

AMENDED IN SENATE JULY 3, 2018
AMENDED IN SENATE JUNE 18, 2018
AMENDED IN ASSEMBLY APRIL 30, 2018
CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2518

Introduced by Assembly Member Aguiar-Curry

February 14, 2018

An act to add Article 10 (commencing with Section 4630) to Chapter 8 of Part 2 of Division 4 ~~to~~ of the Public Resources Code, relating to forestry.

LEGISLATIVE COUNSEL'S DIGEST

AB 2518, as amended, Aguiar-Curry. Innovative forest products and mass timber.

Existing law establishes the Department of Forestry and Fire Protection in the Natural Resources Agency. Existing law declares that a thriving in-state forest products sector provides public benefits, including employment opportunities in both rural and urban areas, and economic development for rural communities. Existing law requires the Secretary of the Natural Resources Agency to establish a working group on expanding wood product markets, as provided.

This bill would require, on or before January 31, 2020, the department, in consultation with the State Board of Forestry and Fire Protection, to identify barriers to in-state production of mass timber and other innovative forest products, as those terms are defined, and develop solutions that are consistent with the state's climate objectives on forest lands. The bill would require the department to collaborate with the working group described above, other state agencies, and independent

experts, including with apprenticeship programs of organized labor, community colleges, and others with similar expertise, on innovative forest products and mass timber workforce training and job creation.

The bill would require the department, on or before July 1, 2020, to develop a plan ~~that~~ *that, among other things*, proposes the development and construction of, among other structures, a mass timber production facility that can manufacture mass timber panels, as provided. The bill would require the plan to include a mechanism for grants, low-interest loans, or a cost-share formula to enable the commencement of construction of the above-described structures. The bill would require the department, when developing the plan, to the extent feasible, to prioritize support for structures built from mass timber that additionally reduce reliance on fossil fuels and advance technologies that improve forest health for those projects and associated properties. The bill would require the department to report to the Legislature on the plan on or before July 1, 2020.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Dead trees and living small diameter trees and brush present
- 4 significant wildfire risks and potentially eliminate the carbon
- 5 dioxide reduction gains that have been made in the state.
- 6 Additionally, they potentially undermine the long-term
- 7 management of California’s forests by eroding management
- 8 objectives designed to sequester maximum amounts of carbon in
- 9 the ground and in vegetation, including trees.
- 10 (b) It is possible, through new technologies, to use some of this
- 11 wood in new products, and it is equally possible to expand
- 12 California’s wood products exports. The new and expanded
- 13 markets will need a trained workforce that will provide benefits
- 14 to the state, especially to rural communities where wood product
- 15 manufacturing and milling has diminished over the years.
- 16 (c) After the devastating wildfires of 2017–18, California is
- 17 focused appropriately on the many ways it should expand the pace
- 18 and scale of activities in its forested landscape to reduce the risk
- 19 of wildfires, to manage forestlands for improved climate resiliency,

1 and to provide economic benefits especially to rural communities.
2 One aspect of that work is to recognize the emergence of a new
3 industry that is being developed in many western states that can
4 transform high hazard and burned trees into products that can
5 create new businesses, build needed buildings, and create jobs.

6 (d) The development of a mass timber industry in California
7 will reduce the state’s reliance on imported timber and mass timber
8 manufactured elsewhere. The use of mass timber building material
9 is an important component for the construction and rebuilding of
10 buildings in fire-damaged areas, future home and business
11 construction, and public buildings such as fire stations and schools
12 or modular classrooms.

13 (e) Based on work already undertaken by Governor Edmund
14 G. Brown, Jr.’s administration through the Timber Task Force and
15 Executive Order B-52-18 in support of wood products innovation,
16 it is appropriate to establish benchmarks and timelines for the
17 state’s next steps to develop this industry within the state and to
18 keep pace with the development of this industry in other states.

19 SEC. 2. Article 10 (commencing with Section 4630) is added
20 to Chapter 8 of Part 2 of Division 4 of the Public Resources Code,
21 to read:

22

23 Article 10. Innovative Forest Products and Mass Timber

24

25 4630. For purposes of this article, the following terms have
26 the following meanings:

27 (a) “Innovative forest products” means products made using
28 small-diameter woody materials, brush, and dead trees removed
29 from fire hazard areas identified by the department and that are
30 milled and manufactured in California to the maximum extent
31 possible.

32 (b) “Mass timber” means prefabricated wood products consisting
33 of not less than three layers of solid-sawn lumber or structural
34 composite lumber in which adjacent layers are cross-oriented and
35 bonded with structural adhesives, dowels, or nails to form a solid
36 wood element and that are milled and manufactured in California
37 to the maximum extent possible.

38 4630.1. (a) On or before January 31, 2020, the department, in
39 consultation with the board, shall identify barriers to in-state
40 production of mass timber and other innovative forest products,

1 and shall develop solutions that are consistent with the state’s
2 climate objectives on forest lands.

3 (b) The department shall collaborate, in implementing this
4 section, with members of the working group established pursuant
5 to Section 717, other state agencies, and independent experts,
6 including with apprenticeship programs of organized labor,
7 community colleges, and others with similar expertise, on
8 innovative forest products and mass timber workforce training and
9 job creation.

10 4630.2. (a) On or before January 1, 2020, the department shall
11 develop a plan that does all of the following:

12 (1) ~~(A)~~ Proposes the development and construction of a mass
13 timber production facility that can manufacture mass timber panels
14 that can be cross or dowel laminated or use similar mass timber
15 technology. The department shall consider locating this facility,
16 with the approval of the property owners, on a former mill site
17 with zoning suitable for a mass timber production facility that is
18 within 30 miles of two actively producing lumber mills that can
19 provide feedstock needed to construct the panels.

20 ~~(B) The department may propose the development and
21 construction of additional mass timber production facilities. Any
22 additional facilities shall be established not more than 25 miles
23 from a large landscape fire that burned more than 50,000 acres,
24 and that is within reasonable proximity of an identified high hazard
25 forest zone and is in or near a community that is identified as a
26 federal opportunity zone or has an average household income of
27 5 percent below the state’s median household income.~~

28 (2) Proposes the development of three computer numeric control
29 (CNC) machining operations that can cut mass timber panels to
30 order with at least one operation colocated to the mass timber
31 production facility described in subparagraph (A) of paragraph
32 (1). Two of the CNC machining operations may be located
33 elsewhere if they are located on a former mill site with zoning
34 suitable to CNC operations, not more than 25 miles from a large
35 landscape fire of greater than 50,000 acres, and in or adjacent to
36 a community that is identified as a federal opportunity zone or has
37 an average household income of 5 percent below the state’s median
38 household income.

39 (3) Identifies communities, in addition to any requirements in
40 Executive Order B-52-18, that have proposed to build public

1 schools in kindergarten and grades 1 to 12, inclusive, and fire
2 stations that are in areas that are near large landscape fires of
3 greater than 50,000 acres that have occurred since 2005 and in
4 areas identified as federal opportunity zones or in areas that have
5 an average household income of 5 percent below the state’s median
6 household income. The department shall propose the development
7 of two schools and two fire stations to be constructed, to the
8 maximum extent practicable, with mass timber.

9 *(4) Determines, after the department consults with the Sierra*
10 *Nevada Conservancy, if one or more grants available pursuant to*
11 *Item 3855-101-3212 of Section 2.00 of the Budget Act of 2018 may*
12 *be available to pay all or part of the costs associated with this*
13 *section and Section 4630.1.*

14 ~~(4)~~

15 (5) Proposes a mechanism for grants, low-interest loans, or a
16 cost-share formula to enable the commencement of construction
17 of the structures described in paragraphs (1) to (3), inclusive, as
18 soon as practicable.

19 (b) The department shall, when developing the plan described
20 in subdivision (a), to the extent feasible, prioritize support for
21 structures built from mass timber that additionally reduce reliance
22 on fossil fuels and advance technologies that improve forest health
23 for those projects and associated properties.

24 (c) It is the intent of the Legislature that the Joint Institute for
25 Wood Products Innovation establish a formal relationship through
26 a memorandum of agreement or other means with one or more
27 rural nongovernmental organizations in order to link research and
28 development of mass timber products with local economic
29 development needs and opportunities. This memorandum of
30 agreement may entail the development of a field station or similar
31 entity.

32 (d) (1) On or before July 1, 2020, the department shall report
33 to the Legislature on the plan developed pursuant to subdivision
34 (a).

35 (2) The report requirement in paragraph (1) shall become
36 inoperative on July 1, 2024, pursuant to Section 10231.5 of the
37 Government Code.

- 1 (3) A report submitted pursuant to this section shall be submitted
- 2 in compliance with Section 9795 of the Government Code.

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