

1.1 moves to amend H.F. No. 1260 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **TIMBER PERMITS; CANCELLATION AND EXTENSION.**

1.4 Subdivision 1. **Eligibility.** (a) For the purposes of this section, an "eligible permit" is a
1.5 timber permit issued before July 1, 2020.

1.6 (b) In order to be eligible under this section, a permit holder must not be delinquent or
1.7 have an active willful trespass with the state.

1.8 (c) In order to be eligible under subdivisions 2, 4, and 5, a permit holder must submit
1.9 the written request to the commissioner of natural resources before the expiration of the
1.10 permit or by July 1, 2021, whichever is earlier.

1.11 Subd. 2. **Extensions.** Upon written request to the commissioner of natural resources by
1.12 the holder of an eligible permit with more than 30 percent of the total permit volume in any
1.13 combination of spruce or balsam fir, the commissioner may grant an extension of the permit
1.14 for two years without penalty or interest.

1.15 Subd. 3. **Unused balsam fir.** The commissioner of natural resources may cancel any
1.16 provision in a timber sale that requires the security payment for or removal of all or part of
1.17 the balsam fir when the permit contains more than 50 cords of balsam fir. The commissioner
1.18 may require the permit holder to fell or pile the balsam fir to meet management objectives.

1.19 Subd. 4. **Refunds.** (a) Upon written request to the commissioner of natural resources
1.20 by the holder of an eligible permit that is inactive and intact with more than 30 percent of
1.21 the total permit volume in any combination of spruce or balsam fir, the commissioner may
1.22 cancel the permit and refund the sale security, advance payments, or bid guarantee as
1.23 applicable for the permit to the permit holder.

2.1 (b) Upon written request to the commissioner of natural resources by the holder of an
2.2 eligible active permit with more than 30 percent of the total permit volume in any
2.3 combination of spruce or balsam fir and a previously existing cutting block agreement, the
2.4 commissioner may cancel any intact cutting block designated in the permit that was not
2.5 bonded or bonded before July 1, 2020, and refund security, as applicable, for the cutting
2.6 block to the permit holder. Any partially harvested cutting block is ineligible to be canceled
2.7 under this paragraph. The remaining provisions of the permit remain in effect.

2.8 Subd. 5. **Good Neighbor Authority.** The commissioner of natural resources, in
2.9 consultation with the United States Forest Service, may negotiate and provide holders of
2.10 eligible permits with more than 30 percent of the total permit volume in any combination
2.11 of spruce or balsam fir a method to voluntarily return intact cutting blocks designated in
2.12 Good Neighbor Authority permits. Upon written request by the eligible permit holder, the
2.13 commissioner may cancel any intact cutting block designated in the permit that was not
2.14 bonded or bonded before July 1, 2020, and refund applicable security for the cutting block
2.15 to the permit holder. Any partially harvested cutting block is ineligible to be canceled under
2.16 this subdivision. The remaining provisions of the permit remain in effect.

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

2.18 Sec. 2. **APPROPRIATION.**

2.19 \$1,075,000 in fiscal year 2022 is appropriated from the general fund to the commissioner
2.20 of natural resources to refund timber permit payments under section 1, subdivision 4."

2.21 Amend the title accordingly