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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 299

January 22, 2007

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The bill was read for the first time and referred to the Game, Fish and Forestry Division

1.1 A bill for an act
1.2 relating to natural resources; providing for extension, cancellation, or termination
1.3 of certain timber permits due to economic infeasibility; amending Minnesota
1.4 Statutes 2006, section 90.031, subdivision 4.

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

1.6 Section 1. Minnesota Statutes 2006, section 90.031, subdivision 4, is amended to read:

1.7 Subd. 4. **Timber rules.** (a) The Executive Council may formulate and establish,
1.8 from time to time, rules it deems advisable for the transaction of timber business of the
1.9 state, including approval of the sale of timber on any tract in a lot exceeding 6,000 cords
1.10 in volume when the sale is in the best interests of the state, and may abrogate, modify,
1.11 or suspend rules at its pleasure.

1.12 (b) If the Executive Council determines that a segment of the market for timber
1.13 products harvested in the state has noticeably declined, that such market conditions are
1.14 continuing, and that, as a result of the decline, it is economically infeasible for certain
1.15 timber permit holders to complete the cutting and removal of the timber under the terms
1.16 of the permit, the council may, notwithstanding any provisions of this chapter to the
1.17 contrary, direct the commissioner to:

1.18 (1) in the case of eligible timber permits relating to nontrust lands, extend, cancel,
1.19 terminate, or otherwise renegotiate the terms of the eligible timber permits if requested
1.20 by a permit holder, refund the full amount of the permit holder's down payment, and
1.21 release or otherwise apply to a new permit, as the permit holder elects, the full amount of
1.22 the permit holder's surety bond or cash security deposit posted in regard to the eligible
1.23 timber permit; and

2.1 (2) in the case of eligible timber permits relating to trust lands and to the extent
2.2 that such actions would secure the maximum long-term economic return from the lands
2.3 consistent with the fiduciary responsibilities imposed by law in regard to the trust lands,
2.4 extend, cancel, terminate, or otherwise renegotiate the terms of eligible timber permits
2.5 whose holders have failed or appear unlikely to pay when due the full purchase price
2.6 stated in the eligible timber permit, as requested by the permit holders. In the case of trust
2.7 land timber permits canceled or terminated under this clause, the commissioner shall
2.8 refund the full amount of the permit holder's down payment and release or otherwise apply
2.9 to a new permit, as the permit holder elects, the full amount of the permit holder's surety
2.10 bond or cash security deposit posted in regard to the eligible timber permit.

2.11 (c) "Eligible timber permit," as used in this subdivision, means a permit for the
2.12 harvesting of timber that was issued for timber sales or processing in the affected
2.13 market either prior to the start of or during the decline of the timber market segment.
2.14 Notwithstanding any other provision of this subdivision, a permit holder holding multiple
2.15 timber harvesting permits is not entitled to relief under this subdivision from permit
2.16 purchase obligations totaling more than 35,000 cords in volume. The commissioner
2.17 must proceed expeditiously to reoffer for sale timber that was subject to eligible timber
2.18 permits that were canceled or terminated.

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