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TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control: 390
Department or Agency: ALABAMA FORESTRY COMMISSION
Rule No.: Chapter 390-X-9
Rule Title: RURAL LOGGING EFFICIENCY GRANTS PROGRAM
Intended Action: New

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved? No

To what degree?: N/A

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule? NA

Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer

Scott L. Rouse
Scott L. Rouse

Date

Monday, August 12, 2024

REC'D & FILED
AUG 12, 2024
LEGISLATIVE SVC AGENCY

ALABAMA FORESTRY COMMISSION

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Forestry Commission

RULE NO. & TITLE: Chapter 390-X-9 RURAL LOGGING EFFICIENCY GRANTS PROGRAM

INTENDED ACTION: New

SUBSTANCE OF PROPOSED ACTION:

The proposed regulations will provide a framework for administering the grants program established by the Rural Logging Efficiency Act of 2023.

TIME, PLACE AND MANNER OF PRESENTING VIEWS:

Comments must be submitted in writing via email to Forestry Commission General Counsel Scott L. Rouse at scott.rouse@forestry.alabama.gov. All comments must be received no later than 5:00 p.m. on October 7, 2024.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Monday, October 7, 2024

CONTACT PERSON AT AGENCY:

Scott L. Rouse, General Counsel

Scott L. Rouse

Scott L. Rouse

(Signature of officer authorized
to promulgate and adopt
rules or his or her deputy)

**ALABAMA FORESTRY COMMISSION
ADMINISTRATIVE CODE**

**CHAPTER 390-X-9
RURAL LOGGING EFFICIENCY GRANTS PROGRAM**

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390-X-9-.01 **Purpose.**

The purpose of this chapter is to establish procedures for the disbursement of grants to support rural economic development, as authorized by the Rural Logging Efficiency Act of 2023, codified at Ala. Code § 9-3-10.2.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

390-X-9-.02 **Definitions.**

(1) When used in this chapter, the following terms have the meaning given below:

(a) "Commission" means the Alabama Forestry Commission.

(b) "Forest products" means any material harvested from a forest or generated by the manufacture of a finished product using materials harvested from a forest, including, but not limited to, logs, pulpwood, chips, poles, veneer, and stumps.

(c) "Rural area" means any unincorporated area within the state, or any incorporated area within the state with a population of 2,500 inhabitants or fewer, according to the most recent federal census.

(d) "Rural bridge" means a load-restricted public bridge located in a rural area that is posted to limit commercial or school bus traffic. This definition includes any new bridge or culvert constructed using Program funds, even if such crossing has no load restriction.

(e) "Eligibility" means the standard or criteria by which county commissions or other applicants qualify for grant funds, as determined by the Commission.

(f) "Grant agreement" means the binding contract between the Commission and the applicant.

(g) "Grant Application" means the initial request from a county commission or other applicant for a grant from the Commission.

(h) "Grant period" means twenty-four months from the time the grant agreement is properly executed by all parties or the time period specified in the grant documents.

(i) "Program" means the Rural Logging Efficiency Grants Program.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

390-X-9-.03 Types of Grants and Eligibility to Apply.

The Commission will receive and consider applications for the following types of grants under the Program:

(1) Eighty-five (85) percent of Program funds received by the Commission in a fiscal year from the Logging Efficiency Grant Fund within the State Treasury will be allocated for grants to maintain, repair, replace, and/or construct public rural bridges. Applications for such grants may only be made by a county commission. Rural bridge grant applications will be prioritized according to the amount of matching contributions proposed by an applying county commission, as well as the rural economic impact of the proposed project. Particular emphasis will be placed on proposed projects benefiting forest products production. Rural bridge grant applications shall be reviewed and prioritized by the rural bridge grant advisory committee, as established in section 390-X-.04 herein.

(2) Ten (10) percent of Program funds received by the Commission in a fiscal year from the Logging Efficiency Grant Fund within the State Treasury will be allocated for grants to support logging workforce development or to advance research and implementation of technologies that improve forest product harvesting and transportation efficiencies. (In any Program year, this allocation need not be divided between workforce development and research/technology grants; the Commission may in its discretion determine to direct all of such allocation to either workforce development or research/technology grants.) Applications for such grants may be made by any Alabama resident, any corporate entity organized under Alabama law or authorized to do business within the State of Alabama, or any educational institution located within the State of Alabama. Workforce development and logging technology grant applications shall be reviewed and prioritized by the rural bridge grant advisory committee, as established in section 390-X-.05 herein.

(3) Five (5) percent of Program funds received by the Commission in a fiscal year from the Logging Efficiency Grant Fund within the State Treasury will be retained by the Commission for administrative costs.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

390-X-9-.04 Rural Bridge Grant Advisory Committee.

(1) The Commission shall appoint seven (7) persons to serve on an advisory committee which will review and prioritize rural bridge grant applications. The rural bridge grant advisory committee will meet as required, and it will make recommendations to the Commission regarding which applications should receive funding, and to what extent they should receive funding. Recommendations of the committee will be non-binding on the Commission.

(2) The members of the rural bridge grant advisory committee must all be citizens of the State of Alabama and shall include:

(a) Two (2) persons who are actively engaged in the business of logging;

(b) One (1) other person affiliated with the forest products industry;

- (c) One (1) forest landowner who is actively involved in managing timber for harvest;
- (d) One (1) elected county commissioner;
- (e) One (1) county engineer who is currently employed in such capacity by a predominantly rural county; and
- (f) One (1) person who actively serves (whether paid or as a volunteer) as a first responder in a rural area.

(3) Membership of the rural bridge grant advisory committee shall be inclusive and reflect the racial, gender, geographic, urban, rural and economic diversity of the state.

(4) The State Forester, or his designee, shall serve as a non-voting member of the rural bridge grant advisory committee and will act as its presiding officer and secretary.

(5) All appointed members of the rural bridge grant advisory committee shall serve at the pleasure of the Commission.

(6) No member of the rural bridge grant advisory committee shall vote on or advocate on behalf of any grant application which would materially benefit that member or his/her business interests, including the business interests of an immediate family member of such member. No member of the rural bridge grant advisory committee shall vote on or advocate on behalf of any rural bridge grant application which would materially benefit his/her employer. No county commissioner or county engineer who serves as member shall vote on or advocate on behalf of any rural bridge grant application that would materially benefit the county served by such member.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

390-X-9-.05 Workforce Development and Logging Technology Grant Advisory Committee.

(1) Workforce development and logging technology grants shall be reviewed and prioritized by a committee comprised of the State Forester and three (3) Commission staff members appointed by the Commission. Such committee will make recommendations to the Commission regarding which workforce development and logging technology grant applications should receive funding, and to what

extent they should receive funding. Recommendations of the committee will be non-binding on the Commission.

(2) No member of the workforce development and logging technology grant advisory committee shall vote on or advocate on behalf of any grant application which would materially benefit that member or his/her business interests, including the business interests of an immediate family member of such member.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

390-X-9-.06 **Grant Application Requirements.**

(1) Requests for grants from the Program shall be submitted to the Commission on application forms or in a format specified by the Commission.

(2) Applications for grants from the Program must be submitted to the Commission no later than the deadlines established and published by the Commission to be considered for funding.

(3) Rural bridge grant applications must include all of the following information:

(a) Identification of federal, local and other funding sources to be used as matching funds to complete the proposed project;

(b) A demonstration of how the proposed maintenance, repair, replacement, or construction of a public rural bridge will materially improve transportation access to forest products; and

(c) A summary of the engineering and construction aspects of the proposed project, including an estimate of its cost and the time required for its completion.

(4) Logging workforce development grant applications must include information demonstrating how proposals would materially advance, improve or support development of the logging workforce.

(5) Logging technology grant applications must include information to demonstrate how proposals would advance research and implementation of technologies that improve forest product harvesting and transportation efficiencies.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

390-X-9-.07 Disbursement Of Funds.

(1) Upon approval of grant applications, the Commission will determine the exact amount of the grant award and prepare a grant agreement.

(2) The grant agreement will be forwarded to the applicant to be signed by a person having legal authority to bind the grant recipient. Payment of grant awards will be contingent upon execution of the grant agreement.

(3) Any recipient of grant funds will be reimbursed for actual expenses incurred from the implementation of the approved project or program.

(4) Grant recipients must submit quarterly reports for the duration of a project's implementation. Such reports shall describe the status of the project funded by the grant and shall include information necessary for review by the Commission for reimbursement of actual costs. Each report must be submitted fifteen (15) days from the end of the previous three-month period, which shall run October 1 through December 31, January 1 through March 31, April 1 through June 30, and July 1 through September 30 of each year.

(5) The Commission, or its designee, may terminate a grant award in whole or in part and demand refund of grant funds when there is substantial non-compliance with the terms of the award or these rules; a determination made by the Commission that the grant was obtained by fraudulent means, when it is found that grant monies have been used for non-allowable costs; or a determination made by the Commission that gross abuse or corrupt practices have been used in the administration of the grant project by the recipient.

(a) The Commission, or its designee, will give written notice to the recipient (via certified mail, return receipt requested) of its intent to terminate a Program grant, in whole or in part, at least 30 days prior to the intended date of termination.

(b) The Commission, or its designee, will afford the grant recipient an opportunity for consultation prior to any termination. After such opportunity for consultation, the Commission may, in writing (via certified mail, return receipt requested), terminate the Program grant in whole or in part.

(c) In event of such termination, the grant recipient shall be ineligible to make application for further participation in the Program until the grant recipient complies with the terms of the grant award or these rules.

(6) The amount of each grant awarded under this chapter shall be at the sole discretion of the Commission, or its designee.

(7) Grant funds not awarded due to insufficient requests or applications, shall remain available for awards in future grant years, to the extent allowed by law.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

390-X-9-.08 **Grant Recordkeeping.**

(1) Each recipient of grant funds shall maintain accurate records of all expenditures associated with the project funded by grants awarded pursuant to this chapter and shall assure that these records are available for inspection and/or audit upon request by the Commission. Records shall be kept for a period of at least five years from the execution of the grant agreement.

(2) Recordkeeping information, as required by the Commission, shall be listed in the grant agreement and shall be included with each quarterly report submitted by the recipient. Such requirements established by the Commission shall not be inconsistent with accounting and record-keeping methods such entities may be required to follow by the Alabama Department of Examiners of Public Accounts.

Author: Scott L. Rouse

Statutory Authority: Code of Ala. 1975, § 9-3-10.2(d)(1)

History: New Rule: Published August 30, 2024; effective _____.

Penalty: N/A

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No: 390
Department or Agency: ALABAMA FORESTRY COMMISSION
Rule No: Chapter 390-X-9
Rule Title: RURAL LOGGING EFFICIENCY GRANTS PROGRAM
Intended Action: New

 This rule has no economic impact.

 Yes This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

The proposed regulations are required to implement the grants programs established by the Rural Logging Efficiency Act of 2023. These programs will greatly benefit rural Alabama, particularly the timber industry.

2. COSTS/BENEFITS OF RULE AND WHY RULES IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

The proposed rules carry no extra costs to anyone. The grants programs will help improve logging efficiencies and transportation infrastructure in rural Alabama. There are no more effective, efficient or feasible means for implementing the enabling legislation.

3. EFFECT OF THIS RULE ON COMPETITION:

The proposed rules will not directly affect competition. However, the grants programs themselves may increase competition by improving access to markets and raw materials.

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4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Neither the proposed rules nor the grants programs will affect costs-of-living. However, the principal purpose of the grants programs is to improve business in rural Alabama.

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

By improving efficiencies and infrastructure in rural Alabama, the grants programs implemented by the proposed rules should result in increased job opportunities in the geographic areas benefited by the grants.

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

The grants programs implemented by the proposed rules are contingent upon funding by the Legislature.

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON EFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

The grants programs implemented by the proposed rules should not result in extra costs to individuals or businesses. The economic impacts should all be positive in both the short and long terms.

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

The grants programs implemented by the proposed rules should produce only benefits and no burdens.

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

The grants programs implemented by the proposed rules will not adversely impact the environment. If anything, replacing or upgrading rural bridges may have the effect of improving stream flows and thereby improving water quality. By improving transportation infrastructure, and thereby reducing response times for first responders, public health will be positively affected.

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10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

If the proposed rules are not implemented, there should be no substantial effect on the environment or public health.

Signature of certifying officer

Scott L. Rouse

Scott L. Rouse

Date

Monday, August 12, 2024