

HOUSE No. 748

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relating to the forest products industry..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

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2 SECTION 1: The secretaries of the executive office of economic development and the
3 executive office of energy and environmental affairs are hereby directed to establish the forestry
4 industry economic stimulus program.

5 The forestry industry economic stimulus program shall:

6 (a)provide a 100% tax credit with a 10 year carry through for costs and loan interest for
7 landowners who develop a forest viability business plan with a no development covenant
8 approved by the department of conservation and recreation.

9 (b.)provide a 30% tax credit with a 10 year carry through for investments and loan
10 interest for new technology and the modernizing of infrastructure needed in the operation of
11 forestry related industry.

(c.) provide a 100% tax credit with a 2 year carry-forward for landowners who develop forest management plans as described in chapter 61 of the Massachusetts General Laws and forest stewardship plans.

(d.) provide a tax credit of up to \$50,000, which can be taken over a time period of up to 10 years for individuals starting a business in sawmilling or timber harvesting

(1) the executive office of economic development and the department of conservation and recreation shall determine a minimum investment in such a business enterprise as a qualification for the aforementioned tax credit in Section 1(d).

(e.) provide a 30% state tax credit with a 10 year carry through for investments in biomass combined heat and power infrastructure and wind energy infrastructure for use on farms, sawmills and harvesters

(f.) provide a 3% state tax credit for biomass energy plants with a 30 year carry-forward

(g) provide a tax credit of 10 dollars per ton of sustainable forest grown wood chips grown in Massachusetts to biomass plant operators

SECTION 2: The Massachusetts Technology Collaborative is directed to establish a contract program with Massachusetts landowners who provide sustainably grown woodchips to biomass energy facilities.

(a) under such contracts 5 dollars per ton of wood chips shall be paid by the Massachusetts Technology Collaborative to landowners who have sold sustainably grown wood chips under contract to biomass energy facilities.

(1) Only woodchips that are harvested from sustainable forested land shall be eligible for payment

(b) monies from the Renewable Energy Trust Fund shall be used to fund the landowners contract program.

SECTION 3: The Massachusetts Development Finance Agency is authorized to establish and develop rules and regulations relative to the Forestry Industry Loan Program Fund.

In addition thereto the Agency is hereby directed to:

a) establish a forestry industry loan program fund advisory council, which shall consist of seven members, three members to be appointed by the Massachusetts Development Finance Agency board of directors, experienced in business and finance, who may also be members of the Massachusetts Development Finance Agency board, two members appointed by the commissioner of banks who are experienced in banking or agricultural financing, and may include the commissioner of banks or his designee, two members appointed by the commissioner of the department of conservation and recreation who are experienced in the forestry industry, and may include the commissioner or his designees, said council shall act in an advisory capacity to the Massachusetts Development Finance Agency board in matters relative to the financing of forestry industry loan applications and said council may review and provide technical comments regarding each loan application submitted to the Massachusetts Development Finance Agency board for approval.

Said council shall, after providing due notice and opportunity for a hearing, recommend a program to provide sources of funds, including, but not limited to, federal, state or private funding, and issuance of debt or industry assessments for the forestry industry loan program

54 fund. Such recommended program shall, after approval by the board of directors of
55 Massachusetts Development Finance Agency, be filed with the clerks of the senate and the house
56 of representatives and with the commissioner of administration.

57 (b)include within the aforementioned loan program the offering of a low interest loan
58 option to a qualifying businesses within the forestry industry through the use of federal tax
59 exempt bonds.

60 (c) include within the aforementioned loan program a state subsidized interest loan for
61 forestry industry businesses for the acquisition of new equipment in order to maintain viable
62 business practices with the development of new market needs.

63 (1) not more than \$250,000 shall be loaned to any one enterprise in any fiscal year.

64 SECTION 4.

65 This act shall take effect upon its passage