

Regular Session, 2009

SENATE BILL NO. 271

BY SENATORS NEVERS, THOMPSON, LONG, RISER AND WALSWORTH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FORESTRY. Creates the "Forestry Product Fairness Act." (gov sig)

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AN ACT

To enact Part IX of Chapter 28 of Title 3 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 3:4421 through 4425, relative to creation of the "Forestry Product Fairness Act"; to provide for legislative purpose; to provide relative to distribution of tax credits, tax exemptions, tax exclusions, tax deductions, rebates, incentives, investments, contracts, or grants made available by the state to any existing individual, partnership, corporation, association or other legal entity purchasing forest products to produce the generation of steam, heat, electricity or the production of wood-based fuels; to provide for promulgation of rules and regulations; to provide for definitions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part IX of Chapter 28 of Title 3 of the Louisiana Revised Statutes of 1950, comprised of R.S. 3:4421 through 4425 is hereby enacted to read as follows:

PART IX. FORESTRY PRODUCT FAIRNESS ACT

§4421. Short title

This Part shall be cited as the "Forestry Product Fairness Act."

§4422. Purpose

1 The Louisiana Legislature recognizes the enormous contribution that the
2 Louisiana forest products industry makes to the state. The continued health of
3 the industry is vital to Louisiana's economic well-being. A fair and equitable
4 process for awarding state incentives to the forest products industry is
5 necessary to maintain economic viability. The purpose of this Part is to provide
6 for a procedure that will ensure an open process for the awarding of incentives,
7 that encourages the use of forest products but does not unfairly advantage one
8 segment of the forest products industry over another, and that does not put
9 existing businesses at a competitive disadvantage.

10 §4423. Definitions

11 As used in this Part, the following terms shall have the meanings
12 ascribed below:

13 (1) "Commissioner" means the Louisiana commissioner of agriculture
14 and forestry.

15 (2) "Forest products" include the following:

16 (a) Products that are derived from woody biomass.

17 (b) Forest wood waste, including residual tops and limbs of trees, unused
18 cull trees, pre-commercial thinnings, and wood or debris from noncommercial
19 tree species, slash or brush.

20 (c) Any wood chips or fibers or other organic substances and any
21 inorganic substances recovered from forest wood waste or produced as
22 byproducts of processing wood.

23 (3) "Tax exemption, tax credit, tax exclusion, tax deduction, rebate,
24 incentive, investment, contract, or grant" means any such benefit that is not
25 available by operation of law to all persons purchasing forest products to
26 produce the generation of steam, heat, electricity or the production of
27 wood-based fuels.

28 §4424. Distribution of incentives and funds

29 Any tax exemption, tax credit, tax exclusion, tax deduction, rebate,

1 incentive, investment, contract, or grant made available by the state to any
 2 individual, partnership, corporation, association, or other legal entity
 3 purchasing forest products to produce the generation of steam, heat, electricity,
 4 or the production of wood-based fuels shall be approved by the commissioner
 5 through a fair and equitable application process prior to being awarded. The
 6 application process shall be open to individuals and both new and existing
 7 partnerships, corporations, associations, or other legal entities.

8 **§4425. Rules and regulations**

9 The commissioner shall promulgate rules and regulations in consultation
 10 with the secretary of the Department of Economic Development for the
 11 administration and enforcement of this Part.

12 Section 2. This Act shall become effective upon signature by the governor or, if not
 13 signed by the governor, upon expiration of the time for bills to become law without signature
 14 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 15 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 16 effective on the day following such approval.

The original instrument was prepared by Curry Johnson. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jeanne Johnston.

DIGEST

Nevers (SB 271)

Proposed law creates the "Forestry Product Fairness Act."

Proposed law recognizes the contribution the forest products industry makes to the state and the importance of the continued health of the industry to the state's economy. Provides that a fair and equitable process for awarding state incentives to the forest products industry is necessary to maintain economic viability. Provides that the purpose of proposed law is to ensure an open process for awarding incentives that encourages the use of forest products, but does not give one segment of the forest products industry an unfair advantage and does not put existing businesses at a competitive disadvantage.

Proposed law defines "forest products" as products that are derived from woody biomass; forest wood waste, including residual tops and limbs of trees, unused cull trees, pre-commercial thinnings, and wood or debris from noncommercial tree species, slash or brush; and any wood chips or fibers or other organic substances and any inorganic substances recovered from forest wood waste or produced as byproducts of processing wood.

Proposed law defines "tax exemption, tax credit, tax exclusion, tax deduction, rebate, incentive, investment, contract, or grant" as any such benefit that is not available by

operation of law to all persons purchasing forest products to produce the generation of steam, heat, electricity, or the production of wood-based fuels.

Proposed law requires that any tax exemption, tax credit, tax exclusion, tax deduction, rebate, incentive, investment, contract, or grant made available by the state to any individual, partnership, corporation, association or other legal entity purchasing forest products to produce the generation of steam, heat, electricity or the production of wood-based fuels be approved by the commissioner through a fair and equitable application process.

Proposed law requires that the application process be available to individuals and both new and existing partnerships, corporations, associations or other legal entities.

Proposed law requires the commissioner to promulgate rules and regulations in consultation with the secretary of the Dept. of Economic Development.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 3:4421-4425)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Provides legislative purpose statement.
2. Provides definition of available incentives.
3. Expands list of incentives available.
4. Changes category of purchased items eligible for incentives from "forest product raw materials" to "forest products."
5. Requires that rules and regulations be promulgated in consultation with the secretary of the Dept. of Economic Development.