

**Department of Planning and Budget
2007 Fiscal Impact Statement**

1. Bill Number: SB1115

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Quayle

3. Committee: Agriculture, Chesapeake, and Natural Resources

4. Title: Sale of trees and timber

5. Summary/Purpose: The bill places the proceeds from sale of the timber and trees taken from (i) state park lands into the State Park Conservation Resources Fund and (ii) natural area preserves into the Natural Area Preservation Fund. The bill also requires competitive bids when the appraised value of the trees is more than \$25,000. Currently, the threshold for competitive bidding is \$10,000.

6. Fiscal Impact Estimates are: Indeterminate. See item 8.

7. Budget amendment necessary: No.

8. Fiscal implications: The Department of Conservation and recreation anticipates that the bill would result in an increase in revenue, although the amount cannot be determined. Increasing the threshold for competitive bidding will allow for the expedited sale of timber following a storm event will increase revenue because delays in moving timber are met with declining prices as the market becomes flooded, lack of companies available to salvage timber resources, and sawmills that are already at capacity. In addition, quickly selling the timber from storm damage will allow department facilities to reopen quickly, reducing the potential loss of revenue from facilities that are closed due to safety risks.

9. Specific agency or political subdivisions affected: Department of Conservation and Recreation.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/8/07 kbs

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cc: Secretary of Natural Resources