



Fire Management Handbook
Policy 762

Forfeiture of Bonds

Guidance documents promulgated by the department are not new laws. They represent an interpretation of existing law, except as authorized by Idaho Code or incorporated into a contract.

Agency Contact

Deputy Chief, Plans

Purpose

To define a procedure for forfeiting hazard management bonds, in the event a job does not pass the hazard management inspection.

Applicability

Idaho Department of Lands (IDL or Department) and Timber Protective Association (TPA) employees who monitor landowner's records to determine if contractor accounts are approaching expiration.

1. Associated Policies

- A. Title 38, Chapter 1 and 4, Idaho Code
- B. Rules Pertaining to Idaho Forestry Act and Fire Hazard Reduction Laws, IDAPA 20.04.02
- C. Fire Management Handbook, 700 Series

2. Exception Authorization

Exceptions to this policy may be granted by the Chief, Bureau of Fire Management, or the State Forester.

3. Definitions

None

4. Policy

In accordance with IDAPA 20.04.02.130.02, the Contractor who has elected to treat the hazard under Certificate of Compliance-Fire Hazard Management Agreement, Option 2 or 3, must do so by the expiration date of the agreement or any extensions granted, or forfeit the bond held to insure cleanup.

5. Procedures

A. Letter of Intent to Forfeit

It is necessary for each District/Association (D/A) to periodically examine landowner records (preferably twice a year) to determine those accounts approaching expiration. All Contractors with Option 2 or 3 operations will be notified using the Department **Letter of Intent to Forfeit, Attachment 1**. If a deviation from the form letter is preferred, that letter will be approved in advance by the Bureau of Fire Management. A record shall be kept of all letters sent to contractors by the D/A.

If a response to the letter is not received by the expiration date of the Compliance, the bond involved shall be considered forfeit.

B. Forfeitures

The Bureau of Fire Management will, twice annually, prepare and distribute to each D/A a list of those operations that have reached the expiration date of the agreement. The list will include all Option 2 agreements that have not been cleared. See **Forfeit Report, Attachment 2**.

The D/A will verify the list for accuracy by comparing the landowner file to the list. In the left-hand column, at each entry, indicate if that entry should forfeit (FOR), has had a clearance (CLR), a release of cash bond (CBR), has been extended (EXT), is a buyout (BUY), or is otherwise not eligible for forfeiture by written explanation.

By sending back the list, the D/A is authorizing the Bureau of Fire Management to transfer funds from the holdback account to the forest management account. The Bureau of Fire Management will initiate the fund transfer on a Stars Batch Interface file and distribute copies to the D/As.

The D/A should purge the filing system of expired Compliance agreements and keep them based on the records retention policy.

C. Letter of Accepted Liability

After the forfeitures have been processed, it is recommended that the D/A notify those Contractors who did not respond to the Letter of Intent to Forfeit, with a second department form letter. This letter is the **Letter of Intent to Forfeit – Second Notice, Attachment 3**. This letter will list the options available to the Contractor (i.e., reduce the hazard to an acceptable limit and receive a Certificate of Compliance without a refund or bond; exercise the “buy out” option; or accept the fire suppression liability for five years).

D. Record of Liability

Prior to closed fire season (May 10) of each year, the D/A will prepare an **Areas of Accepted Liability for Fire Suppression, Attachment 4**, list showing operations where the Contractor has accepted the fire suppression liability. The list should be indexed by legal description and contain the Contractor’s name, telephone number, and date liability ends.

This record should be edited periodically to ensure accuracy. By adding those operations that expire and deleting those where Certificate of Clearance, “buyout” options, or liability expirations have occurred, the D/A will have a list of liability incurred operations.

Copy on current letterhead

Contractor
Address
City, State Zip

LETTER OF INTENT TO FORFEIT

Compliance:
Landowner:
Expiration Date:

Dear Contractor:

Our records indicate a bond has been deposited with the Treasurer, state of Idaho to insure the management of logging slash fire hazards in accordance with the terms of the Certificate of Compliance-Fire Hazard Management Agreement. A review of slash management accounts indicate that the time allowed for slash treatment on the operation covered by this agreement is about to expire.

Please be advised that, as the Contractor for the operation covered by this agreement, the following options are available:

1. Treat the slash before the expiration date and request an inspection to obtain a Certificate of Clearance, receive monies withheld, and be released from fire suppression liability;
2. Pay an additional fee and have the State assume the liability for fire suppression costs;
3. Forfeit the bond and assume the costs (up to \$250,000) of suppressing any fire that starts on or passes through the property covered by the agreement for a period of five (5) years after the expiration date listed;
4. Request an extension of time. Such requests must be made in writing and show good reason, other than financial hardship, why an extension should be granted.

Please note that inspection or extension requests must be in writing for documentation purposes (i.e., letter, fax or email). Slash disposal must be complete before a Certificate of Clearance will be issued. For convenience, an Inspection Request Form is attached to this reminder letter. **In order to expedite the clearance process, return with the total volume harvested, the date the last load was hauled and directions to the site. If you have any questions, contact the office located in the upper left-hand corner of this letter. Please burn safely and remember Burn Permits are required May 10 through October 20 each year. Burn permits are free of charge and are issued at burnpermits.idaho.gov.**

Sincerely,

Fire Warden Signature

Fire Warden Name

Resource Supervisor/Fire Warden

FORFEIT REPORT

DIST	COMPN	OWNER	COMPOP	EXPDATE	FORFEIT BAL
320		West St. Joe FPD			
	FOR	12078A NICHOLS, MARTHA D	2	11/30/2007	\$583.12
	FOR	12169A FELIX, JAMES & LOY	2	11/30/2008	\$21.77
	FOR	15730A DOUGALL, JOYCE	2	11/30/2008	\$24.10
	BUY	16801A HICKMAN, VIOLET	2	10/20/2008	\$1,125.44
	EXT	16821A WILSON, HOWARD	2	6/30/2008	\$14.21
	FOR	16946A MORRIS, KURT LOGGIN	2	11/30/2008	\$232.29
	FOR	16966A MARTIN, KENNETH	2	11/30/2008	\$534.56
	CLR	18702A MCDOLE, JAMES	2	11/30/2008	\$53.51
	EXT	19872A STIESBERG, FRED	2	11/30/2008	\$197.85
	CLR	20578A KIDDER, BRUCE	2	11/30/2008	\$98.33
	FOR	20594A ANDERSEN, RALPH & M	2	11/30/2008	\$43.24
	BUY	20595A ANDERSEN, RALPH EA	2	11/30/2008	\$23.50
	FOR	32102D MINNALOOSA LAND CO	2	11/30/2008	\$244.47
	EXT	56373F SPROUL, LAWRENCE	2	11/30/2008	\$507.43
	EXT	63032F SMITH, DUANE	2	11/30/2007	\$57.38
	FOR	63040F HODGSON INC	2	11/30/2008	\$1,601.24

EXAMPLE

Copy on current letterhead

Contractor
Address
City, State Zip

LETTER OF INTENT TO FORFEIT – SECOND NOTICE

Compliance:
Landowner:
Expiration Date:

Dear Contractor:

The Department of Lands did not receive a reply to the letter concerning the management of fire hazards on the above Certificate of Compliance-Fire Hazard Management Agreement Number. This letter is to inform you of alternatives available now that you have accepted the liability of fire suppression costs.

At this time, you are liable for an amount up to \$250,000 for any fire starting on, or passing through, the area described on the agreement. As the previous letter stated, any bond has now been forfeited and is no longer available. Your options are as follows:

1. You can complete the required slash disposal work and request an inspection from this office and receive a Certificate of Clearance, which will release you of the liability;
2. You can pay an additional fee and have the State assume the liability for fire suppression; or,
3. You can continue to assume the liability of the parcel for the next five (5) years.

If you have any questions regarding this matter please contact this office.

Sincerely,

Fire Warden Signature

Fire Warden Name

Resource Supervisor/Fire Warden

