



State of New Hampshire
Forest Protection Bureau

Timber Harvesting Contract Remuneration

Purpose: This information sheet is in response to questions concerning how remuneration is specified in a contract for timber harvests. This document was developed in cooperation with the NH Timberland Owner's Association.

Interpretation of Laws and Rules:

- RSA 227-J:15, III requires that there be a written contract with the landowner for any harvesting which requires an Intent to Cut be filed. The contract **MUST**:
 - Be signed by both parties
 - Specify the remuneration for the forest products to be cut
 - Specify the time frame for remuneration
- “Remuneration for the forest product to be cut” can be accomplished in many different ways
 - Res 5303.01 (b) “Buying a forest product” means exchanging **money or service** to purchase a forest product, or **bartering** for the exchange of a forest product
 - Exchanging Money, price must be expressed in the contract as a
 - Dollar amount for each specific forest product per a common timber harvesting unit of measurement such as per thousand board feet, per ton or per cord or
 - Percent of delivered mill price for each specific forest product per a common timber harvesting unit of measurement such as per thousand board feet (based on the mill net scale), per ton or per cord
 - For Cut and Haul harvests where the landowner is paid the mill delivered price minus deductions (see Contract Price Deductions below), the price must be expressed as a dollar amount or percentage
 - Lump sum harvests must identify the dollar amount being paid for the estimated acreage being harvested and define what timber is included and approved for harvesting, such as species, diameter limit, all trees, etc.
 - Services and bartering, such as stumping, can be identified for remuneration if, in the contract
 - The service provided or item bartered is given a dollar value
 - Contract Price Deductions
 - Deductions to the price to be paid must be clearly identified in the contract as a specific dollar amount, percentage of mill delivered price, or in the case of road material and associated construction costs - a reasonable estimate
 - Examples may be (but not limited to) cost of trucking, timber cutting, timber hauling or forest management fees
- Time Frame
 - The time in which remuneration shall be made must be expressed in
 - A specific calendar date or
 - A specific timeframe linked to the harvest
 - Examples of this are XX weeks after delivery to the mill or every XX weeks starting from the date of the first load delivered to the mill

Continued: Contract related RSA's and Rules

RSA 227-J:15:**227-J:15 Deceptive Forestry Business Practices. –**

I. A person is guilty of a class B felony if the loss is greater than \$1,000 or otherwise guilty of a misdemeanor who in the course of buying and selling of a forest product, as defined under RSA 227-G:4, VII, recklessly:

(a) Uses or possesses for use a false weight or measure, or any other device for falsely determining or recording any quality or quantity as provided under RSA 438; or

(b) Sells, offers, or exposes for sale or delivers less than the represented quantity of any forest product or service; or

(c) Takes or attempts to take more than the represented quantity of any forest product or service when as buyer the person furnishes the weight or measure; or

(d) Sells, offers, or exposes for sale adulterated or mislabeled commodities; or

(e) Does not remunerate the owner of the timber for the value of the forest products pursuant to a written contract; or

(f) Does not furnish the owner, upon written request, with all scale slips to verify the amount of the forest products removed from the owner's property.

II. In this section, "adulterated" means varying from a standard of composition or quality prescribed by any statute providing criminal penalties for such variance, or set by established commercial usage. In this section, "mislabeled" means varying from a standard of truth or disclosure in labeling prescribed by any law providing criminal penalties for such variance, or set by established commercial usage. In this section, "scale slip" means a written or printed form or combination of forms which provide an accurate, readily understandable record containing the species of wood product, board footage of each individual log when the standard unit of measurement is per thousand board feet, or tonnage or cordage when not sold per thousand board feet, gross scale, defect, net scale, date wood was measured, and the name of the party scaling the wood.

III. A person is guilty of a misdemeanor if, in the course of buying or selling a forest product as defined in RSA 227-G:4, VII, he or she recklessly fails to provide a written contract to the owner, prior to the cutting from the owner's property any forest products which are subject to a notice of intent to cut as defined in RSA 79:10. The contract shall be signed by both parties, specify the remuneration for the forest products to be cut, and the time in which remuneration shall be made.

RSA 227-G:4, VII:**227-G:4 Rulemaking. –**

The commissioner shall adopt rules, under RSA 541-A, relative to:

VII. The definition of buying and selling of forest products in relation to deceptive forestry business practices pursuant to RSA 227-J:15.

PART Res 5303 DECEPTIVE FORESTRY BUSINESS PRACTICES

Statutory Authority: RSA 227-G:4, VII

Res 5303.01 Definitions.

(a) "Adulterated" means varying from a standard of composition or quality prescribed by any statute providing criminal penalties for such variance, or set by established commercial usage.

(b) "Buying a forest product" means exchanging money or service to purchase a forest product, or bartering for the exchange of a forest product.

(c) "Forest product" means any portion of a tree which will be utilized in its primary form or will be utilized after further processing.

(d) "Mislabeled" means varying from a standard of truth or disclosure in labeling prescribed by any law providing criminal penalties for such variance, or set by established commercial usage.

(e) "Scale slip" means a written or printed form or combination of forms which provide an accurate, readily understandable record containing the species of wood product, board footage of each individual log when the standard unit of measurement is per thousand board feet, or tonnage or cordage when not sold per

thousand board feet, gross scale, defect, net scale, date wood was measured, and the name of the party scaling the wood.

(f) “Written contract” means a written contract between the landowner or person owning the timber rights and the buyer of the standing timber that defines the terms of the contract, the remuneration for the forest products to be cut, the time period in which remuneration is to be made, and the use of the same units of measurement as the scale slip.

Res 5303.02 Scale Slip. A scale slip shall contain the following information:

- (a) Species of wood product;
- (b) Board footage of each individual log when standard unit of measurement is per thousand board feet or tonnage or cordage when not sold on a per thousand board feet basis;
- (c) Gross scale, defect and net scale;
- (d) Date wood was measured; and
- (e) Name of party scaling the wood.

Res 5303.03 Written Contract. A written contract pursuant to RSA 227-J:15, III shall be provided by the landowner and/or the seller or buyer of timber for review upon request of the director or the director’s authorized agent.

Res 5303.04 Violation. Deceptive forestry business practices shall be penalized pursuant to RSA 227-J:15, I and III.