

HOUSE RESEARCH

Bill Summary

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Overview

This bill contains a number of provisions related to forestry being recommended by the Department of Natural Resources (DNR).

Section

1 Exchange of road easements. Adds § 84.633.

Subd. 1. Authority. Allows the commissioner of natural resources to convey a road easement across state lands in exchange for a road easement across federal, state (or any of its subdivisions), or private lands. Prohibits an easement across state lands from causing significant adverse environmental or natural resources management impacts.

Subd. 2. Substantially equal acres. Requires the easements being exchanged to be of substantially equal acreage (not differing by more than 20 percent).

Subd. 3. School trust lands. States that easements on school trust lands issued to nongovernment entities are limited to 50 years (easements exchanged with the state may be 50 years or perpetual).

Subd. 4. Terms and conditions. Allows the commissioner to impose terms and conditions on the easements. Allows the commissioner to accept an easement with similar terms and conditions as the state easement.

Subd. 5. Survey. Requires a governmental unit or private landowner to pay a

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survey fee of at least half the cost of a survey if the commissioner determines one is required.

Subd. 6. Application fee. Requires a private landowner or governmental unit (other than the state) to pay a \$2,000 application fee to cover the reasonable costs for reviewing and preparing the easement when presenting an offer of an easement exchange to the commissioner.

Subd. 7. Title. Requires a private landowner or governmental unit to submit an abstract of title or other title information for land the commissioner will receive an easement on if the commissioner determines it is necessary.

Subd. 8. Disposition of fees. Requires the survey fee required under subdivision 5 to be deposited in an account and statutorily appropriates the funds for those expenses. Requires the application fee required under subdivision 6 to be deposited in the land management account and statutorily appropriates the funds to the commissioner to cover the costs of preparing and issuing the easement and accepting the easement in exchange.

- 2 **Forest management investment account; cost certification.** Amends § 89.0385. Allows for quarterly transfers to the forest management investment account to cover the certified costs for forest management activities during a fiscal year.
- 3 **Scaler.** Amends § 90.01, subd. 4. Clarifies that a scaler is also someone qualified to measure timber.
- 4 **State appraiser.** Amends § 90.01, subd. 5. Clarifies that a state appraiser is also someone designated by the commissioner to appraise timber and other forest resource products.
- 5 **Timber.** Amends § 90.01, subd. 6. Clarifies the definition of timber to include shrubs and plants and include additional forest products such as woody biomass.
- 6 **Permit holder.** Amends § 90.01, subd. 8. Technical.
- 7 **Effective permit.** Amends § 90.01, subd. 11. Technical.
- 8 **Timber rules.** Amends § 90.031, subd. 4. Modifies the Executive Council's authority for establishing rules for state timber transactions to apply to tracts exceeding 12,000 cords (rather than 6,000 cords as currently authorized). The Executive Council includes the following members: governor, lieutenant governor, secretary of state, state auditor, and attorney general.
- 9 **Trespass on state lands.** Amends § 90.041, subd. 2. Removes the requirement that the DNR seek approval of the attorney general when settling claims for casual and involuntary trespass upon state lands or timber and instead requires notification. Modifies the requirement that the DNR advise the Executive Council on trespass issues by requiring this only upon request.

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- 10 Forest improvement contracts.** Amends § 90.041, subd. 5. Expands the scope of forest improvement work activities that may be done as part of a contract with a purchaser of state timber. Allows the commissioner to combine the bid value received in the timber sale and the contract bid costs when awarding the contracts and allows the commissioner to refuse or accept any bids and cancel any forest improvement contract for “good and sufficient reasons.”
- 11 Sale of damaged timber.** Amends § 90.041, subd. 6. Expands the ability of the commissioner to sell damaged timber by including timber damaged by insect or disease.
- 12 Reoffering unsold timber.** Amends § 90.041, subd. 9. Expands the ability of the commissioner to reoffer timber tracts that did not sell by removing the requirement that such offers be for the purpose of maintaining and enhancing forest ecosystems on state forest lands.
- 13 Fees.** Adds § 90.041, subd. 10. Allows the commissioner to establish a fee schedule to cover the costs of issuing, administering, and processing timber related permits and exempts the fees from rulemaking.
- 14 Debarment.** Adds § 90.401, subd. 11. Allows the commissioner to debar a permit holder for one to three years if they have been convicted at the gross misdemeanor or felony level for willful trespass, theft, fraud, or antitrust violations related to timber. Requires the commissioner to cancel and repossess the permit involved in the crime and all other permits after taking all security deposits the state is entitled to. Prohibits the debarred permit holder from bidding, possessing or being employed on any state permit during the debarment.
- 15 Appraisal standards.** Amends § 90.045. Technical.
- 16 Appraiser authority; form of documents.** Amends § 90.06, subd. 8. Technical.
- 17 Sale requirements.** Amends § 90.101, subd. 1. Extends the amount of time the commissioner may offer unsold timber from six months to one year.
- 18 Intermediate auction sales; maximum lots of 3,000 cords.** Amends § 90.121. Allows unsold timber from intermediate auction sales to be sold at appraised value to any responsible bidder after a period of 30 days (currently, only a person employing 30 or less employees may be offered the unsold timber).
- 19 Purchaser qualifications, registration, and requirements.** Amends § 90.145. Modifies the requirements of purchasers of state timber permits and registration system requirements.
- 20 Issuance; expiration.** Amends § 90.151, subd. 1. Reduces the amount of time a purchaser of a timber permit has to sign the permit from 60 days to 45 days. Provides the commissioner with the option to allow up to ten additional days (up from five days) for a purchaser to sign a permit provided the purchaser pays a fee (the fee was also increased from \$125 to \$200). Allows a permit holder to request an additional 90 days to complete skidding, hauling and removal of equipment and buildings and states that all timber, equipment and buildings remaining after expiration become property of the state. Currently,

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the timber, equipment, and buildings become property of the state 90 days after the expiration of the permit (a permit holder is not required to request the additional 90 days).

- 21 Permit requirements.** Amends § 90.151, subd. 2. Requires permits to provide for the continuous control of the cut timber from time of cutting until delivery to the consumer.
- 22 Security provisions.** Amends § 90.151, subd. 3. States that permits shall require that the purchaser is liable to the state for the full permit price of all timber covered by the permit once cutting of the timber begins (currently this is required at the time the permit becomes effective). States that the purchaser is liable only for the down payment and bid guarantee if the permit is forfeited prior to cutting.
- 23 Permit terms.** Amends § 90.151, subd. 4. Technical, including technical changes necessary to conform with the changes in the previous section.
- 24 Notice and approval required.** Amends § 90.151, subd. 6. Technical.
- 25 Liability for timber cut in trespass.** Amends § 90.151, subd. 7. Technical.
- 26 Suspension; cancellation.** Amends § 90.151, subd. 8. States that a permit may be suspended or cancelled when the conditions of the permit have not been complied with (rather than when “in the commissioner’s judgment” the conditions have not been complied with).
- 27 Slashings disposal.** Amends § 90.151, subd. 9. Allows the permit to require the treatment of slashings or other refuse, in addition to disposal.
- 28 Security deposits required for effective timber permits.** Amends § 90.161. Clarifies that the commissioner may take the amount of money from the security deposit the state is entitled to in the event of a default and provides the process for returning any funds to the permit holder. Allows the purchaser to change the security deposit prior to cutting and allows the commissioner to retain the down payment and bid guarantee deposit similar to the new forfeiture procedures before cutting. Updates and recodifies language from section 90.173 (repealed in this bill) into this section. Requires any security required to be returned to the purchaser within 60 days after the final scale.
- 29 Securing timber permits with cutting blocks.** Amends § 90.162. Technical.
- 30 Timber permit development options.** Adds § 90.164. Allows a permit holder to access the permit area in advance of the permit becoming effective to clear approved landings and logging roads (replaces section 90.163 which is repealed in this bill).
- 31 Assignment of auction timber permits.** Amends § 90.171. Technical.
- 32 Deferred payments.** Amends § 90.181, subd. 2. Technical.

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- 33** **Sale requirements.** Amends § 90.191, subd. 1. Increases the number of informal permits a person may hold before they become ineligible for additional permits from two to four and eliminates the existing exemptions to the restrictions. Informal permits are those that are for 500 cords or less that the commissioner is allowed to offer without the formalities required of larger sales.
- 34** **Extension of timber permits.** Amends § 90.193. Technical.
- 35** **Special use and product permit.** Amends § 90.195. Allows the commissioner to issue special product permits for incidental timber from approved right-of-way road clearings and for other products derived from forest management activities under certain conditions.
- 36** **Prompt payment of refunds.** Amends § 90.201, subd. 2a. Technical.
- 37** **Purchase money, when forfeited.** Amends § 90.211. Technical.
- 38** **Timber sales records.** Amends § 90.221. Technical.
- 39** **Consumer scaling.** Amends § 90.252, subd. 1. Technical.
- 40** **Seizure of unlawfully cut timber.** Amends § 90.301, subd. 2. Technical.
- 41** **Apprehension of trespassers** Amends § 90.301, subd. 4. Technical.
- 42** **Violations and penalty.** Amends § 90.41, subd. 1. Technical.
- 43** **Permit cancellations.** Requires the commissioner to cancel certain timber permit provisions related to balsam fir if the permits were sold prior to September 1, 2012, and the permit holder requests the cancellation before June 1, 2015.
- 44** **Repealer.** Repeals sections 90.163 (performance deposit option for advanced clearing of roads, etc.); 90.173 (cash deposit in lieu of bond); and 90.41, subd. 2 (failure to mark timber penalty).