

BOARD OF FORESTRY AND FIRE PROTECTION

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April 8, 2020

MEMORANDUM

To: The Board of Forestry and Fire Protection

From: Board Staff

RE: Annual Review of Lumber Assessment Regulations

The statutory framework for the Timber Regulation and Forest Restoration Fund (Article 9.5 of Chapter 8 of Part 2 of Division 4 of the Public Resources Code) imposes an charge of 1% of the sales price on certain lumber and engineered wood products (PRC § 4629.5), which have been identified and adopted within regulation by the Board of Forestry and Fire Protection (Board) per PRC § 4629.4(a). This section also requires the annual update of those products which have been identified within regulation. Per 14 CCR § 1667.6, this annual review and update occurs at the regularly scheduled April meeting of the Board.

Since the last annual update of the Lumber Assessment Regulations (14 CCR § 1667 *et seq.*), the Board has received no requests for review of lumber products pursuant to 14 CCR § 1667.5 or otherwise. Board staff recommendation is that no regulatory amendment is required this calendar year.

Existing Board Regulations pertaining to the Lumber Assessment:

14 CCR § 1667.1. Authority. This chapter sets out procedures for identifying those products subject to the “Lumber Products Assessment” imposed pursuant to Public Resources Code Section 4629.5 as required by Chapter 289, Statutes 2012. The lumber products and engineered wood products identified herein shall become subject to the Assessment commencing January 1, 2013.

14 CCR § 1667.2. Timber Regulation and Forest Restoration Fund.

All revenues received from the Lumber Products Assessment, less amounts deducted for refunds and reimbursements, shall be deposited in the “Timber Regulation and Forest Restoration Fund” created in the State Treasury pursuant to Public Resources Code Section 4629.3.

14 CCR § 1667.3. Definitions.

Board means the California Board of Forestry and Fire Protection.

Engineered Wood Product means wood composite products including inorganic-bonded and wood thermoplastic composites. It includes a range of derivative wood products which are manufactured by binding lumber or the strands, particles, fibers, or veneers of wood, together with adhesives, to form composite materials, in which wood is a principal component part as defined.

Fund means the Timber Regulation and Forest Restoration Fund.

Lumber Product means a product in which wood or wood fiber is a principal component part, including, but not limited to, a solid wood product, or an engineered wood product that is identified in these regulations. “Lumber Product” does not include furniture, paper products, indoor flooring products such as hardwood or laminated flooring, bark or cork products, firewood, or other products not typically regarded as lumber products.

Principal Component Part means at least ten percent (10%) of the total content by volume.

14 CCR § 1667.4. Assessed Lumber Products.

(a) Lumber products subject to the Lumber Products Assessment pursuant to Public Resources Code Section 4629.5 include the following products in which wood or wood fiber is a “principal component part” as defined:

(1) Solid wood products: All grades and dimensions of lumber, structural panels, cross-laminated timbers, decking, railings, fencing (poles, solid board), poles, roofing (shakes and wooden shingles), siding (beveled shingles, board and batten, log, tongue and groove, treated wood), lath, and sub-flooring.

(2) Engineered Wood Products: plywood, oriented strandboard, particleboard, fiberboard, glued-laminated timber, laminated veneer lumber, laminated strand lumber, oriented strand lumber, parallel strand lumber, hardboard, waferboard, flakeboard, veneer-based sheeting material, laminated beams, I-joists, and edge-glued material.

(3) Inorganic-bonded and wood thermoplastic composites: Gypsum-bonded composite materials (fiber reinforced gypsum), cement-bonded composite materials, ceramic bonded composite materials, and wood thermoplastic composite materials including plastic lumber and decking.

(b) Products not subject to the Lumber Products Assessment include but are not limited to, furniture, paper products, indoor finished flooring products such as hardwood (solid or engineered) or laminate flooring, decorative products such as wainscoting, paneling, shutters, and blinds, bark or cork products, firewood, musical instruments, sporting goods and equipment, carvings and craft products, cooperage and treatment materials (including staves, storage vessels, and oak chips for wine, beer, and spirits), signs, tools, tool handles, stakes, ladders, brooms, frames, kitchenware, windows, doors, cabinets, molding, millwork (window casings, baseboards), lattice, pre-constructed railing sections, trusses, pre-fabrication housing (pre-cut buildings, pre-cut or fabricated components of buildings), and pre-constructed fencing sections.

(c) The number and types of lumber products subject to the lumber products assessment may be modified following annual review by the Board of Forestry and Fire Protection.

14 CCR § 1667.5. Requests for Review.

(a) The California Board of Equalization may petition the Executive Officer of the Board of Forestry and Fire Protection for review of a lumber product.

(1) The petition shall be sent to the Board's mailing address and shall include information that provides the specific basis upon which the petition is founded. The petition must provide the basis that a lumber product may or may not meet the criteria established by Public Resources Code Section 4629.3 and specified herein.

(2) After receipt of a petition, the Board's Executive Officer may request additional information from the California Board of Equalization prior to conducting the review.

(3) The Board's Executive Officer shall complete the review of the petition within thirty (30) days of its receipt or the receipt of additional information requested pursuant to item (2) above.

All petitions received in a calendar year shall additionally be subject to review by the Board during its annual update of the regulations specified herein.

(4) Based on a review of the petition, the Board's Executive Officer shall determine whether or not the lumber product that is the subject of the petition meets the criteria specified herein. Upon a finding by the Board's Executive Officer that the lumber product does not meet the criteria, the Executive Officer may recommend that the Board remove the product from the assessed lumber products identified herein.

14 CCR § 1667.6. Annual Update of Regulation.

Pursuant to Public Resources Code Section 4629.4, the Board shall annually update the regulations contained herein. The Board shall conduct the review at its regularly scheduled April meeting. The lumber products identified in the annually updated regulation adopted by the Board shall become subject to the assessment imposed pursuant to Section 4629.5 on the first day of the calendar quarter commencing more than sixty (60) days after adoption of the updated regulation.