners by dis-
27 trict foresters.

28 5. Cooperation with other state agencies. With
29 the approval of the director, the district adminis-
30 trator may enter into agreements with other state
31 agencies to provide services and research on issues
32 of mutual concern.

33 6. Project funding. With the approval of the di-
34 rector, the district administrator may provide grants
35 for innovative demonstration projects on a competi-
36 tive basis, in accordance with criteria for project
37 submission, evaluation and selection established by
38 the committee. These criteria shall, among other fac-
39 tors, address priority of need, boldness of approach,
40 program feasibility and reproductibility and verifi-
41 cation of results.

1 7. Management of funds. With the approval of the
2 director, the district administrator may enter into
3 agreements to secure the services of contractors and
4 consultants and accept and expend funds from other
5 governmental agencies and private sector sources and
6 administer the fund created by section 1807, in order
7 to carry out the purposes of this subchapter.

8 §1807. District Management Fund

9 The District Management Fund is established to
10 carry out the purposes of this subchapter. The fund
11 shall consist of all money appropriated to it and any
12 money received as donations or from other sources.
13 Money in this fund shall be available for expenditure
14 by the committee. Any balance in this fund shall not
15 lapse, but shall be carried forward from year to year
16 to be expended for the purposes set forth in this
17 subchapter.

18 Sec. 3. 36 MRSA §5200-A, sub-§1, ¶G is enacted
19 to read:

20 G. An amount equal to the taxpayer's credit un-
21 der section 5217.

22 Sec. 4. 36 MRSA §5217 is enacted to read:

23 §5217. Forest improvement incentives credit

24 1. Credit. A resident individual, resident es-
25 tate or trust, or taxable corporation is entitled to
26 a credit against the tax otherwise due under this
27 Part equal to the amount of his or its costs for cer-
28 tain forest improvement activities, as defined in
29 this section, for an amount up to \$10,000 in any tax-
30 able year.

31 2. Carry forward. Credits not taken in the year
32 in which the amount was actually spent may be taken
33 in any taxable year thereafter.

34 3. Eligible activities. Credit may be taken for
35 any of the following forest improvement activities
36 undertaken within the district:

37 A. Growing, purchasing and planting of trees;

1	Capital Expenditures	50,000	50,000
2	Total	<u>\$985,000</u>	<u>\$1,920,000</u>

3 Provides funds to assist
4 in research, demonstration
5 projects and investment
6 incentives to restore and
7 restock northern and east-
8 ern Maine's hard-hit for-
9 ests, our most critical
10 natural resource. It is
11 the intent of the Legisla-
12 ture that the positions
13 funded shall be those of
14 district administrator,
15 business manager, 2
16 clericals and 6 foresters.

17 PART B

18 Sec. 1. 12 MRSA §8872, as enacted by PL 1979, c.
19 545, §3, is amended by adding at the end a new para-
20 graph to read:

21 The United States Forest Service has conducted
22 several decennial forest surveys in this State. The
23 Department of Conservation is further directed to
24 supplement these surveys with mid-cycle forest inven-
25 tories in order to more accurately assess the changes
26 and trends occurring in forests of this State. The
27 director shall delineate the area of the forest re-
28 source for which updated inventory information is
29 critically needed and shall be responsible for the
30 conduct of the inventories.

31 Sec. 2. Appropriation. The following funds are
32 appropriated from the General Fund to carry out the
33 purposes of this Act and support the 1985 mid-cycle
34 forest industry.

35 1984-85

36 CONSERVATION, DEPARTMENT OF

37 Bureau of Forestry

1	Positions	(12)
2	Personal Services	\$120,000
3	All Other	<u>100,000</u>
4	Total	\$220,000

5 STATEMENT OF FACT

6 Part A

7 The spruce-fir forest that predominates in north-
8 ern and eastern Maine is critical to the economic
9 survival and success of those regions.

10 These resources are enduring severe stress as a
11 result of increasing demands and reduced supply,
12 largely as a result of spruce budworm attacks.

13 At the same time that the sufficiency of the wood
14 supply is in jeopardy, the regions so dependent on it
15 are experiencing a relative overall economic decline
16 compared to the other areas of the State.

17 In order to remedy these 2 interrelated problems,
18 it is essential that more intense forestry be prac-
19 ticed in this area to improve the quantity and quali-
20 ty of the resource in these regions. Unfortunately
21 now there is very little incentive for investments
22 which may take a generation to pay off, especially by
23 small landowners.

24 It is the purpose of this bill to provide assist-
25 ance to landowners through research, field advice,
26 planning, demonstration grants and investment tax in-
27 centives to the ultimate benefit of the forests,
28 economy and the people of this State.

29 The tax credits provided for in section 2 of this
30 bill are limited to no more than \$10,000 for any one
31 individual or corporation. It is impossible to esti-
32 mate how many of Maine's forest landowners would make
33 the necessary investments to qualify until some expe-
34 rience is developed.

35 PART B

1 The devastating effects of the spruce budworm and
2 the associated harvesting pressures on the spruce-fir
3 resource is prompting great change in that portion of
4 Maine's resource. In addition to the data available
5 from surveys conducted by the United States Forest
6 Service, the Maine Forest Service conducted a
7 supply-demand analysis of spruce and fir to determine
8 the future of the resource and options for its man-
9 agement. Data from a midcycle survey is an important
10 element to increase our knowledge of the status of
11 spruce and fir and validate the projections that have
12 been made. The data is critical to formulation of
13 policy and management decisions of both the State and
14 landowners.

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