

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH LEGISLATURE**

**S.F. No. 563**

(SENATE AUTHORS: SAXHAUG, Tomassoni and Bakk)

DATE	D-PG	OFFICIAL STATUS
02/18/2013	281	Introduction and first reading Referred to Environment and Energy
03/11/2013	742a	Comm report: To pass as amended and re-refer to Finance 782 Withdrawn and re-referred to State and Local Government
03/14/2013	1007	Comm report: To pass and re-referred to Judiciary
03/18/2013	1156	Comm report: To pass and re-referred to Finance

A bill for an act

1.1 relating to natural resources; providing for exchange of road easements;  
 1.2 modifying forest management investment account; providing for school forests;  
 1.3 modifying state tree nursery program; providing for certain timber permit  
 1.4 cancellations; modifying State Timber Act; appropriating money; amending  
 1.5 Minnesota Statutes 2012, sections 89.0385; 89.41; 90.01, subdivisions 4, 5, 6, 8,  
 1.6 11; 90.031, subdivision 4; 90.041, subdivisions 2, 5, 6, 9, by adding subdivisions;  
 1.7 90.045; 90.061, subdivision 8; 90.101, subdivision 1; 90.121; 90.145; 90.151,  
 1.8 subdivisions 1, 2, 3, 4, 6, 7, 8, 9; 90.161; 90.162; 90.171; 90.181, subdivision 2;  
 1.9 90.191, subdivision 1; 90.193; 90.195; 90.201, subdivision 2a; 90.211; 90.221;  
 1.10 90.252, subdivision 1; 90.301, subdivisions 2, 4; 90.41, subdivision 1; 282.01,  
 1.11 subdivisions 1a, 1d; Laws 2011, First Special Session chapter 2, article 4, section  
 1.12 30; proposing coding for new law in Minnesota Statutes, chapters 84; 90;  
 1.13 repealing Minnesota Statutes 2012, sections 90.163; 90.173; 90.41, subdivision 2.  
 1.14

1.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.16 Section 1. **[84.633] EXCHANGE OF ROAD EASEMENTS.**

1.17 Subdivision 1. **Authority.** The commissioner of natural resources, on behalf of  
 1.18 the state, may convey a road easement according to this section for access across state  
 1.19 land under the commissioner's jurisdiction in exchange for a road easement for access to  
 1.20 property owned by the United States, the state of Minnesota or any of its subdivisions, or a  
 1.21 private party. The exercise of the easement across state land must not cause significant  
 1.22 adverse environmental or natural resources management impacts. Exchanges under this  
 1.23 section are limited to existing access corridors.

1.24 Subd. 2. **Substantially equal acres.** The acres covered by the state easement  
 1.25 conveyed by the commissioner must be substantially equal to the acres covered by the  
 1.26 easement being received by the commissioner. For purposes of this section, "substantially  
 1.27 equal" means that the acres do not differ by more than 20 percent. The commissioner's

2.1 finding of substantially equal acres is in lieu of an appraisal or other determination of  
 2.2 value of the lands.

2.3 Subd. 3. **School trust lands.** If the commissioner conveys a road easement over  
 2.4 school trust land to a nongovernmental entity, the term of the road easement is limited  
 2.5 to 50 years. The easement exchanged with the state may be limited to 50 years or may  
 2.6 be perpetual.

2.7 Subd. 4. **Terms and conditions.** The commissioner may impose terms and  
 2.8 conditions of use as necessary and appropriate under the circumstances. The state may  
 2.9 accept an easement with similar terms and conditions as the state easement.

2.10 Subd. 5. **Survey.** If the commissioner determines that a survey is required, the  
 2.11 governmental unit or private landowner shall pay to the commissioner a survey fee of not  
 2.12 less than one half of the cost of the survey as determined by the commissioner.

2.13 Subd. 6. **Application fee.** When a private landowner or governmental unit, except  
 2.14 the state, presents to the commissioner an offer to exchange road easements, the private  
 2.15 landowner or governmental unit shall pay an application fee as provided under section  
 2.16 84.63 to cover reasonable costs for reviewing the application and preparing the easements.

2.17 Subd. 7. **Title.** If the commissioner determines it is necessary to obtain an opinion  
 2.18 as to the title of the land being encumbered by the easement that will be received by the  
 2.19 commissioner, the governmental unit or private landowner shall submit an abstract of title  
 2.20 or other title information sufficient to determine possession of the land, improvements,  
 2.21 liens, encumbrances, and other matters affecting title.

2.22 Subd. 8. **Disposition of fees.** (a) Any fee paid under subdivision 5 must be credited  
 2.23 to the account from which expenses are or will be paid and the fee is appropriated for the  
 2.24 expenditures in the same manner as other money in the account.

2.25 (b) Any fee paid under subdivision 6 must be deposited in the land management  
 2.26 account in the natural resources fund and is appropriated to the commissioner to cover the  
 2.27 reasonable costs incurred for preparing and issuing the state road easement and accepting  
 2.28 the road easement from the private landowner or governmental entity.

2.29 Sec. 2. Minnesota Statutes 2012, section 89.0385, is amended to read:

2.30 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**  
 2.31 **CERTIFICATION.**

2.32 (a) ~~After each fiscal year,~~ The commissioner shall certify the total costs incurred for  
 2.33 forest management, forest improvement, and road improvement on state-managed lands  
 2.34 during ~~that~~ a fiscal year. The commissioner shall distribute forest management receipts  
 2.35 credited to various accounts according to this section.

3.1 (b) The amount of the certified costs incurred for forest management activities on  
 3.2 state lands shall be transferred from the account where receipts are deposited to the forest  
 3.3 management investment account in the natural resources fund, except for those costs  
 3.4 certified under section 16A.125. Transfers may occur quarterly, based on quarterly cost and  
 3.5 revenue reports, throughout the fiscal year, with final certification and reconciliation after  
 3.6 each fiscal year. Transfers in a fiscal year cannot exceed receipts credited to the account.

3.7 Sec. 3. Minnesota Statutes 2012, section 89.41, is amended to read:

3.8 **89.41 EDUCATIONAL UNITS MAY ESTABLISH AND MAINTAIN SCHOOL**  
 3.9 **FORESTS.**

3.10 Subdivision 1. Establishment and maintenance of school forests. Any school  
 3.11 district in the state, however organized, the University of Minnesota, or any branch  
 3.12 thereof, any state university, community college, or other public educational institution  
 3.13 or agency of the state, all herein referred to as agencies, may establish and maintain  
 3.14 school forests as herein provided according to this section, subject to the approval of the  
 3.15 commissioner of natural resources. ~~Any such agency may use for the purpose of such a~~  
 3.16 ~~forest any land belonging to it, or may acquire land therefor by gift or with contributed~~  
 3.17 ~~funds.~~ For the purpose of a school forest, an agency may use land the agency owns or uses  
 3.18 under an agreement or may acquire land by gift or with contributed funds.

3.19 Subd. 2. Conveyance of tax-forfeited land for school forest use. For the purposes  
 3.20 of ~~such forest~~ school forests established under this section, any tax-forfeited lands may be  
 3.21 sold by the county board to ~~any such an~~ an agency or may be conveyed by the commissioner of  
 3.22 revenue to ~~any such an~~ an agency in like manner as provided for the sale or conveyance of ~~such~~  
 3.23 tax-forfeited lands to governmental subdivisions under section 282.01 ~~and amendments~~  
 3.24 ~~thereof.~~ A conveyance under this subdivision is made without monetary compensation or  
 3.25 consideration for the conveyance, but the conveyance is subject to the conditional use and  
 3.26 reversion provisions under section 282.01, subdivisions 1c and 1d, paragraph (e).

3.27 Subd. 3. Monitoring and reporting. The commissioner shall annually monitor  
 3.28 tax-forfeited lands conveyed according to subdivision 2 to determine whether the  
 3.29 lands continue to be used as school forests. The commissioner shall submit an annual  
 3.30 monitoring report to the commissioner of revenue that identifies any lands no longer  
 3.31 used as school forests.

3.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.33 Sec. 4. Minnesota Statutes 2012, section 90.01, subdivision 4, is amended to read:

4.1 Subd. 4. **Scaler.** "Scaler" means a qualified bonded person designated by the  
4.2 commissioner to measure timber and cut forest products.

4.3 Sec. 5. Minnesota Statutes 2012, section 90.01, subdivision 5, is amended to read:

4.4 Subd. 5. **State appraiser.** "State appraiser" means an employee of the department  
4.5 designated by the commissioner to appraise state lands, which includes, but is not limited  
4.6 to, timber and other forest resource products, for volume, quality, and value.

4.7 Sec. 6. Minnesota Statutes 2012, section 90.01, subdivision 6, is amended to read:

4.8 Subd. 6. **Timber.** "Timber" means trees, shrubs, or woody plants, that will produce  
4.9 forest products of value whether standing or down, and including but not limited to logs,  
4.10 sawlogs, posts, poles, bolts, pulpwood, cordwood, fuelwood, woody biomass, lumber,  
4.11 and woody decorative material.

4.12 Sec. 7. Minnesota Statutes 2012, section 90.01, subdivision 8, is amended to read:

4.13 Subd. 8. **Permit holder.** "Permit holder" means the person holding who is the  
4.14 signatory of a permit to cut timber on state lands.

4.15 Sec. 8. Minnesota Statutes 2012, section 90.01, subdivision 11, is amended to read:

4.16 Subd. 11. **Effective permit.** "Effective permit" means a permit for which the  
4.17 commissioner has on file full or partial surety security as required by section 90.161; or  
4.18 90.162, 90.163, or 90.173 or, in the case of permits issued according to section 90.191 or  
4.19 90.195, the commissioner has received a down payment equal to the full appraised value.

4.20 Sec. 9. Minnesota Statutes 2012, section 90.031, subdivision 4, is amended to read:

4.21 Subd. 4. **Timber rules.** The Executive Council may formulate and establish, from  
4.22 time to time, rules it deems advisable for the transaction of timber business of the state,  
4.23 including approval of the sale of timber on any tract in a lot exceeding ~~6,000~~ 12,000 cords  
4.24 in volume when the sale is in the best interests of the state, and may abrogate, modify,  
4.25 or suspend rules at its pleasure.

4.26 Sec. 10. Minnesota Statutes 2012, section 90.041, subdivision 2, is amended to read:

4.27 Subd. 2. **Trespass on state lands.** The commissioner may compromise and settle,  
4.28 ~~with the approval of~~ notification to the attorney general, upon terms the commissioner  
4.29 deems just, any claim of the state for casual and involuntary trespass upon state lands or  
4.30 timber; provided that no claim shall be settled for less than the full value of all timber

5.1 or other materials taken in casual trespass or the full amount of all actual damage or  
5.2 loss suffered by the state as a result. Upon request, the commissioner shall advise the  
5.3 Executive Council of any information acquired by the commissioner concerning any  
5.4 trespass on state lands, giving all details and names of witnesses and all compromises and  
5.5 settlements made under this subdivision.

5.6 Sec. 11. Minnesota Statutes 2012, section 90.041, subdivision 5, is amended to read:

5.7 Subd. 5. **Forest improvement contracts.** The commissioner may contract as part  
5.8 of the timber sale with the purchaser of state timber at either informal or auction sale  
5.9 for ~~the following~~ forest improvement work to be done on the land included within the  
5.10 sale area: Forest improvement work may include activities relating to preparation of  
5.11 the site for seeding or planting of seedlings or trees, seeding or planting of seedlings or  
5.12 trees, and other activities ~~relating~~ related to forest regeneration or deemed necessary by  
5.13 the commissioner to accomplish forest management objectives, including those related  
5.14 to water quality protection, trail development, and wildlife habitat enhancement. A  
5.15 contract issued under this subdivision is not subject to the competitive bidding provisions  
5.16 of chapter 16C and is exempt from the contract approval provisions of section 16C.05,  
5.17 subdivision 2. The bid value received in the sale of the timber and the contract bid  
5.18 cost of the improvement work may be combined and the total value may be considered  
5.19 by the commissioner in awarding forest improvement contracts under this section.  
5.20 The commissioner may refuse to accept any and all bids received and cancel a forest  
5.21 improvement contract sale for good and sufficient reasons.

5.22 Sec. 12. Minnesota Statutes 2012, section 90.041, subdivision 6, is amended to read:

5.23 Subd. 6. **Sale of damaged timber.** The commissioner may sell at public auction  
5.24 timber that has been damaged by fire, windstorm, flood, insect, disease, or other natural  
5.25 cause on notice that the commissioner considers reasonable when there is a high risk that  
5.26 the salvage value of the timber would be lost.

5.27 Sec. 13. Minnesota Statutes 2012, section 90.041, subdivision 9, is amended to read:

5.28 Subd. 9. **Reoffering unsold timber.** ~~To maintain and enhance forest ecosystems on~~  
5.29 ~~state forest lands,~~ The commissioner may reoffer timber tracts remaining unsold under the  
5.30 provisions of section 90.101 below appraised value at public auction with the required  
5.31 30-day notice under section 90.101, subdivision 2.

6.1 Sec. 14. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision  
6.2 to read:

6.3 Subd. 10. Fees. (a) The commissioner may establish a fee schedule that covers the  
6.4 commissioner's cost of issuing, administering, and processing various permits, permit  
6.5 modifications, transfers, assignments, amendments, and other transactions necessary to the  
6.6 administration of activities under this chapter.

6.7 (b) A fee established under this subdivision is not subject to the rulemaking  
6.8 provisions of chapter 14 and section 14.386 does not apply. The commissioner may  
6.9 establish fees under this subdivision notwithstanding section 16A.1283.

6.10 Sec. 15. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision  
6.11 to read:

6.12 Subd. 11. Debarment. The commissioner may debar a permit holder if the holder  
6.13 is convicted in Minnesota at the gross misdemeanor or felony level of criminal willful  
6.14 trespass, theft, fraud, or antitrust violation involving state, federal, county, or privately  
6.15 owned timber in Minnesota or convicted in any other state involving similar offenses and  
6.16 penalties for timber owned in that state. The commissioner shall cancel and repossess the  
6.17 permit directly involved in the prosecution of the crime. The commissioner shall cancel  
6.18 and repossess all other state timber permits held by the permit holder after taking from  
6.19 all security deposits money to which the state is entitled. The commissioner shall return  
6.20 the remainder of the security deposits, if any, to the permit holder. The debarred permit  
6.21 holder is prohibited from bidding, possessing, or being employed on any state timber  
6.22 permit during the period of debarment. The period of debarment is not less than one year  
6.23 or greater than three years. The duration of the debarment is based on the severity of the  
6.24 violation, past history of compliance with timber permits, and the amount of loss incurred  
6.25 by the state arising from violations of timber permits.

6.26 Sec. 16. Minnesota Statutes 2012, section 90.045, is amended to read:

6.27 **90.045 APPRAISAL STANDARDS.**

6.28 By July 1, 1983, the commissioner shall establish specific timber appraisal standards  
6.29 according to which all timber appraisals will be conducted under this chapter. The  
6.30 standards shall include a specification of the maximum allowable appraisal sampling error,  
6.31 ~~and~~ including the procedures for tree defect allowance, tract area estimation, product  
6.32 volume estimation, and product value determination. The timber appraisal standards shall  
6.33 be included in each edition of the timber sales manual published by the commissioner. In  
6.34 addition to the duties pursuant to section 90.061, every state appraiser shall work within

7.1 the guidelines of the timber appraisal standards. The standards shall not be subject to  
7.2 the rulemaking provisions of chapter 14.

7.3 Sec. 17. Minnesota Statutes 2012, section 90.061, subdivision 8, is amended to read:

7.4 Subd. 8. **Appraiser authority; form of documents.** State appraisers are  
7.5 empowered, with the consent of the commissioner, to perform any scaling, and generally  
7.6 to supervise the cutting and removal of timber and forest products on or from state lands  
7.7 so far as may be reasonably necessary to insure compliance with the terms of the permits  
7.8 or other contracts governing the same and protect the state from loss.

7.9 The form of appraisal reports, records, and notes to be kept by state appraisers  
7.10 shall be as the commissioner prescribes.

7.11 Sec. 18. Minnesota Statutes 2012, section 90.101, subdivision 1, is amended to read:

7.12 Subdivision 1. **Sale requirements.** The commissioner may sell the timber on any  
7.13 tract of state land and may determine the number of sections or fractional sections of land  
7.14 to be included in the permit area covered by any one permit issued to the purchaser of  
7.15 timber on state lands, or in any one contract or other instrument relating thereto. No  
7.16 timber shall be sold, except (1) to the highest responsible bidder at public auction, or  
7.17 (2) if unsold at public auction, the commissioner may offer the timber for private sale  
7.18 for a period of no more than ~~six months~~ one year after the public auction to any ~~person~~  
7.19 responsible bidder who pays the appraised value for the timber. The minimum price shall  
7.20 be the appraised value as fixed by the report of the state appraiser. Sales may include tracts  
7.21 in more than one contiguous county or forestry administrative area and shall be held either  
7.22 in the county or forestry administrative area in which the tract is located or in an adjacent  
7.23 county or forestry administrative area that is nearest the tract offered for sale or that is  
7.24 most accessible to potential bidders. In adjoining counties or forestry administrative areas,  
7.25 sales may not be held less than two hours apart.

7.26 Sec. 19. Minnesota Statutes 2012, section 90.121, is amended to read:

7.27 **90.121 INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF 3,000**  
7.28 **CORDS.**

7.29 (a) The commissioner may sell the timber on any tract of state land in lots not  
7.30 exceeding 3,000 cords in volume, in the same manner as timber sold at public auction under  
7.31 section 90.101, and related laws, subject to the following special exceptions and limitations:

7.32 (1) the commissioner shall offer all tracts authorized for sale by this section  
7.33 separately from the sale of tracts of state timber made pursuant to section 90.101;

8.1 (2) no bidder may be awarded more than 25 percent of the total tracts offered at the  
 8.2 first round of bidding unless fewer than four tracts are offered, in which case not more than  
 8.3 one tract shall be awarded to one bidder. Any tract not sold at public auction may be offered  
 8.4 for private sale as authorized by section 90.101, subdivision 1, 30 days after the auction to  
 8.5 persons responsible bidders eligible under this section at the appraised value; and

8.6 (3) no sale may be made to a ~~person~~ responsible bidder having more than 30  
 8.7 employees. For the purposes of this clause, "employee" means an individual working in  
 8.8 the timber or wood products industry for salary or wages on a full-time or part-time basis.

8.9 (b) The auction sale procedure set forth in this section constitutes an additional  
 8.10 alternative timber sale procedure available to the commissioner and is not intended to  
 8.11 replace other authority possessed by the commissioner to sell timber in lots of 3,000  
 8.12 cords or less.

8.13 (c) Another bidder or the commissioner may request that the number of employees a  
 8.14 bidder has pursuant to paragraph (a), clause (3), be confirmed by signed affidavit if there is  
 8.15 evidence that the bidder may be ineligible due to exceeding the employee threshold. The  
 8.16 commissioner shall request information from the commissioners of labor and industry and  
 8.17 employment and economic development including the premiums paid by the bidder in  
 8.18 question for workers' compensation insurance coverage for all employees of the bidder.  
 8.19 The commissioner shall review the information submitted by the commissioners of labor  
 8.20 and industry and employment and economic development and make a determination based  
 8.21 on that information as to whether the bidder is eligible. A bidder is considered eligible and  
 8.22 may participate in intermediate auctions until determined ineligible under this paragraph.

8.23 Sec. 20. Minnesota Statutes 2012, section 90.145, is amended to read:

8.24 **90.145 PURCHASER QUALIFICATIONS AND, REGISTRATION, AND**  
 8.25 **REQUIREMENTS.**

8.26 Subdivision 1. **Purchaser qualifications requirements.** (a) In addition to any other  
 8.27 requirements imposed by this chapter, the purchaser of a state timber permit issued under  
 8.28 section 90.151 must meet the requirements in paragraphs (b) to ~~(d)~~ (e).

8.29 (b) The purchaser ~~and~~ or the purchaser's agents, employees, subcontractors, and  
 8.30 assigns conducting logging operations on the timber permit must comply with general  
 8.31 industry safety standards for logging adopted by the commissioner of labor and industry  
 8.32 under chapter 182. The commissioner of natural resources ~~shall~~ may require a purchaser  
 8.33 to provide proof of compliance with the general industry safety standards.

8.34 (c) The purchaser ~~and~~ or the purchaser's agents, subcontractors, and assigns  
 8.35 conducting logging operations on the timber permit must comply with the mandatory



9.1 insurance requirements of chapter 176. The commissioner ~~shall~~ may require a purchaser  
 9.2 to provide a copy of the proof of insurance required by section 176.130 before the start of  
 9.3 harvesting operations on any permit.

9.4 (d) Before the start of harvesting operations on any permit, the purchaser must certify  
 9.5 that a foreperson or other designated employee who has a current certificate of completion,  
 9.6 which includes instruction in site-level forest management guidelines or best management  
 9.7 practices, from the Minnesota Logger Education Program (MLEP), the Wisconsin Forest  
 9.8 Industry Safety and Training Alliance (FISTA), or any similar continuous education  
 9.9 program acceptable to the commissioner, is supervising active logging operations.

9.10 (e) The purchaser and the purchaser's agents, employees, subcontractors, and assigns  
 9.11 who will be involved with logging or scaling state timber must be in compliance with  
 9.12 this chapter.

9.13 Subd. 2. **Purchaser ~~preregistration~~ registration.** To facilitate the sale of permits  
 9.14 issued under section 90.151, the commissioner may establish a ~~purchaser preregistration~~  
 9.15 registration system to verify the qualifications of a person as a responsible bidder to  
 9.16 purchase a timber permit. Any system implemented by the commissioner shall be limited  
 9.17 in scope to only that information that is required for the efficient administration of the  
 9.18 purchaser qualification ~~provisions~~ requirements of this chapter ~~and shall conform with the~~  
 9.19 ~~requirements of chapter 13.~~ The registration system established under this subdivision is  
 9.20 not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

9.21 Sec. 21. Minnesota Statutes 2012, section 90.151, subdivision 1, is amended to read:

9.22 Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment  
 9.23 for state timber required under section 90.14 or 90.191, the commissioner shall issue a  
 9.24 numbered permit to the purchaser, in a form approved by the attorney general, by the  
 9.25 terms of which the purchaser shall be authorized to enter upon the land, and to cut and  
 9.26 remove the timber therein described as designated for cutting in the report of the state  
 9.27 appraiser, according to the provisions of this chapter. The permit shall be correctly  
 9.28 dated and executed by the commissioner and signed by the purchaser. If a permit is not  
 9.29 signed by the purchaser within ~~60~~ 45 days from the date of purchase, the permit cancels  
 9.30 and the down payment for timber required under section 90.14 forfeits to the state. The  
 9.31 commissioner may grant an additional period for the purchaser to sign the permit, not to  
 9.32 exceed ~~five~~ ten business days, provided the purchaser pays a ~~\$125~~ \$200 penalty fee.

9.33 (b) The permit shall expire no later than five years after the date of sale as the  
 9.34 commissioner shall specify or as specified under section 90.191, and the timber shall  
 9.35 be cut and removed within the time specified therein. ~~All cut timber, equipment, and~~

10.1 ~~buildings not removed from the land within 90 days after expiration of the permit shall~~  
 10.2 ~~become the property of the state.~~ If additional time is needed, the permit holder must  
 10.3 request, prior to the expiration date, and may be granted, for good and sufficient reasons,  
 10.4 up to 90 additional days for the completion of skidding, hauling, and removing all  
 10.5 equipment and buildings. All cut timber, equipment, and buildings not removed from the  
 10.6 land after expiration of the permit becomes the property of the state.

10.7 (c) The commissioner may grant an additional period of time not to exceed ~~120~~ 240  
 10.8 days for the removal of cut timber, equipment, and buildings upon receipt of ~~such a written~~  
 10.9 request by the permit holder for good and sufficient reasons. ~~The commissioner may grant~~  
 10.10 ~~a second period of time not to exceed 120 days for the removal of cut timber, equipment,~~  
 10.11 ~~and buildings upon receipt of a request by the permit holder for hardship reasons only.~~  
 10.12 The permit holder may combine in the written request under this paragraph the request  
 10.13 for additional time under paragraph (b).

10.14 Sec. 22. Minnesota Statutes 2012, section 90.151, subdivision 2, is amended to read:

10.15 Subd. 2. **Permit requirements.** The permit shall state the amount of timber  
 10.16 estimated for cutting on the land, the estimated value thereof, and the price at which it is  
 10.17 sold in units of per thousand feet, per cord, per piece, per ton, or by whatever description  
 10.18 sold, and shall specify that all landings of cut products shall be legibly marked with the  
 10.19 assigned permit number. The permit shall provide for the continuous identification  
 10.20 and control of the cut timber from the time of cutting until delivery to the consumer.  
 10.21 The permit shall provide that failure to continuously identify the timber as specified in  
 10.22 the permit constitutes trespass.

10.23 Sec. 23. Minnesota Statutes 2012, section 90.151, subdivision 3, is amended to read:

10.24 Subd. 3. **Security provisions.** The permit shall contain such provisions as may be  
 10.25 necessary to secure to the state the title of all timber cut thereunder wherever found until  
 10.26 full payment therefor and until all provisions of the permit have been fully complied  
 10.27 with. The permit shall provide that from the date ~~the same becomes effective~~ cutting  
 10.28 commences until the expiration ~~thereof~~ of the permit, including all extensions, the  
 10.29 purchaser and successors in interest shall be liable to the state for the full permit price of  
 10.30 all timber covered thereby, notwithstanding any subsequent damage or injury thereto or  
 10.31 trespass thereon or theft thereof, and without prejudice to the right of the state to pursue  
 10.32 such timber and recover the value thereof anywhere prior to the payment therefor in full to  
 10.33 the state. If an effective permit is forfeited prior to any cutting activity, the purchaser is  
 10.34 liable to the state for a sum equal to the down payment and bid guarantee. Upon recovery

11.1 from any person other than the permit holder, the permit holder shall be deemed released  
11.2 to the extent of the net amount, after deducting all expenses of collecting same, recovered  
11.3 by the state from such other person.

11.4 Sec. 24. Minnesota Statutes 2012, section 90.151, subdivision 4, is amended to read:

11.5 Subd. 4. **Permit terms.** Once a permit becomes effective and cutting commences,  
11.6 the permit holder is liable to the state for the permit price for all timber required to be cut,  
11.7 including timber not cut. The permit shall provide that all timber sold or designated for  
11.8 cutting shall be cut ~~without~~ in such a manner so as not to cause damage to other timber;  
11.9 that the permit holder shall remove all timber authorized and designated to be cut under  
11.10 the permit; that timber sold by ~~board~~ measure identified in the permit, but later determined  
11.11 by the commissioner not to be convertible into ~~board~~ the permit's measure, shall be paid  
11.12 for by the piece or cord or other unit of measure according to the size, species, or value, as  
11.13 may be determined by the commissioner; and that all timber products, except as specified  
11.14 by the commissioner, shall be scaled and the final settlement for the timber cut shall be  
11.15 made on this scale; ~~and that the permit holder shall pay to the state the permit price for~~  
11.16 ~~all timber authorized to be cut, including timber not cut.~~

11.17 Sec. 25. Minnesota Statutes 2012, section 90.151, subdivision 6, is amended to read:

11.18 Subd. 6. **Notice and approval required.** The permit shall provide that the permit  
11.19 holder shall not start cutting any state timber nor clear ~~building sites~~ landings nor logging  
11.20 roads until the commissioner has been notified and has given prior approval to such  
11.21 cutting operations. Approval shall not be granted until the permit holder has completed  
11.22 a presale conference with the state appraiser designated to supervise the cutting. The  
11.23 permit holder shall also give prior notice whenever permit operations are to be temporarily  
11.24 halted, whenever permit operations are to be resumed, and when permit operations are to  
11.25 be completed.

11.26 Sec. 26. Minnesota Statutes 2012, section 90.151, subdivision 7, is amended to read:

11.27 Subd. 7. **Liability for timber cut in trespass.** The permit shall provide that the  
11.28 permit holder shall pay the permit price value for any timber sold which is negligently  
11.29 destroyed or damaged by the permit holder in cutting or removing other timber sold. If the  
11.30 permit holder shall cut or remove or negligently destroy or damage any timber upon the  
11.31 land described, not sold under the permit, except such timber as it may be necessary to cut  
11.32 and remove in the construction of necessary logging roads and landings approved as to  
11.33 location and route by the commissioner, such timber shall be deemed to have been cut in

12.1 trespass. The permit holder shall be liable for any such timber and recourse may be had  
 12.2 upon the ~~bond~~ security deposit.

12.3 Sec. 27. Minnesota Statutes 2012, section 90.151, subdivision 8, is amended to read:

12.4 Subd. 8. **Suspension; cancellation.** The permit shall provide that the commissioner  
 12.5 shall have the power to order suspension of all operations under the permit when ~~in the~~  
 12.6 ~~commissioner's judgment~~ the conditions thereof have not been complied with and any  
 12.7 timber cut or removed during such suspension shall be deemed to have been cut in trespass;  
 12.8 that the commissioner may cancel the permit at any time ~~when in the commissioner's~~  
 12.9 ~~judgment the conditions thereof have not been complied with~~ due to a breach of the permit  
 12.10 conditions and such cancellation shall constitute repossession of the timber by the state;  
 12.11 that the permit holder shall remove equipment and buildings from such land within 90 days  
 12.12 after such cancellation; that, if the purchaser at any time fails to pay any obligations to the  
 12.13 state under any other permits, any or all permits may be canceled; and that any timber cut  
 12.14 or removed in violation of the terms of the permit or of any law shall constitute trespass.

12.15 Sec. 28. Minnesota Statutes 2012, section 90.151, subdivision 9, is amended to read:

12.16 Subd. 9. **Slashings disposal.** The permit shall provide that the permit holder shall  
 12.17 ~~burn or otherwise~~ dispose of or treat all slashings or other refuse resulting from cutting  
 12.18 operations, as specified in the permit, in the manner now or hereafter provided by law.

12.19 Sec. 29. Minnesota Statutes 2012, section 90.161, is amended to read:

12.20 **90.161 SURETY BONDS FOR AUCTION SECURITY DEPOSITS**  
 12.21 **REQUIRED FOR EFFECTIVE TIMBER PERMITS.**

12.22 Subdivision 1. **Bond Security deposit required.** (a) Except as otherwise provided  
 12.23 by law, the purchaser of any state timber, before any timber permit becomes effective for  
 12.24 any purpose, shall give a good and valid ~~bond~~ security in the form of cash; a certified  
 12.25 check; a cashier's check; a postal, bank, or express money order; a corporate surety bond;  
 12.26 or an irrevocable bank letter of credit to the state of Minnesota equal to the value of all  
 12.27 timber covered or to be covered by the permit, as shown by the sale price bid and the  
 12.28 appraisal report as to quantity, less the amount of any payments pursuant to ~~sections~~  
 12.29 section 90.14 and 90.163.

12.30 (b) The ~~bond~~ security deposit shall be conditioned upon the faithful performance  
 12.31 by the purchaser and successors in interest of all terms and conditions of the permit and  
 12.32 all requirements of law in respect to timber sales. The ~~bond~~ security deposit shall be  
 12.33 approved in writing by the commissioner and filed for record in the commissioner's office.

13.1 ~~(c) In the alternative to cash and bond requirements, but upon the same conditions,~~  
13.2 A purchaser may post bond for 100 percent of the purchase price and request refund of the  
13.3 amount of any payments pursuant to ~~sections~~ section 90.14 and 90.163. The commissioner  
13.4 may credit the refund to any other permit held by the same permit holder if the permit is  
13.5 delinquent as provided in section 90.181, subdivision 2, or may credit the refund to any  
13.6 other permit to which the permit holder requests that it be credited.

13.7 (d) In the event of a default, the commissioner may take from the deposit the sum of  
13.8 money to which the state is entitled. The commissioner shall return the remainder of the  
13.9 deposit, if any, to the person making the deposit. When cash is deposited as security, it  
13.10 shall be applied to the amount due when a statement is prepared and transmitted to the  
13.11 permit holder according to section 90.181. Any balance due to the state shall be shown on  
13.12 the statement and shall be paid as provided in section 90.181. Any amount of the deposit  
13.13 in excess of the amount determined to be due according to section 90.181 shall be returned  
13.14 to the permit holder when a final statement is transmitted under section 90.181. All or  
13.15 part of a cash deposit may be withheld from application to an amount due on a nonfinal  
13.16 statement if it appears that the total amount due on the permit will exceed the bid price.

13.17 (e) If an irrevocable bank letter of credit is provided as security under paragraph  
13.18 (a), at the written request of the permittee, the commissioner shall annually allow the  
13.19 amount of the bank letter of credit to be reduced by an amount proportionate to the value  
13.20 of timber that has been harvested and for which the state has received payment under the  
13.21 timber permit. The remaining amount of the bank letter of credit after a reduction under  
13.22 this paragraph must not be less than the value of the timber remaining to be harvested  
13.23 under the timber permit.

13.24 (f) If cash; a certified check; a cashier's check; a personal check; or a postal, bank, or  
13.25 express money order is provided as security under paragraph (a) and no cutting of state  
13.26 timber has taken place on the permit, the commissioner may credit the security provided,  
13.27 less any deposit required under section 90.14, to any other permit to which the permit  
13.28 holder requests in writing that it be credited.

13.29 **Subd. 2. Failure to ~~bond~~ provide security deposit.** ~~If bond~~ the security deposit is  
13.30 not furnished, no harvesting may occur and the down payment for timber 15 percent of the  
13.31 permit's purchase price shall forfeit to the state when the permit expires.

13.32 **Subd. 3. Subrogation.** ~~In case of default~~ When security is provided by surety  
13.33 bond and the permit holder defaults in payment by the permit holder, the surety upon the  
13.34 bond shall make payment in full to the state of all sums of money due under such permit;  
13.35 and thereupon such surety shall be deemed immediately subrogated to all the rights of  
13.36 the state in the timber so paid for; and such subrogated party may pursue the timber and

14.1 recover therefor, or have any other appropriate relief in relation thereto which the state  
 14.2 might or could have had if such surety had not made such payment. No assignment or  
 14.3 other writing on the part of the state shall be necessary to make such subrogation effective,  
 14.4 but the certificate signed by and bearing the official seal of the commissioner, showing the  
 14.5 amount of such timber, the lands from which it was cut or upon which it stood, and the  
 14.6 amount paid therefor, shall be prima facie evidence of such facts.

14.7 Subd. 4. **Change of security.** Prior to any ~~harvest~~ cutting activity, or activities  
 14.8 incidental to the preparation for harvest, a purchaser having posted a ~~bond~~ security deposit  
 14.9 for 100 percent of the purchase price of a sale may request the release of the ~~bond~~ security  
 14.10 and the commissioner shall grant the release ~~upon cash payment to the commissioner of~~  
 14.11 ~~15 percent of the appraised value of the sale, plus eight percent interest on the appraised~~  
 14.12 ~~value of the sale from the date of purchase to the date of release~~ while retaining, or upon  
 14.13 repayment of, the permit's down payment and bid guarantee deposit requirement.

14.14 Subd. 5. **Return of security.** Any security required under this section shall be  
 14.15 returned to the purchaser within 60 days after the final scale.

14.16 Sec. 30. Minnesota Statutes 2012, section 90.162, is amended to read:

14.17 **90.162 ~~ALTERNATIVE TO BOND OR DEPOSIT REQUIREMENTS~~**  
 14.18 **SECURING TIMBER PERMITS WITH CUTTING BLOCKS.**

14.19 In lieu of the ~~bond or cash~~ security deposit equal to the value of all timber covered  
 14.20 by the permit required by section 90.161 ~~or 90.173~~, a purchaser of state timber may elect  
 14.21 in writing on a form prescribed by the attorney general to give good and valid surety to the  
 14.22 state of Minnesota equal to the purchase price for any designated cutting block identified  
 14.23 on the permit before the date the purchaser enters upon the land to begin harvesting the  
 14.24 timber on the designated cutting block.

14.25 Sec. 31. **[90.164] TIMBER PERMIT DEVELOPMENT OPTION.**

14.26 With the completion of the presale conference requirement under section 90.151,  
 14.27 subdivision 6, a permit holder may access the permit area in advance of the permit being  
 14.28 fully secured as required by section 90.161, for the express purpose of clearing approved  
 14.29 landings and logging roads. No cutting of state timber except that incidental to the clearing  
 14.30 of approved landings and logging roads is allowed under this section.

14.31 Sec. 32. Minnesota Statutes 2012, section 90.171, is amended to read:

14.32 **90.171 ASSIGNMENT OF AUCTION TIMBER PERMITS.**

15.1 Any permit sold at public auction may be assigned upon written approval of the  
15.2 commissioner. The assignment of any permit shall be signed and acknowledged by the  
15.3 permit holder. The commissioner shall not approve any assignment until the assignee has  
15.4 been determined to meet the qualifications of a responsible bidder and has given to the state  
15.5 a ~~bond~~ security deposit which shall be substantially in the form of, and shall be deemed  
15.6 of the same effect as, the ~~bond~~ security deposit required of the original purchaser. The  
15.7 commissioner may accept ~~the~~ an agreement of the assignee and any corporate surety upon  
15.8 ~~such~~ an original bond, substituting the assignee in the place of ~~such~~ the original purchaser  
15.9 and continuing ~~such~~ the original bond in full force and effect, as to the assignee. Thereupon  
15.10 but not otherwise the permit holder making the assignment shall be released from all  
15.11 liability arising or accruing from actions taken after the assignment became effective.

15.12 Sec. 33. Minnesota Statutes 2012, section 90.181, subdivision 2, is amended to read:

15.13 Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid within  
15.14 30 days of the date thereof, it shall bear interest at the rate determined pursuant to section  
15.15 16A.124, except that the purchaser shall not be required to pay interest that totals \$1 or  
15.16 less. If the amount is not paid within 60 days, the commissioner shall place the account in  
15.17 the hands of the commissioner of revenue according to chapter 16D, who shall proceed to  
15.18 collect the same. When deemed in the best interests of the state, the commissioner shall  
15.19 take possession of the timber for which an amount is due wherever it may be found and  
15.20 sell the same informally or at public auction after giving reasonable notice.

15.21 (b) The proceeds of the sale shall be applied, first, to the payment of the expenses  
15.22 of seizure and sale; and, second, to the payment of the amount due for the timber, with  
15.23 interest; and the surplus, if any, shall belong to the state; and, in case a sufficient amount is  
15.24 not realized to pay these amounts in full, the balance shall be collected by the attorney  
15.25 general. Neither payment of the amount, nor the recovery of judgment therefor, nor  
15.26 satisfaction of the judgment, nor the seizure and sale of timber, shall release the sureties  
15.27 on any ~~bond~~ security deposit given pursuant to this chapter, or preclude the state from  
15.28 afterwards claiming that the timber was cut or removed contrary to law and recovering  
15.29 damages for the trespass thereby committed, or from prosecuting the offender criminally.

15.30 Sec. 34. Minnesota Statutes 2012, section 90.191, subdivision 1, is amended to read:

15.31 Subdivision 1. **Sale requirements.** The commissioner may sell the timber on any  
15.32 tract of state land in lots not exceeding 500 cords in volume, without formalities but for  
15.33 not less than the full appraised value thereof, to any person. No sale shall be made under  
15.34 this section to any person holding ~~two~~ more than four permits issued hereunder which are

16.1 still in effect; ~~except that (1) a partnership as defined in chapter 323, which may include~~  
 16.2 ~~spouses but which shall provide evidence that a partnership exists, may be holding two~~  
 16.3 ~~permits for each of not more than three partners who are actively engaged in the business~~  
 16.4 ~~of logging or who are the spouses of persons who are actively engaged in the business of~~  
 16.5 ~~logging with that partnership; and (2) a corporation, a majority of whose shares and voting~~  
 16.6 ~~power are owned by natural persons related to each other within the fourth degree of~~  
 16.7 ~~kindred according to the rules of the civil law or their spouses or estates, may be holding~~  
 16.8 ~~two permits for each of not more than three shareholders who are actively engaged in the~~  
 16.9 ~~business of logging or who are the spouses of persons who are actively engaged in the~~  
 16.10 ~~business of logging with that corporation.~~

16.11 Sec. 35. Minnesota Statutes 2012, section 90.193, is amended to read:

16.12 **90.193 EXTENSION OF TIMBER PERMITS.**

16.13 The commissioner may, in the case of an exceptional circumstance beyond the  
 16.14 control of the timber permit holder which makes it unreasonable, impractical, and not  
 16.15 feasible to complete cutting and removal under the permit within the time allowed, grant  
 16.16 ~~an~~ one regular extension of ~~for~~ one year. A written request for the regular extension must  
 16.17 be received by the commissioner before the permit expires. The request must state the  
 16.18 reason the extension is necessary and be signed by the permit holder. An interest rate of  
 16.19 eight percent may be charged for the period of extension.

16.20 Sec. 36. Minnesota Statutes 2012, section 90.195, is amended to read:

16.21 **90.195 SPECIAL USE AND PRODUCT PERMIT.**

16.22 (a) The commissioner may issue a permit to salvage or cut not to exceed 12 cords of  
 16.23 fuelwood per year for personal use from either or both of the following sources: (1) dead,  
 16.24 down, and ~~diseased~~ damaged trees; (2) other trees that are of negative value under good  
 16.25 forest management practices. The permits may be issued for a period not to exceed one  
 16.26 year. The commissioner shall charge a fee for the permit ~~that shall cover the commissioner's~~  
 16.27 ~~cost of issuing the permit and~~ as provided under section 90.041, subdivision 10. The fee  
 16.28 shall not exceed the current market value of fuelwood of similar species, grade, and volume  
 16.29 that is being sold in the area where the salvage or cutting is authorized under the permit.

16.30 (b) The commissioner may issue a special product permit under section 89.42 for  
 16.31 commercial use, which may include incidental volumes of boughs, gravel, hay, biomass,  
 16.32 and other products derived from forest management activities. The value of the products  
 16.33 is the current market value of the products that are being sold in the area. The permit may



17.1 be issued for a period not to exceed one year and the commissioner shall charge a fee for  
 17.2 the permit as provided under section 90.041, subdivision 10.

17.3 (c) The commissioner may issue a special use permit for incidental volumes of  
 17.4 timber from approved right-of-way road clearing across state land for the purpose of  
 17.5 accessing a state timber permit. The permit shall include the volume and value of timber  
 17.6 to be cleared and may be issued for a period not to exceed one year. A presale conference  
 17.7 as required under section 90.151, subdivision 6, must be completed before the start of  
 17.8 any activities under the permit.

17.9 Sec. 37. Minnesota Statutes 2012, section 90.201, subdivision 2a, is amended to read:

17.10 Subd. 2a. **Prompt payment of refunds.** Any refund of cash that is due to a permit  
 17.11 holder as determined on a final statement transmitted pursuant to section 90.181 or a  
 17.12 refund of cash made pursuant to section 90.161, subdivision 1, ~~or 90.173, paragraph~~  
 17.13 ~~(a)~~, shall be paid to the permit holder according to section 16A.124 unless the refund is  
 17.14 credited on another permit as provided in this chapter.

17.15 Sec. 38. Minnesota Statutes 2012, section 90.211, is amended to read:

17.16 **90.211 PURCHASE MONEY, WHEN FORFEITED.**

17.17 If the holder of an effective permit begins to cut and then fails to ~~cut~~ complete any  
 17.18 part thereof of the permit before the expiration of the permit, the permit holder shall  
 17.19 nevertheless pay the price therefor; but under no circumstances shall timber be cut after  
 17.20 the expiration of the permit or extension thereof.

17.21 Sec. 39. Minnesota Statutes 2012, section 90.221, is amended to read:

17.22 **90.221 TIMBER SALES RECORDS.**

17.23 The commissioner shall keep timber sales records, including the description of each  
 17.24 tract of land from which any timber is sold; the date of the report of the state appraisers;  
 17.25 the kind, amount, and value of the timber as shown by such report; the date of the sale;  
 17.26 the price for which the timber was sold; the name of the purchaser; the number, date  
 17.27 of issuance and date of expiration of each permit; the date of any assignment of the  
 17.28 permit; the name of the assignee; the dates of the filing and the amounts of the respective  
 17.29 ~~bonds~~ security deposits by the purchaser and assignee; the names of the sureties thereon;  
 17.30 the amount of timber taken from the land; the date of the report of the scaler and state  
 17.31 appraiser; the names of the scaler and the state appraiser who scaled the timber; and the  
 17.32 amount paid for such timber and the date of payment.

18.1 Sec. 40. Minnesota Statutes 2012, section 90.252, subdivision 1, is amended to read:

18.2 Subdivision 1. **Consumer scaling.** The commissioner may enter into an agreement  
18.3 with either a timber sale permittee, or the purchaser of the cut products, or both, so  
18.4 that the scaling of the cut timber and the collection of the payment for the same can be  
18.5 consummated by the ~~consumer~~ state. Such an agreement shall be approved as to form and  
18.6 content by the attorney general and shall provide for a bond or cash in lieu of a bond and  
18.7 such other safeguards as are necessary to protect the interests of the state. The scaling  
18.8 and payment collection procedure may be used for any state timber sale, except that no  
18.9 permittee who is also the consumer shall both cut and scale the timber sold unless such  
18.10 scaling is supervised by a state scaler.

18.11 Sec. 41. Minnesota Statutes 2012, section 90.301, subdivision 2, is amended to read:

18.12 Subd. 2. **Seizure of unlawfully cut timber.** The commissioner may take possession  
18.13 of any timber hereafter unlawfully cut upon or taken from any land owned by the state  
18.14 wherever found and may sell the same informally or at public auction after giving such  
18.15 notice as the commissioner deems reasonable and after deducting all the expenses of such  
18.16 sale the proceeds thereof shall be paid into the state treasury to the credit of the proper  
18.17 fund; and when any timber so unlawfully cut has been intermingled with any other timber  
18.18 or property so that it cannot be identified or plainly separated therefrom the commissioner  
18.19 may so seize and sell the whole quantity so intermingled and, in such case, the whole  
18.20 quantity of such timber shall be conclusively presumed to have been unlawfully taken  
18.21 from state land. When the timber unlawfully cut or removed from state land is so seized  
18.22 and sold, the seizure shall not in any manner relieve the trespasser who cut or removed, or  
18.23 caused the cutting or removal of, any such timber from the full liability imposed by this  
18.24 chapter for the trespass so committed, but the net amount realized from such sale shall  
18.25 be credited on whatever judgment is recovered against such trespasser, if the trespass  
18.26 was deemed to be casual and involuntary.

18.27 Sec. 42. Minnesota Statutes 2012, section 90.301, subdivision 4, is amended to read:

18.28 Subd. 4. **Apprehension of trespassers; reward.** The commissioner may offer a  
18.29 reward to be paid to a person giving to the proper authorities any information that leads to  
18.30 the conviction of a person violating this chapter. The reward is limited to the greater of  
18.31 \$100 or ten percent of the single stumpage value of any timber unlawfully cut or removed.  
18.32 The commissioner shall pay the reward from funds appropriated for that purpose or from  
18.33 receipts from the sale of state timber. A reward shall not be paid to salaried forest officers,  
18.34 state appraisers, scalers, conservation officers, or licensed peace officers.

19.1 Sec. 43. Minnesota Statutes 2012, section 90.41, subdivision 1, is amended to read:

19.2 Subdivision 1. **Violations and penalty.** (a) Any state scaler or state appraiser who  
19.3 shall accept any compensation or gratuity for services as such from any other source  
19.4 except the state of Minnesota, or any state scaler, or other person authorized to scale state  
19.5 timber, or state appraiser, who shall make any false report, or insert in any such report any  
19.6 false statement, or shall make any such report without having examined the land embraced  
19.7 therein or without having actually been upon the land, or omit from any such report any  
19.8 statement required by law to be made therein, or who shall fail to report any known trespass  
19.9 committed upon state lands, or who shall conspire with any other person in any manner, by  
19.10 act or omission or otherwise, to defraud or unlawfully deprive the state of Minnesota of any  
19.11 land or timber, or the value thereof, shall be guilty of a felony. Any material discrepancy  
19.12 between the facts and the scale returned by any such person scaling timber for the state  
19.13 shall be considered prima facie evidence that such person is guilty of violating this statute.

19.14 (b) No such appraiser or scaler who has been once discharged for cause shall ever  
19.15 again be appointed. This provision shall not apply to resignations voluntarily made by and  
19.16 accepted from such employees.

19.17 Sec. 44. Minnesota Statutes 2012, section 282.01, subdivision 1a, is amended to read:

19.18 Subd. 1a. **Conveyance to public entities.** (a) Upon written request from a state  
19.19 agency or a governmental subdivision of the state, a parcel of unsold tax-forfeited land  
19.20 must be withheld from sale or lease to others for a maximum of six months. The request  
19.21 must be submitted to the county auditor. Upon receipt, the county auditor must withhold  
19.22 the parcel from sale or lease to any other party for six months, and must confirm the  
19.23 starting date of the six-month withholding period to the requesting agency or subdivision.  
19.24 If the request is from a governmental subdivision of the state, the governmental  
19.25 subdivision must pay the maintenance costs incurred by the county during the period the  
19.26 parcel is withheld. The county board may approve a sale or conveyance to the requesting  
19.27 party during the withholding period. A conveyance of the property to the requesting  
19.28 party terminates the withholding period.

19.29 A governmental subdivision of the state must not make, and a county auditor must  
19.30 not act upon, a second request to withhold a parcel from sale or lease within 18 months  
19.31 of a previous request for that parcel. A county may reject a request made under this  
19.32 paragraph if the request is made more than 30 days after the county has given notice to the  
19.33 requesting state agency or governmental subdivision of the state that the county intends to  
19.34 sell or otherwise dispose of the property.

20.1 (b) Nonconservation tax-forfeited lands may be sold by the county board, for  
20.2 their market value as determined by the county board, to an organized or incorporated  
20.3 governmental subdivision of the state for any public purpose for which the subdivision is  
20.4 authorized to acquire property. When the term "market value" is used in this section, it  
20.5 means an estimate of the full and actual market value of the parcel as determined by the  
20.6 county board, but in making this determination, the board and the persons employed by or  
20.7 under contract with the board in order to perform, conduct, or assist in the determination,  
20.8 are exempt from the licensure requirements of chapter 82B.

20.9 (c) Nonconservation tax-forfeited lands may be released from the trust in favor of  
20.10 the taxing districts on application to the county board by a state agency for an authorized  
20.11 use at not less than their market value as determined by the county board.

20.12 (d) Nonconservation tax-forfeited lands may be sold by the county board to an  
20.13 organized or incorporated governmental subdivision of the state or state agency for less  
20.14 than their market value if:

20.15 (1) the county board determines that a sale at a reduced price is in the public interest  
20.16 because a reduced price is necessary to provide an incentive to correct the blighted  
20.17 conditions that make the lands undesirable in the open market, or the reduced price will  
20.18 lead to the development of affordable housing; and

20.19 (2) the governmental subdivision or state agency has documented its specific plans  
20.20 for correcting the blighted conditions or developing affordable housing, and the specific  
20.21 law or laws that empower it to acquire real property in furtherance of the plans.

20.22 If the sale under this paragraph is to a governmental subdivision of the state, the  
20.23 commissioner of revenue must convey the property on behalf of the state by quit claim  
20.24 deed. If the sale under this paragraph is to a state agency, the commissioner must issue a  
20.25 conveyance document that releases the property from the trust in favor of the taxing  
20.26 districts.

20.27 (e) Nonconservation tax-forfeited land held in trust in favor of the taxing districts  
20.28 may be conveyed by the commissioner of revenue in the name of the state to a  
20.29 governmental subdivision for an authorized public use, if an application is submitted to the  
20.30 commissioner which includes a statement of facts as to the use to be made of the tract and  
20.31 the favorable recommendation of the county board. For the purposes of this paragraph,  
20.32 "authorized public use" means a use that allows an indefinite segment of the public to  
20.33 physically use and enjoy the property in numbers appropriate to its size and use, or is for a  
20.34 public service facility. Authorized public uses as defined in this paragraph are limited to:

20.35 (1) a road, or right-of-way for a road;

21.1 (2) a park that is both available to, and accessible by, the public that contains  
21.2 improvements such as campgrounds, playgrounds, athletic fields, trails, or shelters;

21.3 (3) trails for walking, bicycling, snowmobiling, or other recreational purposes, along  
21.4 with a reasonable amount of surrounding land maintained in its natural state;

21.5 (4) transit facilities for buses, light rail transit, commuter rail or passenger rail,  
21.6 including transit ways, park-and-ride lots, transit stations, maintenance and garage  
21.7 facilities, and other facilities related to a public transit system;

21.8 (5) public beaches or boat launches;

21.9 (6) public parking;

21.10 (7) civic recreation or conference facilities; and

21.11 (8) public service facilities such as fire halls, police stations, lift stations, water  
21.12 towers, sanitation facilities, water treatment facilities, and administrative offices.

21.13 No monetary compensation or consideration is required for the conveyance, except as  
21.14 provided in subdivision 1g, but the conveyance is subject to the conditions provided in  
21.15 law, including, but not limited to, the reversion provisions of subdivisions 1c and 1d.

21.16 (f) The commissioner of revenue shall convey a parcel of nonconservation  
21.17 tax-forfeited land to a local governmental subdivision of the state by quit claim deed  
21.18 on behalf of the state upon the favorable recommendation of the county board if the  
21.19 governmental subdivision has certified to the board that prior to forfeiture the subdivision  
21.20 was entitled to the parcel under a written development agreement or instrument, but  
21.21 the conveyance failed to occur prior to forfeiture. No compensation or consideration is  
21.22 required for, and no conditions attach to, the conveyance.

21.23 (g) The commissioner of revenue shall convey a parcel of nonconservation  
21.24 tax-forfeited land to the association of a common interest community by quit claim deed  
21.25 upon the favorable recommendation of the county board if the association certifies to the  
21.26 board that prior to forfeiture the association was entitled to the parcel under a written  
21.27 agreement, but the conveyance failed to occur prior to forfeiture. No compensation or  
21.28 consideration is required for, and no conditions attach to, the conveyance.

21.29 (h) Conservation tax-forfeited land may be sold to a governmental subdivision of  
21.30 the state for less than its market value for either: (1) creation or preservation of wetlands;  
21.31 (2) drainage or storage of storm water under a storm water management plan; or (3)  
21.32 preservation, or restoration and preservation, of the land in its natural state. The deed must  
21.33 contain a restrictive covenant limiting the use of the land to one of these purposes for  
21.34 30 years or until the property is reconveyed back to the state in trust. At any time, the  
21.35 governmental subdivision may reconvey the property to the state in trust for the taxing  
21.36 districts. The deed of reconveyance is subject to approval by the commissioner of revenue.

22.1 No part of a purchase price determined under this paragraph shall be refunded upon a  
 22.2 reconveyance, but the amount paid for a conveyance under this paragraph may be taken  
 22.3 into account by the county board when setting the terms of a future sale of the same  
 22.4 property to the same governmental subdivision under paragraph (b) or (d). If the lands  
 22.5 are unplatted and located outside of an incorporated municipality and the commissioner  
 22.6 of natural resources determines there is a mineral use potential, the sale is subject to the  
 22.7 approval of the commissioner of natural resources.

22.8 (i) A park and recreation board in a city of the first class is a governmental  
 22.9 subdivision for the purposes of this section.

22.10 (j) Tax-forfeited land held in trust in favor of the taxing districts may be conveyed  
 22.11 by the commissioner of revenue in the name of the state to a governmental subdivision for  
 22.12 a school forest under section 89.41. An application that includes a statement of facts as  
 22.13 to the use to be made of the tract and the favorable recommendation of the county board  
 22.14 and the commissioner of natural resources must be submitted to the commissioner of  
 22.15 revenue. No monetary compensation or consideration is required for the conveyance, but  
 22.16 the conveyance is subject to the conditional use and reversion provisions of subdivisions  
 22.17 1c and 1d, paragraph (e). At any time, the governmental subdivision may reconvey the  
 22.18 property back to the state in trust for the taxing districts. The deed of reconveyance is  
 22.19 subject to approval by the commissioner of revenue.

22.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

22.21 Sec. 45. Minnesota Statutes 2012, section 282.01, subdivision 1d, is amended to read:

22.22 Subd. 1d. **Reverter for failure to use; conveyance to state.** (a) After three years  
 22.23 from the date of any conveyance of tax-forfeited land to a governmental subdivision for  
 22.24 an authorized public use as provided in this section, regardless of when the deed for the  
 22.25 authorized public use was executed, if the governmental subdivision has failed to put the  
 22.26 land to that use, or abandons that use, the governing body of the subdivision must: (1)  
 22.27 with the approval of the county board, purchase the property for an authorized public  
 22.28 purpose at the present market value as determined by the county board, or (2) authorize  
 22.29 the proper officers to convey the land, or the part of the land not required for an authorized  
 22.30 public use, to the state of Minnesota in trust for the taxing districts. If the governing body  
 22.31 purchases the property under clause (1), the commissioner of revenue shall, upon proper  
 22.32 application submitted by the county auditor, convey the property on behalf of the state by  
 22.33 quit claim deed to the subdivision free of a use restriction and the possibility of reversion  
 22.34 or defeasement. If the governing body decides to reconvey the property to the state under  
 22.35 this clause, the officers shall execute a deed of conveyance immediately. The conveyance

23.1 is subject to the approval of the commissioner and its form must be approved by the  
23.2 attorney general. For 15 years from the date of the conveyance, there is no failure to put  
23.3 the land to the authorized public use and no abandonment of that use if a formal plan of  
23.4 the governmental subdivision, including, but not limited to, a comprehensive plan or land  
23.5 use plan, shows an intended future use of the land for the authorized public use.

23.6 (b) Property held by a governmental subdivision of the state under a conditional use  
23.7 deed executed under this section by the commissioner of revenue on or after January 1,  
23.8 2007, may be acquired by that governmental subdivision after 15 years from the date  
23.9 of the conveyance if the commissioner determines upon written application from the  
23.10 subdivision that the subdivision has in fact put the property to the authorized public use for  
23.11 which it was conveyed, and the subdivision has made a finding that it has no current plans  
23.12 to change the use of the lands. Prior to conveying the property, the commissioner shall  
23.13 inquire whether the county board where the land is located objects to a conveyance of the  
23.14 property to the subdivision without conditions and without further act by or obligation of  
23.15 the subdivision. If the county does not object within 60 days, and the commissioner makes  
23.16 a favorable determination, the commissioner shall issue a quit claim deed on behalf of  
23.17 the state unconditionally conveying the property to the governmental subdivision. For  
23.18 purposes of this paragraph, demonstration of an intended future use for the authorized  
23.19 public use in a formal plan of the governmental subdivision does not constitute use for  
23.20 that authorized public use.

23.21 (c) Property held by a governmental subdivision of the state under a conditional use  
23.22 deed executed under this section by the commissioner of revenue before January 1, 2007,  
23.23 is released from the use restriction and possibility of reversion on January 1, 2022, if the  
23.24 county board records a resolution describing the land and citing this paragraph. The  
23.25 county board may authorize the county treasurer to deduct the amount of the recording  
23.26 fees from future settlements of property taxes to the subdivision.

23.27 (d) Except for tax-forfeited land conveyed to establish a school forest under section  
23.28 89.41, property conveyed under a conditional use deed executed under this section by  
23.29 the commissioner of revenue, regardless of when the deed for the authorized public use  
23.30 was executed, is released from the use restriction and reverter, and any use restriction or  
23.31 reverter for which no declaration of reversion has been recorded with the county recorder  
23.32 or registrar of titles, as appropriate, is nullified on the later of: (1) January 1, 2015; (2) 30  
23.33 years from the date the deed was acknowledged; or (3) final resolution of an appeal to  
23.34 district court under subdivision 1e, if a lis pendens related to the appeal is recorded in the  
23.35 office of the county recorder or registrar of titles, as appropriate, prior to January 1, 2015.

24.1 (e) Notwithstanding paragraphs (a) to (d), tax-forfeited land conveyed to establish a  
 24.2 school forest under section 89.41 is subject to a perpetual conditional use deed and reverter.  
 24.3 The property reverts to the state in trust for the taxing districts by operation of law if the  
 24.4 commissioner of natural resources determines and reports to the commissioner of revenue  
 24.5 under section 89.41, subdivision 3, that the governmental subdivision has failed to use the  
 24.6 land for school forest purposes for three consecutive years. The commissioner of revenue  
 24.7 shall record a declaration of reversion for land that has reverted under this paragraph.

24.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

24.9 Sec. 46. Laws 2011, First Special Session chapter 2, article 4, section 30, is amended to  
 24.10 read:

24.11 Sec. 46. **STATE TREE NURSERY PROGRAM RESTRUCTURING;**  
 24.12 **REPORT REQUIRED.**

24.13 (a) Beginning July 1, 2011, the commissioner of natural resources shall limit all new  
 24.14 plantings at the ~~Badoura State Nursery~~ state tree nurseries to the planting of stock for  
 24.15 research or use on public lands or private conservation lands with permanent protection,  
 24.16 or sale of coniferous stock to soil and water conservation districts for use on private or  
 24.17 public lands for conservation projects. Excess plant material may be sold or traded to  
 24.18 private wholesale nurseries.

24.19 (b) By January 15, 2012, the commissioner of natural resources shall submit a budget  
 24.20 and financial plan for the state nurseries to the chairs and ranking minority members of  
 24.21 the house of representatives and senate committees and divisions with jurisdiction over  
 24.22 environment and natural resources policy and finance. The plan shall include a long-term  
 24.23 business plan to operate the Badoura State Nursery in a manner that is self-sufficient. The  
 24.24 plan shall also include options for the General C.C. Andrews State Nursery.

24.25 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2011.

24.26 Sec. 47. **PERMIT CANCELLATION.**

24.27 Upon written request submitted by a permit holder to the commissioner of natural  
 24.28 resources on or before June 1, 2015, the commissioner shall cancel any provision in a  
 24.29 timber sale permit sold prior to September 1, 2012, that requires the security payment for,  
 24.30 or removal of all or part of the balsam fir when the permit contains at least 50 cords of  
 24.31 balsam fir. The remaining provisions of the permit remain in effect. The permit holder  
 24.32 may be required to fell or pile the balsam fir to meet management objectives.



25.1 Sec. 48. **REPEALER.**

25.2 Minnesota Statutes 2012, sections 90.163; 90.173; and 90.41, subdivision 2, are  
25.3 repealed.

**90.163 PERFORMANCE DEPOSIT OPTION.**

In lieu of the bond or cash deposit equal to the value of all timber covered by the permit as required by section 90.161 or 90.173, a purchaser of any state timber may pay to the commissioner a performance deposit of ten percent of the appraised value of the permit for the express purpose of entering on the land to clear building sites or logging roads in advance of cutting state timber. No cutting of state timber, except that incidental to the clearing of building sites or logging roads, is allowed until the purchaser has met all of the requirements of section 90.161 or 90.173.

**90.173 PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.**

(a) In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit, the person required to file the bond may deposit with the commissioner cash; a certified check; a cashier's check; a personal check; a postal, bank, or express money order; or an irrevocable bank letter of credit in the same amount as would be required for a bond. All of the conditions of the timber sale bond shall equally apply to the alternatives in lieu of bond. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

(b) If an irrevocable bank letter of credit is provided as security under paragraph (a), at the written request of the permittee the state shall annually allow the amount of the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the state has received payment under the timber permit. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than the value of the timber remaining to be harvested under the timber permit.

(c) If cash; a certified check; a cashier's check; a personal check; or a postal, bank, or express money order is provided as security under paragraph (a) and no cutting of state timber has taken place on the permit, the commissioner may credit the security provided, less any deposit required by sections 90.14 and 90.163, to any other permit to which the permit holder requests in writing that it be credited.

**90.41 STATE APPRAISER AND SCALER; VIOLATIONS, PENALTIES.**

Subd. 2. **Penalty.** Every person who shall cut timber on state lands and fail to mark the same, as provided by law, and the permit under which the same was cut, shall be guilty of a gross misdemeanor.