Idaho Department of Lands
Agency Guidance Document
Bureau of Fire Management
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Fire Management Handbook
Policy 762

Forfeiture of Bonds

This guidance document is not a new law. This document is an agency interpretation of existing law, except as authorized by Idaho Code or incorporated into a contract.

Agency Contact

Fire Planning Program Manager

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. Definitions

None

3. 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.

4. 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, prepare and distribute to each D/A a list of those operations that have reached the expiration date of the agreement. This list will be compiled and sent to the D/A on April 15. 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. Bureau of Fire Management will initiate the fund transfer and distribute copies to the D/As.

The D/A should purge the filing system of expired Compliance agreements and keep them for a period of four calendar years.

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.

5. Exception Authorization

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

6. Revision History

6/1/25 removed financial reference to STARS and changed Fire Management Bureau to Fiscal under section 4.B.