

Senator Saxhaug introduced—

S.F. No. 2637: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act
1.2 relating to natural resources; authorizing a land exchange in the sustainable
1.3 forest incentive program.

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

1.5 Section 1. SUSTAINABLE FOREST INCENTIVE ACT; LAND EXCHANGE.

1.6 Subdivision 1. Authorization; requirements. (a) The commissioner of revenue
1.7 shall allow a claimant under the Sustainable Forest Incentive Act to remove parcels from
1.8 the sustainable forest incentive program without penalty and enroll replacement parcels
1.9 according to the following conditions and procedures:

- 1.10 (1) the claimant has at least 50,000 acres currently enrolled in the program;
- 1 (2) the claimant agrees to have at least 5,000 acres but not more than 8,000 acres
1.12 removed from the program for use in connection with a proposed steel mill in Itasca
1.13 County referenced in Laws 1999, chapter 240, article 1, section 8, subdivision 3; and

1.14 (3) the claimant makes application on or before December 31, 2010, under this
1.15 section and the Sustainable Forest Incentive Act to remove from the program and to
1.16 simultaneously add to the program parcels of like value.

1.17 (b) The application must be accompanied by a cover letter that makes reference to
1.18 this section and identifies the parcels to be removed. For purposes of incentive payments
1.19 and subsequent removals from the program, the parcels added to the program under the
1.20 exchange will be treated as if they were included on the claimant's original application for
1.21 the parcels removed from the program under the exchange. Within 90 days of approving
1 the application under this section, the commissioner shall execute and mail to the claimant
1.23 a document in recordable form that releases the removed parcels from the covenant
1.24 required for parcels enrolled under the Sustainable Forest Incentive Act.

2.1 Subd. 2. Exchange of tax-forfeited land; Itasca County. (a) Title examination
2.2 and approval of the land described in paragraph (b) shall be undertaken as a condition
2.3 of exchange of the land for class B land and shall be governed by this subdivision and
2.4 Minnesota Statutes, section 94.344, subdivisions 9 and 10. Notwithstanding the evidence
2.5 of title requirements in Minnesota Statutes, section 94.344, subdivisions 9 and 10, the
2.6 county attorney shall examine one or more title reports or title insurance commitments
2.7 prepared or underwritten by a title insurer licensed to conduct title insurance business in
2.8 this state, regardless of whether abstracts were created or updated in the preparation of
2.9 the title reports or commitments. The opinion of the county attorney and approval by the
2.10 attorney general shall be based on those title reports or commitments.

2.11 (b) The land subject to this subdivision is located in Itasca County and is described
2.12 as:

2.13 (1) Sections 3, 4, 7, 10, 14, 15, 16, 17, 18, 20, 21, 22, 23, 26, 28, and 29, Township
2.14 56 North, Range 22 West;

2.15 (2) Sections 3, 4, 9, 10, 13, and 14, Township 56 North, Range 23 West;

2.16 (3) Section 30, Township 57 North, Range 22 West; and

2.17 (4) Sections 25, 26, 34, 35, and 36, Township 57 North, Range 23 West.

2.18 **Sec. 2. EFFECTIVE DATE.**

2.19 Section 1 is effective the day following final enactment.

1.1 Senator Saxhaug... moves to amend S.F. No. 2637 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. ADDITIONS TO STATE PARKS.

1.4 Subdivision 1. [85.012] [Subd. 14.] Crow Wing State Park, Crow Wing, Cass,
1.5 and Morrison Counties. The following areas are added to Crow Wing State Park,
1.6 Cass County:

1.7 (1) Government Lots 3, 4, and 5, the Southeast Quarter of the Northeast Quarter,
1.8 and the Northeast Quarter of the Southeast Quarter, all in Section 24, Township 133
1.9 North, Range 30 West;

1.10 (2) that part of Government Lot 4 lying southerly of Cass County State-Aid Highway
1.11 36 and that part of the Southeast Quarter of the Southwest Quarter lying southerly and
1.12 westerly of Cass County State-Aid Highway 36 and also lying westerly of the Gull River,
1.13 all in Section 19, Township 133 North, Range 29 West; and

1.14 (3) that part of Government Lot 2 lying westerly of the Gull River, Section 30,
1.15 Township 133 North, Range 29 West.

1.16 Subd. 2. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The
1.17 following areas are added to Frontenac State Park, Goodhue County:

1.18 (1) beginning at the corners of Sections 11, 12, 13, and 14, in Township 112 North,
1.19 Range 13 West; thence running South along the east line of said Section 14, 660 feet;
1.20 thence at right angles East 2,220 feet; thence at right angles North 1,522 feet; thence
1.21 West 900 feet to the center of the Lake City and Frontenac public highway; thence South
1.22 860 feet, more or less, along the centerline of said public highway to the north line of
1.23 said Section 12; thence West 1,320 feet, more or less, along said north line to the point
of beginning;

1.24 (2) that part of Government Lot 3 of Section 12 and Government Lot 1 and the
1.25 Northeast Quarter of the Northwest Quarter of Section 13, all in Township 112 North,
1.26 Range 13 West, described as follows: Beginning at a point 600 feet North of the southwest
1.27 corner of Section 12, Township 112 North, Range 13 West, thence North 600 feet to the point of
beginning;

2.1 corner of the Northeast Quarter of the Northwest Quarter of said Section 13; thence run
 2.2 due North 60 feet, more or less, to south line of Convent property; thence due East 900
 2.3 feet to the southeast corner of Convent property; thence due North 1,062 feet to a point
 2.4 which is 460 feet due South of a stone monument at corner of Convent property; thence
 2.5 due East 150 feet; thence South 16 degrees East 1,104 feet, more or less, to a point which
 2.6 is 450 feet due East of the southeast corner of Convent property above described; thence
 2.7 due East 407 feet; thence due South 660 feet, more or less, to south line of Government
 2.8 Lot 1 of said Section 13, which point is 1,757 feet East of southwest corner of Northeast
 2.9 Quarter of the Northwest Quarter of said Section 13; thence West along said south line of
 2.10 Government Lot 1, 1,167 feet, more or less, to center of Wells Creek; thence northwesterly
 2.11 along center of Wells Creek 800 feet, more or less, to a point which is due East of the place
 2.12 of beginning; thence due West 100 feet to place of beginning. Also right-of-way 60 feet
 2.13 wide adjoining on the North of this tract is given, which runs East and West 150 feet; and

2.14 (3) commencing at the northeast corner of the Ursuline Convent lands (where a
 2.15 stone is set) in the Southwest Quarter of Section 12, Township 112 North, Range 13 West;
 2.16 thence East on the line of continuation of the north line, which runs East and West of
 2.17 said "Convent Lands," a distance of 20 feet for a place of beginning; thence South and
 2.18 parallel with the east line of said "Convent Lands," a distance of 400 feet; thence East
 2.19 to the line of low water mark of Lake Pepin a distance of 750 feet, be the same more or
 2.20 less; thence in a northwesterly direction and following said line of low water mark of said
 2.21 Lake Pepin to a point where the same intersects the said continuation of said north line
 2.22 of said "Ursuline Convent Lands" if continued to said line of low water mark of said
 2.23 Lake Pepin; thence West and on said continued north line to the place of beginning, said
 2.24 premises being a part of Lot 3, Section 12.

2.25 Subd. 3. [85.012] [Subd. 27a.] **Grand Portage State Park, Cook County.** The
 2.26 following area is added to Grand Portage State Park, all in Section 30, Township 64 North,
 2.27 Range 7 East, Cook County: All of the Southwest Quarter of the Northeast Quarter lying
 2.28 northerly of the center line of Minnesota Trunk Highway 61.

2.29 Subd. 4. [85.012] [Subd. 42.] **Mille Lacs Kathio State Park, Mille Lacs County.**
 2.30 The following area is added to Mille Lacs Kathio State Park, Mille Lacs County: That
 2.31 part of Government Lot 1, Section 26, Township 42 North, Range 27 West, described as
 2.32 follows: Beginning at the northeast corner of said Government Lot 1; thence North 89
 2.33 degrees 09 minutes 54 seconds West, bearing based on Mille Lacs County Coordinate
 2.34 System, along the north line of said Government Lot 1 a distance of 665.82 feet to a
 2.35 3/4-inch iron rod with survey cap stamped "MN DNR LS 16098" (DNR monument);
 2.36 thence South 00 degrees 00 minutes 00 seconds West a distance of 241.73 feet to a DNR

3.1 monument, thence continuing South 00 degrees 00 minutes 00 seconds West a distance of
 3.2 42.18 feet to a P.K. nail in the centerline of County Road 26; thence southeasterly along the
 3.3 centerline of County Road 26 a distance of 860 feet, more or less, to the east line of said
 3.4 Government Lot 1; thence North 00 degrees 22 minutes 38 seconds East along the east line
 3.5 of said Government Lot 1 a distance of 763 feet, more or less, to the point of beginning.

3.6 Subd. 5. [85.012] [Subd. 53b.] Split Rock Creek State Park, Pipestone County.

3.7 The following areas are added to Split Rock Creek State Park, all in Township 105 North,
 3.8 Range 46 West, Pipestone County:

3.9 (1) the Northeast Quarter; the Southwest Quarter; and the Southeast Quarter, except
 3.10 that part beginning at a point on the east line of said Southeast Quarter, 1,112 feet North of
 3.11 the southeast corner of said Southeast Quarter; thence West 561 feet to a point; thence
 3.12 North 529 feet to a point; thence East 561 feet to a point on the east line of said Southeast
 3.13 Quarter; thence South along the east line of said Southeast Quarter 528 feet to the point of
 3.14 beginning, all in Section 22; and

3.15 (2) the North 105 acres, more or less, of the North Half of Section 27, lying North
 3.16 and West of the southeasterly right-of-way line of the former Chicago, Rock Island and
 3.17 Pacific Railway Company, now abandoned, as it was originally located on and across said
 3.18 Section 27 and that part of the North Half of Section 27 beginning at the northeast corner
 3.19 of said Section 27; thence South 89 degrees 40 minutes 00 seconds West, a distance of
 3.20 1,608.29 feet; thence South 46 degrees 05 minutes 00 seconds West, a distance of 155.63
 3.21 feet; thence deflect left along a curve having a delta angle of 11 degrees 46 minutes, a
 3.22 radius of 844.28 feet, for a distance of 173.39 feet; thence South 34 degrees 18 minutes 00
 3.23 seconds West, a distance of 909.30 feet; thence South 89 degrees 57 minutes 00 seconds
 3.24 East, a distance of 1,718.36 feet; thence North 01 degree 03 minutes 00 seconds East, a
 3.25 distance of 120.70 feet; thence South 89 degrees 44 minutes 00 seconds East, a distance
 3.26 of 623.70 feet to the east line of said Section 27; thence North 00 degrees 00 minutes 00
 3.27 seconds East, along said east line, a distance of 882.95 feet, to the point of beginning.

3.28 Subd. 6. [85.012] [Subd. 60.] William O'Brien State Park, Washington County.

3.29 The following areas are added to William O'Brien State Park, all in Township 32 North,
 3.30 Range 20 West, Washington County:

3.31 (1) the South 165.0 feet of the North 495.0 feet of the West Half of the Southeast
 3.32 Quarter of Section 36;

3.33 (2) the South 165.0 feet of the North 660.0 feet of the West Half of the Southeast
 3.34 Quarter of Section 36; and

3.35 (3) that part of the Northwest Quarter of the Southeast Quarter of Section 36 lying
 3.36 South of the North 660 feet thereof and lying North of the South 200 feet of the North

4.1 1,326.20 feet of the West Half of the Southeast Quarter of said Section 36, except that part
 4.2 thereof conveyed to the Minneapolis, St. Paul and Sault Ste. Marie Railway Company by
 4.3 deed recorded in Book 74 of Deeds, page 491 in the Office of the Washington County
 4.4 Recorder.

4.5 **Sec. 2. DELETIONS FROM STATE PARKS.**

4.6 Subdivision 1. [85.012] [Subd. 2.] **Banning State Park, Pine County.** The
 4.7 following area is deleted from Banning State Park, Pine County: the West Half of the
 4.8 Northwest Quarter, Section 26, Township 43 North, Range 20 West.

4.9 Subd. 2. [85.012] [Subd. 52a.] **Schoolcraft State Park, Cass and Itasca Counties.**
 4.10 The following areas are deleted from Schoolcraft State Park, Itasca County, all in
 4.11 Township 143 North, Range 25 West:

- 4.12 (1) Government Lots 5, 6, 9, and 12 of Section 2; and
 4.13 (2) Government Lot 4 of Section 11.

4.14 Subd. 3. [85.012] [Subd. 60.] **William O'Brien State Park, Washington County.**
 4.15 The following area is deleted from William O'Brien State Park, all in Section 26,
 4.16 Township 32 North, Range 20 West, Washington County: that part of the South Half of
 4.17 the Northeast Quarter lying east of Oxboro Avenue.

4.18 **Sec. 3. DELETIONS FROM STATE RECREATION AREAS.**

4.19 Subdivision 1. [85.013] [Subd. 12a.] **Iron Range Off-Highway Vehicle**
 4.20 **Recreation Area, St. Louis County.** The following areas are deleted from the Iron Range
 4.21 Off-Highway Vehicle Recreation Area, St. Louis County:

- 4.22 (1) the Southeast Quarter of the Southeast Quarter, Section 4, Township 58 North,
 4.23 Range 17 West;
 4.24 (2) the East Half of the Northeast Quarter and the East Half of the Southeast Quarter,
 4.25 Section 8, Township 58 North, Range 17 West; and
 4.26 (3) Section 9, Township 58 North, Range 17 West.

4.27 Subd. 2. [85.013] [Subd. 17a.] **Minnesota Valley State Recreation Area,**
 4.28 **Hennepin, Dakota, Scott, Carver, Sibley, and LeSueur Counties.** The following area
 4.29 is deleted from the Minnesota Valley State Recreation Area, Sibley County: the Rush
 4.30 River Wayside.

4.31 **Sec. 4. ADDITIONS TO RUM RIVER STATE FOREST.**

4.32 [89.021] [Subd. 43.] **Rum River State Forest.** The following areas are added to
 4.33 Rum River State Forest:

- 4.34 (1) the South Half of the Southwest Quarter of Section 8, Township 39 North, Range
 4.35 25 West, Kanabec County;

5.1 (2) the North Half of the Northeast Quarter of Section 25, Township 39 North,
Range 26 West, Mille Lacs County;

5.3 (3) Sections 7, 8, 9, and 10; the West Half of Section 11; the Northwest Quarter,
5.4 North Half of the Southwest Quarter, and the Southeast Quarter of the Southwest Quarter
5.5 of Section 14; the North Half of the South Half and the North Half of Section 15; the
5.6 Southwest Quarter of the Southwest Quarter, the North Half of the South Half, and the
5.7 North Half of Section 16; the North Half of Section 17; the North Half of Section 18; the
5.8 Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast
5.9 Quarter of Section 24; the West Half of the Northeast Quarter and the East Half of the
5.10 Northwest Quarter of Section 25; and the South Half of the Southeast Quarter of Section
5.11 26; all in Township 40 North, Range 27 West, Mille Lacs County;

5.12 (4) the East Half of the Southwest Quarter and the Southeast Quarter of Section 36,
Township 41 North, Range 27 West, Mille Lacs County;

5.14 (5) the Southeast Quarter of the Southeast Quarter of Section 19, Township 42
5.15 North, Range 27 West, Mille Lacs County; and

5.16 (6) Section 36, Township 41 North, Range 28 West, Morrison County.

5.17 Sec. 5. Laws 1999, chapter 161, section 31, subdivision 5, as amended by Laws 2004,
5.18 chapter 262, article 3, section 2, is amended to read:

5.19 Subd. 5. [SURVEY.] (a) Itasca county shall cause each lot to be surveyed by a
5.20 licensed surveyor, except that a survey is not required for Lots 11 and 12, Plat of Third
5.21 River, according to the plat of record in the office of the recorder for Itasca County.

5.22 (b) The costs of survey shall be allocated by the county to the lots offered for sale
and the successful purchaser on each lot shall reimburse the county for the survey costs
5.24 allocated to the lot purchased. If no one purchases the lot, the county is responsible for the
5.25 survey costs. All surveying must be conducted by a licensed surveyor.

5.27 **Sec. 6. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC**
5.28 **WATER; ANOKA COUNTY.**

5.29 (a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural
5.30 resources may sell by public sale the surplus land bordering public water that is described
5.31 in paragraph (c).

5.32 (b) The conveyance must be in a form approved by the attorney general. The
attorney general may make necessary changes to the legal description to correct errors
5.34 and ensure accuracy.

5.35 (c) The land that may be sold is located in Anoka County and is described as follows:

6.1 That part of Government Lot 1 in Section 17, Township 33 North, Range 22 West,
 6.2 commencing at a point on the southeasterly right-of-way line of County Aid Road
 6.3 No. 4, as the road was laid out and constructed across said Government Lot 1 as of
 6.4 January 31, 1948, which is 99 feet northeasterly from the point of the intersection
 6.5 of said right-of-way line and the west line of said Section 17, running thence
 6.6 southwesterly a distance of 99 feet to the said intersection of the right-of-way line
 6.7 and the west line of Section 17; thence South along the west line of said Section
 6.8 17 to the shoreline of Linwood Lake; thence northeasterly along the shoreline of
 6.9 Linwood Lake a distance of 126 feet; and thence northwesterly in a straight line to
 6.10 the point of beginning, all according to the United States government survey thereof.

6.11 (d) The land was formerly used as a water access site on Linwood Lake and is no
 6.12 longer needed for natural resource purposes.

6.13 **Sec. 7. PRIVATE SALE OF SURPLUS LAND; GOODHUE COUNTY.**

6.14 (a) Notwithstanding Minnesota Statutes, sections 85.012, 94.09, and 94.10, the
 6.15 commissioner of natural resources may sell by private sale the surplus land that is located
 6.16 within the boundaries of Frontenac State Park and described in paragraph (c).

6.17 (b) The conveyance must be in a form approved by the attorney general. The
 6.18 conveyance shall reserve an easement to ensure public access to Frontenac State Park.
 6.19 The attorney general may make necessary changes to the legal description to correct
 6.20 errors and ensure accuracy.

6.21 (c) The land to be sold is located in Goodhue County and is described as follows:
 6.22 That part of the East Half of the East Half of the Northwest Quarter of Section 4, Township
 6.23 112 North, Range 13 West, Goodhue County, Minnesota, described as follows:

6.24 Commencing at the south quarter corner of said Section 4; thence on an assumed
 6.25 bearing of North, along the north-south quarter line of said Section 4, to the centerline
 6.26 of Hill Avenue, as now located and established; thence on a bearing of North, along said
 6.27 north-south quarter line of said Section 4, a distance of 450.00 feet; thence on a bearing
 6.28 of West, a distance of 500.00 feet to the POINT OF BEGINNING; thence continuing on
 6.29 a bearing of West, a distance of 61.00 feet; thence on a bearing of South, a distance of
 6.30 548 feet, more or less, to the centerline of Hill Avenue; thence northeasterly along said
 6.31 centerline a distance of 65 feet, more or less, to a line which bears South from the point of
 6.32 beginning; thence on a bearing of North, a distance of 526 feet, more or less to the point of
 6.33 beginning. Said parcel contains 0.75 acres, more or less.

6.34 (d) The sale resolves an unintentional trespass that occurred when a pole barn was
 6.35 constructed on state park land.

7.1 Sec. 8. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC
7.2 WATER; HENNEPIN COUNTY.

7.3 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
7.4 commissioner of natural resources may sell to a governmental subdivision of the state the
7.5 surplus land bordering public water that is described in paragraph (c).

7.6 (b) The conveyance must be in a form approved by the attorney general and may
7.7 be conveyed for less than the value of the land as determined by the commissioner. The
7.8 attorney general may make necessary changes to the legal description to correct errors
7.9 and ensure accuracy. The conveyance must provide that the land described in paragraph
7.10 (c) be used for the public and reverts to the state if the governmental subdivision fails to
7.11 provide for public use or abandons the public use of the land.

7.12 (c) The land that may be sold is located in Hennepin County and is described
as follows:

7.14 A strip of land 130 feet wide in the S1/2-NW1/4 of Section 20, Township 117 North,
7.15 Range 21 West, the center line of which strip has its beginning in the center of
7.16 Minnehaha Creek on the southeasterly right-of-way line of the Chicago, Milwaukee,
7.17 St. Paul and Pacific Railroad Company across the SW1/4-NW1/4 of said Section 20,
7.18 which point is distant 806 feet northeasterly along said railroad right-of-way line
7.19 from the west line of said Section 20; thence South 50 degrees 5 minutes East a
7.20 distance of 239 feet to a point which is 818.8 feet North of the south boundary
7.21 line of the SW1/4-NW1/4 and 412 feet West from the east boundary line of said
7.22 SW1/4-NW1/4, and thence continuing South 50 degrees 5 minutes East 100 feet;
thence East on a line parallel with and 753.8 feet distant from the south boundary
7.24 line of said SW1/4-NW1/4, to the east boundary line of said SW1/4-NW1/4.

7.25 Excepting the bed of Minnehaha Creek.

7.26 (d) The sale to a local unit of government for management for public use would
7.27 allow continued recreational use of the land while reducing cost to state government.

7.28 Sec. 9. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC
7.29 WATER; ITASCA COUNTY.

7.30 (a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1,
7.31 Itasca County may sell the tax-forfeited land described in paragraph (c) by public sale,
7.32 under the remaining provisions of Minnesota Statutes, chapter 282.

7.33 (b) The conveyance must be in a form approved by the attorney general for not
7.34 less than the appraised value of the land.

8.1 (c) The land to be sold is located in Itasca County and is described as: Lot 8,
8.2 Block 1, Anderson Addition, according to the plat on file and of record in the office of
8.3 the recorder for Itasca County.

8.4 (d) The county has determined that the county's land management interests would be
8.5 best served if the lands were returned to private ownership.

8.6 **Sec. 10. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC**
8.7 **WATER; ITASCA COUNTY.**

8.8 (a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1,
8.9 and the public sale requirements in Minnesota Statutes, chapter 282, Itasca County may
8.10 sell the tax-forfeited land described in paragraph (c) by private sale, under the remaining
8.11 provisions of Minnesota Statutes, chapter 282.

8.12 (b) The conveyance must be in a form approved by the attorney general for the
8.13 appraised value of the land.

8.14 (c) The land to be sold is located in Itasca County and is described as: Government
8.15 Lot 3, Section 27, Township 55 North, Range 26 West.

8.16 (d) The county has determined that the county's land management interests would be
8.17 best served if the lands were returned to private ownership.

8.18 **Sec. 11. SUSTAINABLE FOREST INCENTIVE ACT; PARCEL**
8.19 **REPLACEMENT; ITASCA COUNTY.**

8.20 (a) The commissioner of revenue shall allow a claimant participating in the
8.21 Sustainable Forest Incentive Act, under Minnesota Statutes, chapter 290C, to remove
8.22 parcels from the sustainable forest incentive program without penalty and enroll
8.23 replacement parcels, if the claimant:

8.24 (1) has at least 50,000 acres of land currently enrolled in the program;

8.25 (2) agrees to have at least 5,000 acres of land but not more than 8,000 acres of land
8.26 removed from the program for use in connection with a proposed steel mill in Itasca
8.27 County referenced in Laws 1999, chapter 240, article 1, section 8, subdivision 3; and

8.28 (3) makes application on or before December 31, 2010, under the Sustainable Forest
8.29 Incentive Act and this section to remove from the program and to simultaneously add to
8.30 the program parcels of like value.

8.31 (b) The application must be accompanied by a cover letter that makes reference to
8.32 this section, identifies the parcels to be removed, and identifies the parcels to be added.
8.33 For purposes of incentive payments and subsequent removals from the program, the
8.34 parcels added to the program under this section will be treated as if they were included on
8.35 the claimant's original application for the parcels removed from the program under this
8.36 section. Within 90 days of approving the application, the commissioner shall execute and

9.1 mail to the claimant a document in recordable form that releases the removed parcels from
9.2 the covenant required for parcels enrolled under the Sustainable Forest Incentive Act.

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

9.4 **Sec. 12. EXCHANGE OF TAX-FORFEITED LAND; PRIVATE SALE; ITASCA**
9.5 **COUNTY.**

9.6 (a) For the purpose of a land exchange for use in connection with a proposed
9.7 steel mill in Itasca County referenced in Laws 1999, chapter 240, article 1, section 8,
9.8 subdivision 3, title examination and approval of the land described in paragraph (b)
9.9 shall be undertaken as a condition of exchange of the land for class B land, and shall be
9.10 governed by Minnesota Statutes, section 94.344, subdivisions 9 and 10, and the provisions
9.11 of this subdivision. Notwithstanding the evidence of title requirements in subdivisions
9.12 9 and 10, the county attorney shall examine one or more title reports or title insurance
9.13 commitments prepared or underwritten by a title insurer licensed to conduct title insurance
9.14 business in this state, regardless of whether abstracts were created or updated in the
9.15 preparation of the title reports or commitments. The opinion of the county attorney, and
9.16 approval by the attorney general, shall be based on those title reports or commitments.

9.17 (b) The land subject to this subdivision is located in Itasca County and is described
9.18 as:

9.19 (1) Sections 3, 4, 7, 10, 14, 15, 16, 17, 18, 20, 21, 22, 23, 26, 28, and 29, Township
9.20 56 North, Range 22 West;

9.21 (2) Sections 3, 4, 9, 10, 13, and 14, Township 56 North, Range 23 West;

9.22 (3) Section 30, Township 57 North, Range 22 West; and

9.23 (4) Sections 25, 26, 34, 35, and 36, Township 57 North, Range 23 West.

9.24 (c) Riparian land given in exchange by Itasca County for the purpose of the steel
9.25 mill referenced in paragraph (a), is exempt from the restrictions imposed by Minnesota
9.26 Statutes, section 94.342, subdivision 3.

9.27 (d) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1,
9.28 and the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may sell,
9.29 by private sale, any land received in exchange for the purpose of the steel mill referenced
9.30 in paragraph (a), under the remaining provisions of Minnesota Statutes, chapter 282. The
9.31 sale must be in a form approved by the attorney general.

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

9.33 **Sec. 13. LAND REPLACEMENT TRUST FUND; ITASCA COUNTY.**

9.34 Notwithstanding the provisions of Minnesota Statutes, chapter 282, and any other
9.35 law relating to the apportionment of proceeds from the sale of tax-forfeited land, and

10.1 except as otherwise provided in this section, Itasca County must deposit the money
 10.2 received from the sale of tax-forfeited lands within Minnesota Steel Industries permit to
 10.3 mine area near Nashwauk, Minnesota, into a tax-forfeited land replacement trust fund
 10.4 established by Itasca County under this section. The principal and interest from this fund
 10.5 may be spent only on the purchase of lands to replace the tax-forfeited lands sold to
 10.6 Minnesota Steel Industries. Lands purchased with the land replacement fund must:

10.7 (1) become subject to trust in favor of the governmental subdivision wherein they lie
 10.8 and all laws related to tax-forfeited lands; and

10.9 (2) be for forest management purposes and dedicated as memorial forest under
 10.10 Minnesota Statutes, section 459.06, subdivision 2.

10.11 **Sec. 14. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC**
 10.12 **WATER; LAKE OF THE WOODS COUNTY.**

10.13 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
 10.14 commissioner of natural resources may sell by private sale the surplus land bordering
 10.15 public water that is described in paragraph (c).

10.16 (b) The conveyance must be in a form approved by the attorney general. The
 10.17 attorney general may make necessary changes to the legal description to correct errors
 10.18 and ensure accuracy.

10.19 (c) The land that may be sold is located in Lake of the Woods County and is
 10.20 described as follows:

10.21 That part of Government Lot 7, Section 23, Township 168 North, Range 35 West,
 10.22 described as follows:

10.23 Commencing at the northwest corner of said Government Lot 7, being a 3/4 inch
 10.24 by 24 rebar with plastic cap stamped "MN DNR LS 17005"; thence on a bearing
 10.25 based on the 1983 Lake of the Woods County Coordinate System (1996 Adjustment)
 10.26 of North 89 degrees 35 minutes 54 seconds East along the north line of said
 10.27 Government Lot 7 a distance of 640.21 feet to a 3/4 inch by 24 rebar with plastic
 10.28 cap stamped "MN DNR LS 17005", and the point of beginning of the land to be
 10.29 described; thence South 00 degrees 24 minutes 6 seconds East 40.00 feet to an
 10.30 inplace iron rod; thence North 89 degrees 35 minutes 54 seconds East, parallel with
 10.31 said north line of Government Lot 7, a distance of 142.59 feet to an inplace iron rod;
 10.32 thence North 46 degrees 18 minutes 16 seconds East 58.26 feet to an inplace iron
 10.33 rod on the north line of said Government Lot 7; thence South 89 degrees 35 minutes
 10.34 54 seconds East, along the north line of said Government Lot 7, a distance of 184.99
 10.35 feet to the point of beginning, containing 0.15 acres.

11.1 (d) The sale would resolve an unintentional trespass when a portion of a cabin
11.2 and shed were constructed on state land.

11.3 **Sec. 15. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER;**
11.4 **MILLE LACS COUNTY.**

11.5 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
11.6 commissioner of natural resources may sell by private sale the surplus land bordering
11.7 public water that is described in paragraph (c).

11.8 (b) The conveyance must be in a form approved by the attorney general. The
11.9 conveyance may include any personal property owned by the state and deposited in Mille
11.10 Lacs Lake as part of the breakwater under water permits numbered P.A. 59-735 and P.A.
11.11 61-230. The attorney general may make necessary changes to the legal description to
11.12 correct errors and ensure accuracy.

11.13 (c) The land to be sold is located in Mille Lacs County and is described as follows:
11.14 That part of Government Lot 1, Section 4, Township 42 North, Range 27 West, lying
11.15 between the water's edge of Mille Lacs Lake and the following described lines:

11.16 Commencing at the intersection of the east line of said Government Lot 1 and the
11.17 southerly right-of-way line of County State-Aid Highway 35, formerly Highway
11.18 169, which point is 72.6 feet South of the meander corner on said east line; thence
11.19 in a northwesterly direction along said southerly right-of-way line angle measured
11.20 from said east line 75 degrees 10 minutes a distance of 267.0 feet to the actual point
11.21 of beginning of the first line to be described and Point "A"; thence deflect 89 degrees
11.22 55 minutes to the right in a northeasterly direction a distance of 178 feet, more or
less, to the water's edge of Mille Lacs Lake and there terminating.

11.24 The second line begins at Point "A"; thence continuing northwesterly on said
11.25 southerly right-of-way line a distance of 17.5 feet; thence deflecting 90 degrees to
11.26 the right in a northeasterly direction a distance of 90 feet, more or less, to the water's
11.27 edge of Mille Lacs Lake and there terminating.

11.28 (d) The sale resolves an unintentional trespass that occurred when two docks were
11.29 constructed on state land.

11.30 **Sec. 16. PUBLIC SALE OF SURPLUS LAND BORDERING PUBLIC WATER;**
11.31 **MORRISON COUNTY.**

11.32 (a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural
resources may sell by public sale the surplus land bordering public water that is described
11.34 in paragraph (c).

12.1 (b) The conveyance must be in a form approved by the attorney general. The
 12.2 attorney general may make necessary changes to the legal description to correct errors
 12.3 and ensure accuracy.

12.4 (c) The land to be sold is located in Morrison County and is described as follows:
 12.5 the Northwest Quarter of the Southwest Quarter, Section 30, Township 41 North, Range
 12.6 28 West.

12.7 (d) The state has determined that the school trust land management interests would
 12.8 best be served if the land was sold, as the land has no access to a public road and minimal
 12.9 timber value.

12.10 **Sec. 17. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC**
 12.11 **WATER; OTTER TAIL COUNTY.**

12.12 (a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural
 12.13 resources may sell by public sale the surplus land bordering public water that is described
 12.14 in paragraph (c).

12.15 (b) The conveyance must be in a form approved by the attorney general. The
 12.16 attorney general may make necessary changes to the legal description to correct errors
 12.17 and ensure accuracy.

12.18 (c) The land that may be sold is located in Otter Tail County and is described
 12.19 as follows:

12.20 That part of the E1/2-SW1/4 of Section 24, Township 136 North, Range 39 West,
 12.21 described as follows: Beginning at Right-of-Way Monument B12 as shown on
 12.22 State Highway Right-of-Way Plat No. 56-7 on file and of record in the Office
 12.23 of the Register of Deeds in and for said county; thence run North 40 degrees 42
 12.24 minutes 47 seconds West (bearings oriented to Minnesota State Plane Grid, 00
 12.25 degrees 00 minutes 00 seconds being grid north) for 651.92 feet to Right-of-Way
 12.26 Monument B13; thence South 82 degrees 38 minutes 47 seconds East for 304.14
 12.27 feet; thence South 73 degrees 11 minutes 03 seconds East for 266.02 feet; thence
 12.28 South 16 degrees 18 minutes 57 seconds West for 67.63 feet; thence southerly along
 12.29 a tangential curve concave to East having a radius of 393.31 feet and a central angle
 12.30 of 78 degrees 00 minutes 00 seconds for 495.04 feet; thence North 64 degrees 11
 12.31 minutes 28 seconds West for 335.11 feet to Right-of-Way Monument B12 and the
 12.32 point of beginning; containing 3.35 acres, more or less.

12.33 (d) The land was transferred by the Department of Transportation to the Department
 12.34 of Natural Resources upon completion of a road project in 1974 and the Department
 12.35 of Natural Resources has determined the land is no longer needed for natural resource
 12.36 purposes.

13.1 Sec. 18. EXCHANGE OF STATE LAND WITHIN NERSTRAND BIG WOODS
13.2 STATE PARK; RICE COUNTY.

13.3 (a) Notwithstanding Minnesota Statutes, section 94.342, subdivision 4, the
13.4 commissioner of natural resources may, with the approval of the Land Exchange Board as
13.5 required under the Minnesota Constitution, article XI, section 10, and according to the
13.6 remaining provisions of Minnesota Statutes, sections 94.342 to 94.346, exchange the land
13.7 located within state park boundaries that is described in paragraph (c).

13.8 (b) The conveyance must be in a form approved by the attorney general. The
13.9 attorney general may make necessary changes to the legal description to correct errors
13.10 and ensure accuracy.

13.11 (c) The state land that may be exchanged is located in Rice County and will be a
13.12 portion of the southerly one acre of the following described land:

All that part of the East 10 acres of the Northwest Quarter of the Southwest Quarter,
13.14 Section 3, Township 110 North, Range 19 West, lying South and West of County
13.15 State-Aid Highway 29, except the South one-half acre thereof.

13.16 The exact area to be exchanged will be determined by completion of a further site analysis.

13.17 (d) The exchange would resolve an unintentional trespass of a driveway the location
13.18 of which was not determined until after the state's acquisition of the land.

13.19 Sec. 19. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC
13.20 WATER; WASHINGTON COUNTY.

13.21 (a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural
13.22 resources may sell by public sale the surplus lands bordering public water that are
 described in paragraph (c).

13.24 (b) The conveyance must be in a form approved by the attorney general. The
13.25 attorney general may make necessary changes to the legal description to correct errors
13.26 and ensure accuracy.

13.27 (c) The lands that may be sold are located in Washington County and are described
13.28 as follows:

13.29 (1) all that part of the NE1/4-SW1/4 of Section 3, Township 29 North, Range 20
13.30 West, described as follows: Beginning at a point on the north line of said tract 26 rods
13.31 West of the center of said Section 3; and running thence West along the quarter section
13.32 line to the northwest corner of said tract; thence South along the west line of said tract 80
13.33 rods to the southwest corner of the same; thence East along the south line of said tract to a
13.34 point which is 26 rods West of the southeast corner thereof; thence North parallel with
13.35 the east line of said tract 80 rods to the point of beginning;

14.1 (2) the W1/2-SW1/4 of Section 3, Township 29 North, Range 20 West, except that
 14.2 part lying westerly of the following described line: Beginning at a point on the south line
 14.3 of said Section 3, distant 430 feet West of the southeast corner of the SW1/4-SW1/4
 14.4 of said Section 3; thence northeasterly to the northeast corner of the SW1/4-SW1/4 of
 14.5 Section 3; thence northwesterly to a point on the north line of the SW1/4 of Section 3,
 14.6 distance 430 feet West of the northeast corner of the NW1/4-SW1/4 of said Section 3; and

14.7 (3) all that part of the SE1/4-SW1/4 of Section 3, Township 29 North, Range 20
 14.8 West, lying westerly of County State-Aid Highway 21.

14.9 (d) The Department of Corrections transferred the land to the Department of Natural
 14.10 Resources in 1973 and the Department of Natural Resources has determined that the land
 14.11 is no longer needed for natural resource purposes.

14.12 **Sec. 20. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC**
 14.13 **WATER; WRIGHT COUNTY.**

14.14 (a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural
 14.15 resources may sell by public sale the surplus land bordering public water that is described
 14.16 in paragraph (c).

14.17 (b) The conveyance must be in a form approved by the attorney general. The
 14.18 attorney general may make necessary changes to the legal description to correct errors
 14.19 and ensure accuracy.

14.20 (c) The land that may be sold is located in Wright County and is described as follows:
 14.21 All that part of the North 300 feet of Government Lot 2, Section 17, Township 120
 14.22 North, Range 26 West, lying west of the following described line: Beginning at a
 14.23 point on the north line of said lot, 134.23 feet East of the center line of Wright
 14.24 County Aid Road No. 4, thence South 19 degrees, 1 minute West, 317.32 feet,
 14.25 and there terminating. Subject to existing road easements. Said parcel contains
 14.26 1.2 acres, more or less.

14.27 (d) The land was formally used as a water access site on Ramsey Lake and is no
 14.28 longer needed for natural resource purposes as the water access site has been relocated
 14.29 to other land."

14.30 Delete the title and insert:

14.31 "A bill for an act

14.32 relating to state lands; adding to and deleting from state parks and recreation areas;
 14.33 providing for public and private sales and exchanges of certain state lands; modifying the
 14.34 apportionment of proceeds from the sale of certain tax-forfeited land; authorizing parcel
 14.35 replacement in the sustainable forest incentive program; amending Laws 1999, chapter
 14.36 161, section 31, subdivision 5, as amended."

A bill for an act

1.1 relating to natural resources; providing for land donor appraisal reimbursement;
1.2 providing for acquisition of land for certain facilities; modifying certain
1.5 definitions; modifying forest services provided to private owners; granting
1.6 authority to establish state-forest user fees; modifying the State Timber Act;
1.7 eliminating the requirement for a comprehensive forest resource management
1.8 plan; providing criminal penalties; appropriating money; amending Minnesota
1.9 Statutes 2004, sections 84.085, subdivision 1; 88.79, subdivision 1; 90.14;
1.10 90.151, subdivisions 1, 6, by adding subdivisions; 1031.005, subdivision 9;
1.11 Minnesota Statutes 2005 Supplement, section 90.195; proposing coding for new
1.12 law in Minnesota Statutes, chapters 85; 89; 90; repealing Minnesota Statutes
2004, section 89.011, subdivisions 1, 2, 3, 6.

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

1.14 Section 1. Minnesota Statutes 2004, section 84.085, subdivision 1, is amended to read:

1.15 Subdivision 1. **Authority.** (a) The commissioner of natural resources may accept for
6 and on behalf of the state any gift, bequest, devise, or grants of lands or interest in lands or
1.17 personal property of any kind or of money tendered to the state for any purpose pertaining
1.18 to the activities of the department or any of its divisions. Any money so received is hereby
1.19 appropriated and dedicated for the purpose for which it is granted. Lands and interests in
1.20 lands so received may be sold or exchanged as provided in chapter 94.

1.21 (b) When the commissioner of natural resources accepts lands or interests in land,
1.22 the commissioner may reimburse the donor for costs incurred to obtain an appraisal needed
1.23 for tax reporting purposes. If the state pays the donor for a portion of the value of the
1.24 lands or interests in lands that are donated, the reimbursement for appraisal costs shall not
1.25 exceed \$1,500. If the donor receives no payment from the state for the lands or interests in
26 lands that are donated, the reimbursement for appraisal costs shall not exceed \$5,000.

2.1 **(b) (c)** The commissioner of natural resources, on behalf of the state, may accept and
2.2 use grants of money or property from the United States or other grantors for conservation
2.3 purposes not inconsistent with the laws of this state. Any money or property so received
2.4 is hereby appropriated and dedicated for the purposes for which it is granted, and shall
2.5 be expended or used solely for such purposes in accordance with the federal laws and
2.6 regulations pertaining thereto, subject to applicable state laws and rules as to manner
2.7 of expenditure or use providing that the commissioner may make subgrants of any
2.8 money received to other agencies, units of local government, private individuals, private
2.9 organizations, and private nonprofit corporations. Appropriate funds and accounts shall be
2.10 maintained by the commissioner of finance to secure compliance with this section.

2.11 **(c) (d)** The commissioner may accept for and on behalf of the permanent school fund
2.12 a donation of lands, interest in lands, or improvements on lands. A donation so received
2.13 shall become state property, be classified as school trust land as defined in section 92.025,
and be managed consistent with section 127A.31.

2.15 **Sec. 2. [85.0145] ACQUISITION OF LAND FOR FACILITIES.**

2.16 The commissioner of natural resources may acquire interests in land by gift,
2.17 purchase, or lease for facilities outside the boundaries of state parks, state recreation areas,
2.18 or state waysides that are needed for the management of state parks, state recreation areas,
2.19 or state waysides established under sections 85.012 and 85.013.

2.20 **Sec. 3. Minnesota Statutes 2004, section 88.79, subdivision 1, is amended to read:**

2.21 **Subdivision 1. Employment of competent foresters; service to private owners.**

2.22 The commissioner of natural resources may employ competent foresters to furnish owners
2.23 of forest lands within the state of Minnesota ~~owning respectively not exceeding who own~~
2.24 not more than 1,000 acres of such forest land, forest management services consisting of:

2.25 (1) advice in management and protection of timber, including written stewardship
2.26 and forest management plans;

2.27 (2) selection and marking of timber to be cut;

2.28 (3) measurement of products;

2.29 (4) aid in marketing harvested products;

2.30 (5) provision of tree-planting equipment; and

2.31 (6) such other services as the commissioner of natural resources deems necessary or
2.32 advisable to promote maximum sustained yield of timber upon such forest lands.

2.33 **Sec. 4. [89.22] USES OF STATE FOREST LANDS; FEES.**

3.1 Subdivision 1. Establishing fees. Notwithstanding section 16A.1283, the
3.2 commissioner may, by written order, establish fees providing for the use of state forest
3.3 lands, including motorcycle, snowmobile, and sports car rallies, races, or enduros;
4 orienteering trials; group campouts that do not occur at designated group camps; dog sled
3.5 races; dog trials; large horse trail rides; and commercial uses. The fees are not subject to
3.6 the rulemaking provisions of chapter 14 and section 14.386 does not apply.

3.7 Subd. 2. Receipts to special revenue fund. Fees collected under subdivision 1 shall
3.8 be credited to the special revenue fund and are annually appropriated to the commissioner.

3.9 Sec. 5. Minnesota Statutes 2004, section 90.14, is amended to read:

3.10 **90.14 AUCTION SALE PROCEDURE.**

3.11 (a) All state timber shall be offered and sold by the same unit of measurement as it
3.12 was appraised. ~~The sale shall be made to the person who (1) bids the highest price for all~~
3.13 ~~the several kinds of timber as advertised, or (2) if unsold at public auction, to the person~~
3.14 ~~who purchases at any subsequent sale authorized under section 90.101, subdivision 1. No~~
3.15 ~~tract shall be sold to any person other than the purchaser in whose name the bid was made.~~
3.16 The commissioner may refuse to approve any and all bids received and cancel a sale of
3.17 state timber for good and sufficient reasons.

3.18 (b) The purchaser at any sale of timber shall, immediately upon the approval of the
3.19 bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under
3.20 section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent
3.21 of the appraised value. In case any purchaser fails to make such payment, the purchaser
3.22 shall be liable therefor to the state in a civil action, and the commissioner may reoffer the
23 timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor
3.24 had been made.

3.25 (c) In lieu of the scaling of state timber required by this chapter, a purchaser of
3.26 state timber may, at the time of payment by the purchaser to the commissioner of 15
3.27 percent of the appraised value, elect in writing on a form prescribed by the attorney
3.28 general to purchase a permit based solely on the appraiser's estimate of the volume of
3.29 timber described in the permit, provided that the commissioner has expressly designated
3.30 the availability of such option for that tract on the list of tracts available for sale as
3.31 required under section 90.101. A purchaser who elects in writing on a form prescribed
3.32 by the attorney general to purchase a permit based solely on the appraiser's estimate of
3.33 the volume of timber described on the permit does not have recourse to the provisions
3.34 of section 90.281.

4.1 (d) In the case of a public auction sale conducted by a sealed bid process, tracts shall
 4.2 be awarded to the high bidder, who shall pay to the commissioner a down payment of 15
 4.3 percent of the appraised value within ten business days of receiving a written award notice.
If a purchaser fails to make the down payment, the purchaser is liable for the payment to
 4.5 the state and the commissioner may offer the timber for sale to the next highest bidder
 4.6 as though no higher bid had been made.

4.7 (e) Except as otherwise provided by law, at the time the purchaser signs a permit
 4.8 issued under section 90.151, the purchaser shall make a bid guarantee payment to the
 4.9 commissioner in an amount equal to ^{"15"} ~~20~~ percent of the total purchase price of the permit. If ^{"less the downpayment amount}
 4.10 the bid guarantee payment is not submitted with the signed permit, no harvesting may
 4.11 occur, the permit cancels, and the down payment for timber forfeits to the state. The bid
 4.12 guarantee payment forfeits to the state if the purchaser and successors in interest fail to
 4.13 execute an effective permit. If required by Paragraph (b)"

4.14 Sec. 6. [90.145] PURCHASER QUALIFICATIONS AND REGISTRATION.

4.15 Subdivision 1. Purchaser qualifications. (a) In addition to any other requirements
 4.16 imposed by this chapter, the purchaser of a state timber permit issued under section 90.151
 4.17 must meet the requirements in paragraphs (b) to (d).

4.18 (b) The purchaser and the purchaser's agents, employees, subcontractors, and
 4.19 assigns must comply with general industry safety standards for logging adopted by the
 4.20 commissioner of labor and industry under chapter 182. The commissioner of natural
 4.21 resources shall require a purchaser to provide a copy of a current certificate of completion
 4.22 from the safety and education program for Minnesota loggers (log safe program) as
 4.23 ^{"Proof of compliance with the general industry safety standards"} required under section 176.130 before the start of harvesting operations on any permit.

4.24 (c) The purchaser and the purchaser's agents, subcontractors, and assigns must
 4.25 comply with the mandatory insurance requirements of chapter 176. The commissioner
 4.26 shall require a purchaser to provide a copy of the proof of insurance required by section
 4.27 176.130 before the start of harvesting operations on any permit.

4.28 (d) Before the start of harvesting operations on any permit, the purchaser must
 4.29 certify that a foreperson or other designated employee who has a current certificate of
 4.30 completion from the Minnesota logger education program (MLEP), the Wisconsin Forest
 4.31 Industry Safety and Training Alliance (FISTA), or any similar program acceptable to the
 4.32 commissioner, ^{"is supervising, active logging operations"} is on site at all times while logging operations are active.

4.33 Subd. 2. Purchaser preregistration. To facilitate the sale of permits issued under
 34 section 90.151, the commissioner may establish a purchaser preregistration system.
 4.35 Any system implemented by the commissioner shall be limited in scope to only that

5.1 information that is required for the efficient administration of the purchaser qualification
5.2 provisions of this chapter and shall conform with the requirements of chapter 13.

Sec. 7. Minnesota Statutes 2004, section 90.151, subdivision 1, is amended to read:

5.4 Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment
5.5 for state timber required under section 90.14 or 90.191, the commissioner shall issue a
5.6 numbered permit to the purchaser, in a form approved by the attorney general, by the
5.7 terms of which the purchaser shall be authorized to enter upon the land, and to cut and
5.8 remove the timber therein described as designated for cutting in the report of the state
5.9 appraiser, according to the provisions of this chapter. The permit shall be correctly dated
5.10 and executed by the commissioner and signed by the purchaser. If a permit is not signed
5.11 by the purchaser within 60 days from the date of purchase, the permit cancels and the
5.12 down payment for timber required under section 90.14 forfeits to the state.

13 (b) The permit shall expire no later than five years after the date of sale as the
5.14 commissioner shall specify or as specified under section 90.191, and the timber shall
5.15 be cut within the time specified therein. All cut timber, equipment, and buildings not
5.16 removed from the land within 90 days after expiration of the permit shall become the
5.17 property of the state.

5.18 (c) The commissioner may grant an additional period of time not to exceed 120 days
5.19 for the removal of cut timber, equipment, and buildings upon receipt of such request by
5.20 the permit holder for good and sufficient reasons. The commissioner may grant a second
5.21 period of time not to exceed 120 days for the removal of cut timber, equipment, and
5.22 buildings upon receipt of a request by the permit holder for hardship reasons only.

5.23 ~~(d) No permit shall be issued to any person other than the purchaser in whose name~~
5.24 ~~the bid was made.~~

5.25 Sec. 8. Minnesota Statutes 2004, section 90.151, subdivision 6, is amended to read:

5.26 Subd. 6. **Notice and approval required.** The permit shall provide that the permit
5.27 holder shall not start cutting any state timber nor clear building sites nor logging roads until
5.28 the commissioner has been notified and has given prior approval to such cutting operations.
5.29 Approval shall not be granted until the permit holder has completed a presale conference
5.30 with the state appraiser designated to supervise the cutting. The permit holder shall also
5.31 give prior notice whenever permit operations are to be temporarily halted, whenever
5.32 permit operations are to be resumed, and when permit operations are to be completed.

6.1 ~~Sec. 9. Minnesota Statutes 2004, section 90.151, is amended by adding a subdivision~~
6.2 ~~to read:~~

6.3 ~~Subd. 15. Indemnity. The permit shall provide that the permit holder indemnify and~~
~~hold harmless the commissioner and the commissioner's agents and employees against all~~
6.5 ~~claims, damages, costs, and expenses, including attorney fees, resulting from, arising out~~
6.6 ~~of, or in any way connected with the permit holder's operations.~~

6.7 Sec. 10. Minnesota Statutes 2004, section 90.151, is amended by adding a subdivision
6.8 to read:

6.9 Subd. 16. Liquidated damages. The permit may include a schedule of liquidated
6.10 damage charges for breach of permit terms by the permit holder. The damage charges shall
6.11 be limited to amounts that are reasonable ^{"based on"} in light of the anticipated or actual harm caused
6.12 by the breach, the difficulties of proof of loss, and the inconvenience or nonfeasibility of
otherwise obtaining an adequate remedy.

6.14 Sec. 11. Minnesota Statutes 2005 Supplement, section 90.195, is amended to read:

6.15 **90.195 SPECIAL USE PERMIT PERMITS.**

6.16 Subdivision 1. Fuelwood permits. The commissioner may issue a permit to salvage
6.17 or cut not to exceed 12 cords of fuelwood per year for personal use from either or both
6.18 of the following sources: (1) dead, down, and diseased trees; (2) other trees that are of
6.19 negative value under good forest management practices. The permits may be issued for a
6.20 period not to exceed one year. The commissioner shall charge a fee for the permit that
6.21 shall cover the commissioner's cost of issuing the permit and shall not exceed the current
6.22 market value of fuelwood of similar species, grade, and volume that is being sold in the
6.23 area where the salvage or cutting is authorized under the permit.

6.24 Subd. 2. Specialty forest product permits. (a) The commissioner may issue
6.25 permits to collect or harvest specialty forest products from any state land if the collection
6.26 or harvest is not inconsistent with the purpose for which the land is maintained and
6.27 managed. The permit may be issued for a period not to exceed one year and is revocable
6.28 at the discretion of the commissioner, subject to conditions stated in the permit. The
6.29 commissioner ^{"may"} shall charge a fee for the permit ^{"The fee shall be"} that is equal to the market value of the
6.30 specialty forest product, but not less than the commissioner's cost of issuing the permit.

6.31 (b) Except as provided elsewhere in law, no permit is required to:

6.32 (1) collect or harvest edible berries or nuts or herbal or medicinal specialty forest
6.33 products for personal use; or

7.1 (2) collect or harvest pollen, seeds, nuts, or cones for distribution or sale to the
7.2 United States government, the state government, or any political subdivision thereof.

7.3 Subd. 3. Exemptions. Notwithstanding section 16A.1285, the fees established in
7.4 this section shall be based on market values of the products and the commissioner's costs
7.5 of issuing the permits. The fees are not subject to the rulemaking provisions of chapter 14
7.6 and section 14.386 does not apply.

7.7 Subd. 4. Definitions. (a) For purposes of this section, "specialty forest product"
7.8 means any product collected or harvested from state land from trees, shrubs, or herbaceous
7.9 plants, whether living or dead, including tops, branches, bark, roots, sap, seeds, or other
7.10 parts from those trees, shrubs, or herbaceous plants, that are used for herbal, medicinal,
7.11 edible, decorative, or handicraft purposes.

7.12 (b) For purposes of this section, "personal use" means any use of a product that does
7.13 not result in the distribution or sale of the product to another person for resale, profit,
7.14 or other economic gain.

7.15 Subd. 5. Violations, penalties. A person who violates the terms of a permit issued
7.16 under this section or collects or harvests any product referenced in this section without
7.17 a permit required under this section is guilty of trespass.

7.18 Sec. 12. Minnesota Statutes 2004, section 103I.005, subdivision 9, is amended to read:

7.19 Subd. 9. Exploratory boring. "Exploratory boring" means a surface drilling done
7.20 to explore or prospect for oil, natural gas, apatite, diamonds, graphite, gemstones, kaolin
7.21 clay, and or metallic minerals, including iron, copper, zinc, lead, gold, silver, titanium,
7.22 vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium,
7.23 beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and
7.24 niobium, and a drilling or boring for petroleum.

7.25 Sec. 13. REPEALER.

7.26 Minnesota Statutes 2004, section 89.011, subdivisions 1, 2, 3, and 6, are repealed.

89.011 FOREST RESOURCE MANAGEMENT PLAN.

Subdivision 1. **Preparation.** By July 1, 1983, the commissioner shall prepare a comprehensive forest resource management plan designed to implement the policies stated in section 89.002. The plan shall include an assessment and program elements as provided in subdivisions 2 and 3 and any other issues which the commissioner determines should be included in the plan.

Subd. 2. **Forest assessment.** The assessment shall be updated at least once every ten years and shall include but not be limited to the following:

- (a) The present and projected use and supply of and demand for forest resources in the state;
- (b) The development of a forest resources database, compatible with the database of the Minnesota Land Management Information Center, capable of continuous updating and usable as a tool in effectively managing forest resources, utilizing existing databases as much as practicable;
- (c) The current and anticipated reforestation needs for forest land, including the amount of backlog areas, current and anticipated allowable harvests, identifying poorly stocked forest land, and delineating those areas needing reforestation which are prime forest lands or otherwise likely to produce optimum public benefits from reforestation; and
- (d) An inventory and map of all existing state forest roads and classification by use, standard and condition.

Subd. 3. **Program elements.** The program shall be updated every four years and shall describe specific actions to address the assessment and to implement the forest resources management policy of section 89.002, including but not limited to:

- (a) Improvement of silvicultural practices and improved methods for harvesting and utilizing timber and timber residues;
- (b) Measures to improve reforestation practices;
- (c) Measures to enhance recreational opportunities and fish and wildlife habitat;
- (d) The identification of "prime forest land" according to criteria developed by the commissioner;
- (e) Priorities for construction and improvement of forest roads to achieve the state forest road policy, including the development of alternative methods for financing forest road construction, improvement and maintenance, and for imposing a reasonable share of the costs of the forest road system on those who directly benefit from the availability and use of the system;
- (f) A description of how the multiple use and sustained yield management policy will apply to decisions about other public and private uses of forest lands and resources, including:
 - (1) extractive uses;
 - (2) utility corridors;
 - (3) industrial, commercial, agricultural and institutional uses;
 - (4) residential and seasonal use; and
- (g) An estimate of the expenditures necessary to implement the elements of the program, along with the sources and amounts of revenue available or necessary to finance the estimated expenditures.

Subd. 6. **Staff assistance.** In preparing the forest resources management plan the commissioner is authorized to utilize existing professional staffs of state agencies when the expertise of the staff of a state agency is necessary to fully prepare the plan.

1 A bill for an act
 1.2 relating to state lands; modifying prior authorized public sale terms; authorizing
 1.3 public and private sales of certain tax-forfeited land in St. Louis County;
 1.4 amending Laws 2005, chapter 161, section 19.

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

1.6 Section 1. Laws 2005, chapter 161, section 19, is amended to read:

1.7 **Sec. 19. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC**
 1.8 **WATER; ST. LOUIS COUNTY.**

1.9
 1.10 (a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1,
 1.11 St. Louis County may sell the tax-forfeited lands bordering public water that are described
 in paragraphs (c) to (g), under the remaining provisions of Minnesota Statutes, chapter 282.

1.13
 1.14 (b) The conveyances must be in a form approved by the attorney general. The
 1.15 attorney general may make necessary changes to legal descriptions to correct errors and
 1.16 ensure accuracy.

1.17
 1.18 (c) The land to be sold is located in St. Louis County and is described as:

1.19
 1.20 (1) the westerly 400 feet of the easterly 800 feet of Lot 4, Section 13, Township 54
 1.21 North, Range 17 West; and

1.23 (2) the West Half of the Northwest Quarter of the Southwest Quarter, Section 33,
 1.24 Township 51 North, Range 16 West.

2.1

2.2 (d) Except as provided in clause (6), the conveyances of land under this paragraph
2 must retain for the state a 150-foot trout stream easement lying 75 feet on each side of
2.4 the centerline of the stream. The land to be sold is located in St. Louis County and is
2.5 described as:

2.6

2.7 (1) the Northeast Quarter of the Northeast Quarter, Section 7, Township 50 North,
2.8 Range 18 West;

2.9

2.10 (2) the North Half of the Northeast Quarter and the North Half of the Northwest
2.11 Quarter, Section 8, Township 50 North, Range 18 West;

2.12

(3) the Northwest Quarter of the Northeast Quarter, except the North Half, and that
2.14 part of the West 10 acres of the Northeast Quarter of the Northeast Quarter lying south
2.15 of Lester River and the West 10 acres of the Northeast Quarter of the Northeast Quarter
2.16 lying north of Lester River, except the North 5 acres, Section 17, Township 51 North,
2.17 Range 13 West;

2.18

2.19 (4) the Northwest Quarter of the Southeast Quarter, except the West Half, and the
2.20 East 165 feet of the West Half of the Northwest Quarter of the Southeast Quarter, Section
2.21 5, Township 51 North, Range 13 West;

2.22

2.23 (5) the East Half of the Southeast Quarter of the Southeast Quarter, Section 34,
Township 58 North, Range 20 West; and

2.25

2.26 (6) Government Lot 2, Section 17, Township 51 North, Range 12 West, Wonderland
2.27 1st Addition to the town of Duluth, Lot 22, Block 1 (trout stream easement on tax-forfeited
2.28 land lying 75 feet on the southwest side of the centerline of the stream).

2.29

2.30 (e) The conveyance of land under this paragraph must contain a deed restriction that
2.31 is 75 feet in width along the shoreline, excluding a 15-foot access strip. The land to be
2.32 sold is located in St. Louis County and is described as: Lot 6, Lot 7, and Lot 8, except
2.33 the easterly 50 feet, Erickson's Beach, town of Fayal, Section 27, Township 57 North,
Range 17 West.

2.35

3.1 (f) The conveyance of land under this paragraph must contain a deed restriction that
 3.2 is 75 feet in width along the shoreline. The land to be sold is located in St. Louis County
 3.3 and is described as: Lots 64 and 65, Vermilion Dells, 1st Addition Greenwood, Section 2,
 3.4 Township 62 North, Range 16 West.

3.5
 3.6 (g) The conveyances of land under this paragraph must retain for the state a 150-foot
 3.7 conservation easement lying 75 feet on each side of the centerline of the stream. The land
 3.8 to be sold is located in St. Louis County and is described as:

3.9
 3.10 (1) the Northeast Quarter of the Southeast Quarter, Section 31, Township 52 North,
 3.11 Range 14 West;

3.12
 3.13 (2) the Northeast Quarter of the Southwest Quarter, Section 31, Township 52 North,
 3.14 Range 14 West; and

3.15
 3.16 (3) the South Half of the Southwest Quarter of the Southwest Quarter, except the
 3.17 westerly 15 acres, Section 31, Township 52 North, Range 14 West.

3.18
 3.19 (h) The county has determined that the county's land management interests would
 3.20 best be served if the lands were returned to private ownership.

3.21 **Sec. 2. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC**
 3.22 **WATER; ST. LOUIS COUNTY.**

3.23 (a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1,
 3.24 St. Louis County may sell the tax-forfeited land bordering public water that is described
 3.25 in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

3.26 (b) The conveyance must be in a form approved by the attorney general.
 3.27 Conveyances of the lands described in paragraph (c), clauses (4), (7), and (9), must retain
 3.28 for the state the easements indicated. The attorney general may make changes to the land
 3.29 descriptions to correct errors and ensure accuracy.

3.30 (c) The land to be sold is located in St. Louis County and is described as:
 3.31 (1) that part of the Southwest Quarter of the Northwest Quarter beginning 511 feet
 3.32 East of the northwest corner; running thence southwesterly to a point 511 feet South of
 3.33 the northwest corner; thence North to said northwest corner; thence East to the point of
 3.34 beginning and Lot 4 lying westerly of the county road, Section 3, Township 57 North,
 3.35 Range 15 West;

4.1 (2) the North Half of the Northeast Quarter of the Southwest Quarter, Section 26,
4.2 Township 60 North, Range 16 West;

4.3 (3) the northerly 400 feet of the southerly 600 feet of the Northeast Quarter of the
4.4 Southeast Quarter, Section 21, Township 56 North, Range 18 West;

4.5 (4) Lot 1 South of the St. Louis River, except the railway right-of-way and except
4.6 the easterly 375 feet and except the westerly 335 feet of the easterly 710 feet North of the
4.7 railway right-of-way; Lot 5, except the railway right-of-way, 3 14/100 acres; and Lot 6,
4.8 except the railway right-of-way, 3 14/100 acres, Section 27, Township 51 North, Range
4.9 19 West (stream easement 75 feet wide on each side of the centerline of the unnamed
4.10 coldwater tributary to the St. Louis River for the protection of riparian vegetation and
4.11 to permit public angling);

4.12 (5) Lot 3, except the North 900 feet and except the South 100 feet of the North
4.13 1000 feet of the West 600 feet and except the West 633 feet of the South 80 feet of the
4.14 North 1080 feet and except that party lying southerly of the North 1080 feet, Section 6,
4.15 Township 56 North, Range 20 West;

4.16 (6) the northerly 330 feet of the Northwest Quarter of the Southwest Quarter, Section
4.17 12, Township 55 North, Range 20 West;

4.18 (7) Lot 3 South of the St. Louis River, except the railway right-of-way and Lot 4
4.19 South of the St. Louis River, except 2 AC for the County Road and except the railway
4.20 right-of-way, Section 25, Township 51 North, Range 19 West (stream easement 75 feet
4.21 wide on each side of the centerline of the unnamed coldwater tributary to the St. Louis
4.22 River for the protection of riparian vegetation and to permit public angling);

4.23 (8) the South Half of the South Half of the Southwest Quarter of the Southwest
4.24 Quarter, Section 8, Township 55 North, Range 19 West;

4.25 (9) Lots 6 and 7, Section 33, Township 52 North, Range 20 West (stream easement
4.26 300 feet in width from the centerline of the St. Louis River);

4.27 (10) Lot 14, Michael's Beach Town of Ellsburg, Section 6, Township 55 North,
4.28 Range 17 West;

4.29 (11) an undivided 1/4 interest, Northeast Quarter of the Northeast Quarter, Section
4.30 22, Township 63 North, Range 12 West;

4.31 (12) an undivided 1/4 interest, Northwest Quarter of the Northwest Quarter, Section
4.32 23, Township 63 North, Range 12 West; and

4.33 (13) the Southeast Quarter and the Northeast Quarter, Section 28, Township 51
4.34 North, Range 15 West.

4.35 (d) The county has determined that the county's land management interests would
4.36 best be served if the lands were returned to private ownership.

5.1 **Sec. 3. PUBLIC OR PRIVATE SALE OF TAX-FORFEITED LAND**
5.2 **BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

5.3 (a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1,
5.4 and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may
5.5 sell by public or private sale the tax-forfeited land bordering public water that is described
5.6 in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

5.7 (b) The conveyance must be in a form approved by the attorney general. The
5.8 conveyance must retain for the state a stream easement 300 feet in width from the
5.9 centerline of the St. Louis River for the protection of riparian vegetation and to permit
5.10 public angling. The attorney general may make necessary changes to the legal description
5.11 to correct errors and ensure accuracy.

5.12 (c) The land to be sold is located in St. Louis County and is described as:

5 Government Lot 4, Section 27, Township 51 North, Range 20 West.

5.14 (d) The county has determined that the county's land management interests would
5.15 best be served if the lands were returned to private ownership.

5.16 **Sec. 4. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

5.17 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282,
5.18 or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited
5.19 land described in paragraph (c).

5.20 (b) The conveyance must be in a form approved by the attorney general. The attorney
5.21 general may make changes to the land description to correct errors and ensure accuracy.

5.22 (c) The land to be sold is located in St. Louis County and is described as:

5.23 That part of the Southeast Quarter of the Northeast Quarter of Section 21, Township
5.24 56 North, Range 18 West, lying East of the East right-of-way line of Fermoy Road as
5.25 located on this day of recording. This parcel contains 4.23 acres, more or less.

5.26 (d) The county has determined that the county's land management interests would
5.27 best be served if the lands were returned to private ownership.

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A bill for an act relating to natural resources; providing for land donor appraisal reimbursement; providing for acquisition of land for certain facilities; modifying certain definitions; modifying forest services provided to private owners; granting authority to establish state forest user fees; modifying the State Timber Act; eliminating the requirement for a comprehensive forest resource management plan; providing criminal penalties; appropriating money; amending Minnesota Statutes 2004, sections 84.085, subdivision 1; 88.79, subdivision 1; 90.14; 90.151, subdivisions 1, 6, by adding subdivisions; 1031.005, subdivision 9; Minnesota Statutes 2005 Supplement, section 90.195; proposing coding for new law in Minnesota Statutes, chapters 85; 89; 90; repealing Minnesota Statutes 2004, section 89.011, subdivisions 1, 2, 3, 6.

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

Section 1. Minnesota Statutes 2004, section 84.085, subdivision 1, is amended to read:

Subdivision 1. Authority. (a) The commissioner of natural resources may accept for and on behalf of the state any gift, bequest, devise, or grants of lands or interest in lands or personal property of any kind or of money tendered to the state for any purpose pertaining to the activities of the department or any of its divisions. Any money so received is hereby appropriated and dedicated for the purpose for which it is granted. Lands and interests in lands so received may be sold or exchanged as provided in chapter 94.

(b) When the commissioner of natural resources accepts lands or interests in land, the commissioner may reimburse the donor for costs incurred to obtain an appraisal needed for tax reporting purposes. If the state pays the donor for a portion of the value of the lands or interests in lands that are donated, the reimbursement for appraisal costs shall not exceed \$1,500. If the donor receives no payment from the state for the lands or interests in lands that are donated, the reimbursement for appraisal costs shall not exceed \$5,000.

2.1 (b) (c) The commissioner of natural resources, on behalf of the state, may accept and
2.2 use grants of money or property from the United States or other grantors for conservation
2.3 purposes not inconsistent with the laws of this state. Any money or property so received
4 is hereby appropriated and dedicated for the purposes for which it is granted, and shall
2.5 be expended or used solely for such purposes in accordance with the federal laws and
2.6 regulations pertaining thereto, subject to applicable state laws and rules as to manner
2.7 of expenditure or use providing that the commissioner may make subgrants of any
2.8 money received to other agencies, units of local government, private individuals, private
2.9 organizations, and private nonprofit corporations. Appropriate funds and accounts shall be
2.10 maintained by the commissioner of finance to secure compliance with this section.

2.11 (c) (d) The commissioner may accept for and on behalf of the permanent school fund
2.12 a donation of lands, interest in lands, or improvements on lands. A donation so received
2.13 shall become state property, be classified as school trust land as defined in section 92.025,
2.14 and be managed consistent with section 127A.31.

2.15 **Sec. 2. [85.0145] ACQUISITION OF LAND FOR FACILITIES.**

2.16 The commissioner of natural resources may acquire interests in land by gift,
2.17 purchase, or lease for facilities outside the boundaries of state parks, state recreation areas,
2.18 or state waysides that are needed for the management of state parks, state recreation areas,
2.19 or state waysides established under sections 85.012 and 85.013.

2.20 Sec. 3. Minnesota Statutes 2004, section 88.79, subdivision 1, is amended to read:

2.21 **Subdivision 1. Employment of competent foresters; service to private owners.**

2.22 The commissioner of natural resources may employ competent foresters to furnish owners
2.23 of forest lands within the state of Minnesota ~~owning respectively not exceeding~~ who own
2.24 not more than 1,000 acres of such forest land, forest management services consisting of:

2.25 (1) advice in management and protection of timber, including written stewardship
2.26 and forest management plans;

2.27 (2) selection and marking of timber to be cut;

2.28 (3) measurement of products;

2.29 (4) aid in marketing harvested products;

2.30 (5) provision of tree-planting equipment; and

2.31 (6) such other services as the commissioner of natural resources deems necessary or
2.32 advisable to promote maximum sustained yield of timber upon such forest lands.

2.33 **Sec. 4. [89.22] USES OF STATE FOREST LANDS; FEES.**

3.1 Subdivision 1. Establishing fees. Notwithstanding section 16A.1283, the
3.2 commissioner may, by written order, establish fees providing for the use of state forest
3.3 lands, including motorcycle, snowmobile, and sports car rallies, races, or enduros;
3.4 orienteering trials; group campouts that do not occur at designated group camps; dog sled
3.5 races; dog trials; large horse trail rides; and commercial uses. The fees are not subject to
3.6 the rulemaking provisions of chapter 14 and section 14.386 does not apply.

3.7 Subd. 2. Receipts to special revenue fund. Fees collected under subdivision 1 shall
3.8 be credited to the special revenue fund and are annually appropriated to the commissioner.

3.9 Sec. 5. Minnesota Statutes 2004, section 90.14, is amended to read:

3.10 **90.14 AUCTION SALE PROCEDURE.**

3.11 (a) All state timber shall be offered and sold by the same unit of measurement as it
3.12 was appraised. ~~The sale shall be made to the person who (1) bids the highest price for all~~
3.13 ~~the several kinds of timber as advertised, or (2) if unsold at public auction, to the person~~
3.14 ~~who purchases at any subsequent sale authorized under section 90.101, subdivision 1. No~~
3.15 ~~tract shall be sold to any person other than the purchaser in whose name the bid was made.~~
3.16 The commissioner may refuse to approve any and all bids received and cancel a sale of
3.17 state timber for good and sufficient reasons.

3.18 (b) The purchaser at any sale of timber shall, immediately upon the approval of the
3.19 bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under
3.20 section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent
3.21 of the appraised value. In case any purchaser fails to make such payment, the purchaser
3.22 shall be liable therefor to the state in a civil action, and the commissioner may reoffer the
3.23 timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor
3.24 had been made.

3.25 (c) In lieu of the scaling of state timber required by this chapter, a purchaser of
3.26 state timber may, at the time of payment by the purchaser to the commissioner of 15
3.27 percent of the appraised value, elect in writing on a form prescribed by the attorney
3.28 general to purchase a permit based solely on the appraiser's estimate of the volume of
3.29 timber described in the permit, provided that the commissioner has expressly designated
3.30 the availability of such option for that tract on the list of tracts available for sale as
3.31 required under section 90.101. A purchaser who elects in writing on a form prescribed
3.32 by the attorney general to purchase a permit based solely on the appraiser's estimate of
3.33 the volume of timber described on the permit does not have recourse to the provisions
3.34 of section 90.281.

4.1 (d) In the case of a public auction sale conducted by a sealed bid process, tracts shall
4.2 be awarded to the high bidder, who shall pay to the commissioner a down payment of 15
4.3 percent of the appraised value within ten business days of receiving a written award notice.
4.4 If a purchaser fails to make the down payment, the purchaser is liable for the payment to
4.5 the state and the commissioner may offer the timber for sale to the next highest bidder
4.6 as though no higher bid had been made.

4.7 (e) Except as otherwise provided by law, at the time the purchaser signs a permit
4.8 issued under section 90.151, the purchaser shall make a bid guarantee payment to the
4.9 commissioner in an amount equal to 20 percent of the total purchase price of the permit. If
4.10 the bid guarantee payment is not submitted with the signed permit, no harvesting may
4.11 occur, the permit cancels, and the down payment for timber forfeits to the state. The bid
4.12 guarantee payment forfeits to the state if the purchaser and successors in interest fail to
4.13 execute an effective permit.

4.14 **Sec. 6. [90.145] PURCHASER QUALIFICATIONS AND REGISTRATION.**

4.15 Subdivision 1. Purchaser qualifications. (a) In addition to any other requirements
4.16 imposed by this chapter, the purchaser of a state timber permit issued under section 90.151
4.17 must meet the requirements in paragraphs (b) to (d).

4.18 (b) The purchaser and the purchaser's agents, employees, subcontractors, and
4.19 assigns must comply with general industry safety standards for logging adopted by the
4.20 commissioner of labor and industry under chapter 182. The commissioner of natural
4.21 resources shall require a purchaser to provide a copy of a current certificate of completion
4.22 from the safety and education program for Minnesota loggers (log safe program) as
4.23 required under section 176.130 before the start of harvesting operations on any permit.

4.24 (c) The purchaser and the purchaser's agents, subcontractors, and assigns must
4.25 comply with the mandatory insurance requirements of chapter 176. The commissioner
4.26 shall require a purchaser to provide a copy of the proof of insurance required by section
4.27 176.130 before the start of harvesting operations on any permit.

4.28 (d) Before the start of harvesting operations on any permit, the purchaser must
4.29 certify that a foreperson or other designated employee who has a current certificate of
4.30 completion from the Minnesota logger education program (MLEP), the Wisconsin Forest
4.31 Industry Safety and Training Alliance (FISTA), or any similar program acceptable to the
4.32 commissioner, is on site at all times while logging operations are active.

4.33 Subd. 2. Purchaser preregistration. To facilitate the sale of permits issued under
34 section 90.151, the commissioner may establish a purchaser preregistration system.
4.35 Any system implemented by the commissioner shall be limited in scope to only that

5.1 information that is required for the efficient administration of the purchaser qualification
5.2 provisions of this chapter and shall conform with the requirements of chapter 13.

5.3 Sec. 7. Minnesota Statutes 2004, section 90.151, subdivision 1, is amended to read:

5.4 Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment
5.5 for state timber required under section 90.14 or 90.191, the commissioner shall issue a
5.6 numbered permit to the purchaser, in a form approved by the attorney general, by the
5.7 terms of which the purchaser shall be authorized to enter upon the land, and to cut and
5.8 remove the timber therein described as designated for cutting in the report of the state
5.9 appraiser, according to the provisions of this chapter. The permit shall be correctly dated
5.10 and executed by the commissioner and signed by the purchaser. If a permit is not signed
5.11 by the purchaser within 60 days from the date of purchase, the permit cancels and the
5.12 down payment for timber required under section 90.14 forfeits to the state.

5.13 (b) The permit shall expire no later than five years after the date of sale as the
5.14 commissioner shall specify or as specified under section 90.191, and the timber shall
5.15 be cut within the time specified therein. All cut timber, equipment, and buildings not
5.16 removed from the land within 90 days after expiration of the permit shall become the
5.17 property of the state.

5.18 (c) The commissioner may grant an additional period of time not to exceed 120 days
5.19 for the removal of cut timber, equipment, and buildings upon receipt of such request by
5.20 the permit holder for good and sufficient reasons. The commissioner may grant a second
5.21 period of time not to exceed 120 days for the removal of cut timber, equipment, and
5.22 buildings upon receipt of a request by the permit holder for hardship reasons only.

5.23 ~~(d) No permit shall be issued to any person other than the purchaser in whose name~~
5.24 ~~the bid was made.~~

5.25 Sec. 8. Minnesota Statutes 2004, section 90.151, subdivision 6, is amended to read:

5.26 Subd. 6. **Notice and approval required.** The permit shall provide that the permit
5.27 holder shall not start cutting any state timber nor clear building sites nor logging roads until
5.28 the commissioner has been notified and has given prior approval to such cutting operations.
5.29 Approval shall not be granted until the permit holder has completed a presale conference
5.30 with the state appraiser designated to supervise the cutting. The permit holder shall also
5.31 give prior notice whenever permit operations are to be temporarily halted, whenever
5.32 permit operations are to be resumed, and when permit operations are to be completed.

6.1 Sec. 9. Minnesota Statutes 2004, section 90.151, is amended by adding a subdivision
6.2 to read:

6.3 Subd. 15. Indemnity. The permit shall provide that the permit holder indemnify and
6.4 hold harmless the commissioner and the commissioner's agents and employees against all
6.5 claims, damages, costs, and expenses, including attorney fees, resulting from, arising out
6.6 of, or in any way connected with the permit holder's operations.

6.7 Sec. 10. Minnesota Statutes 2004, section 90.151, is amended by adding a subdivision
6.8 to read:

6.9 Subd. 16. Liquidated damages. The permit may include a schedule of liquidated
6.10 damage charges for breach of permit terms by the permit holder. The damage charges shall
6.11 be limited to amounts that are reasonable in light of the anticipated or actual harm caused
6.12 by the breach, the difficulties of proof of loss, and the inconvenience or nonfeasibility of
6.13 otherwise obtaining an adequate remedy.

6.14 Sec. 11. Minnesota Statutes 2005 Supplement, section 90.195, is amended to read:

6.15 **90.195 SPECIAL USE ~~PERMIT~~ PERMITS.**

6.16 Subdivision 1. Fuelwood permits. The commissioner may issue a permit to salvage
6.17 or cut not to exceed 12 cords of fuelwood per year for personal use from either or both
6.18 of the following sources: (1) dead, down, and diseased trees; (2) other trees that are of
6.19 negative value under good forest management practices. The permits may be issued for a
6.20 period not to exceed one year. The commissioner shall charge a fee for the permit that
6.21 shall cover the commissioner's cost of issuing the permit and shall not exceed the current
6.22 market value of fuelwood of similar species, grade, and volume that is being sold in the
6.23 area where the salvage or cutting is authorized under the permit.

6.24 Subd. 2. Specialty forest product permits. (a) The commissioner may issue
6.25 permits to collect or harvest specialty forest products from any state land if the collection
6.26 or harvest is not inconsistent with the purpose for which the land is maintained and
6.27 managed. The permit may be issued for a period not to exceed one year and is revocable
6.28 at the discretion of the commissioner, subject to conditions stated in the permit. The
6.29 commissioner shall charge a fee for the permit that is equal to the market value of the
6.30 specialty forest product, but not less than the commissioner's cost of issuing the permit.

6.31 (b) Except as provided elsewhere in law, no permit is required to:

6.32 (1) collect or harvest edible berries or nuts or herbal or medicinal specialty forest
6.33 products for personal use; or

7.1 (2) collect or harvest pollen, seeds, nuts, or cones for distribution or sale to the
7.2 United States government, the state government, or any political subdivision thereof.

7.3 Subd. 3. Exemptions. Notwithstanding section 16A.1285, the fees established in
4 this section shall be based on market values of the products and the commissioner's costs
7.5 of issuing the permits. The fees are not subject to the rulemaking provisions of chapter 14
7.6 and section 14.386 does not apply.

7.7 Subd. 4. Definitions. (a) For purposes of this section, "specialty forest product"
7.8 means any product collected or harvested from state land from trees, shrubs, or herbaceous
7.9 plants, whether living or dead, including tops, branches, bark, roots, sap, seeds, or other
7.10 parts from those trees, shrubs, or herbaceous plants, that are used for herbal, medicinal,
7.11 edible, decorative, or handicraft purposes.

7.12 (b) For purposes of this section, "personal use" means any use of a product that does
7.13 not result in the distribution or sale of the product to another person for resale, profit,
14 or other economic gain.

7.15 Subd. 5. Violations, penalties. A person who violates the terms of a permit issued
7.16 under this section or collects or harvests any product referenced in this section without
7.17 a permit required under this section is guilty of trespass.

7.18 Sec. 12. Minnesota Statutes 2004, section 103I.005, subdivision 9, is amended to read:

7.19 Subd. 9. **Exploratory boring.** "Exploratory boring" means a surface drilling done
7.20 to explore or prospect for oil, natural gas, apatite, diamonds, graphite, gemstones, kaolin
7.21 clay, and or metallic minerals, including iron, copper, zinc, lead, gold, silver, titanium,
7.22 vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium,
7.23 beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and
7.24 niobium, and a drilling or boring for petroleum.

7.25 Sec. 13. **REPEALER.**

7.26 Minnesota Statutes 2004, section 89.011, subdivisions 1, 2, 3, and 6, are repealed.

89.011 FOREST RESOURCE MANAGEMENT PLAN.

Subdivision 1. Preparation. By July 1, 1983, the commissioner shall prepare a comprehensive forest resource management plan designed to implement the policies stated in section 89.002. The plan shall include an assessment and program elements as provided in subdivisions 2 and 3 and any other issues which the commissioner determines should be included in the plan.

Subd. 2. Forest assessment. The assessment shall be updated at least once every ten years and shall include but not be limited to the following:

- (a) The present and projected use and supply of and demand for forest resources in the state;
- (b) The development of a forest resources database, compatible with the database of the Minnesota Land Management Information Center, capable of continuous updating and usable as a tool in effectively managing forest resources, utilizing existing databases as much as practicable;
- (c) The current and anticipated reforestation needs for forest land, including the amount of backlog areas, current and anticipated allowable harvests, identifying poorly stocked forest land, and delineating those areas needing reforestation which are prime forest lands or otherwise likely to produce optimum public benefits from reforestation; and
- (d) An inventory and map of all existing state forest roads and classification by use, standard and condition.

Subd. 3. Program elements. The program shall be updated every four years and shall describe specific actions to address the assessment and to implement the forest resources management policy of section 89.002, including but not limited to:

- (a) Improvement of silvicultural practices and improved methods for harvesting and utilizing timber and timber residues;
- (b) Measures to improve reforestation practices;
- (c) Measures to enhance recreational opportunities and fish and wildlife habitat;
- (d) The identification of "prime forest land" according to criteria developed by the commissioner;
- (e) Priorities for construction and improvement of forest roads to achieve the state forest road policy, including the development of alternative methods for financing forest road construction, improvement and maintenance, and for imposing a reasonable share of the costs of the forest road system on those who directly benefit from the availability and use of the system;
- (f) A description of how the multiple use and sustained yield management policy will apply to decisions about other public and private uses of forest lands and resources, including:
 - (1) extractive uses;
 - (2) utility corridors;
 - (3) industrial, commercial, agricultural and institutional uses;
 - (4) residential and seasonal use; and
- (g) An estimate of the expenditures necessary to implement the elements of the program, along with the sources and amounts of revenue available or necessary to finance the estimated expenditures.

Subd. 6. Staff assistance. In preparing the forest resources management plan the commissioner is authorized to utilize existing professional staffs of state agencies when the expertise of the staff of a state agency is necessary to fully prepare the plan.

Summary

This bill will allow the DNR to:

Section 1:

Authorize the DNR to reimburse appraisal costs to donors of land or interests in land.

Section 2:

Allow the commissioner to acquire land or interests in land (e.g., road easements) outside of the boundaries of a state park when those interests in land are necessary for the park's operations.

Section 3:

Clarify that the list of forest management services offered to private landowners in Minn. Stat. Chapter 88.79, Subdivision 1 includes providing tree-planting equipment and written stewardship/forest management plans.

Section 4:

Create statutory authority for the commissioner to establish and appropriate fees for the use of state forest lands.

Sections 5 – 11:

Amend Minn. Stat. Chapter 90 to proactively address weaknesses identified during third-party forest management certification of state-administered forest lands and improve the effectiveness and efficiency of the state's timber sales program.

Section 12:

Expand the minerals covered under the exploratory borings law which requires appropriate abandonment of exploration drill holes to protect the groundwater.

Section 13:

Repeals Minn. Stat. Chapter 89.011, subdivisions 1-3, 6, which are outdated statewide forest resource planning requirements.

It is needed because

The DNR will be able to streamline administrative procedures and more effectively serve stakeholders by:

Section 1:

The DNR wants to provide an incentive for the donation of land by reimbursing the cost (up to a specified level) of an appraisal. Also, this will remove the DNR from the situation of having the appraisal prepared and provided to the landowner who then uses it for tax deduction purposes; the appraiser will be dealing directly on any tax issues.

Section 2:

The DNR needs to acquire road easements and utility rights-of-way in connection with state park operations, and existing law limits acquisition for park purposes to be within the boundaries of a park.

Section 3:

Clarifying that tree-planting activities and written stewardship/forest management plans are necessary services to promote maximum sustained use of private forest lands and the fees collected by the DNR for these services are deposited in the Special Revenue Fund as directed in Minn. Stat. Chapter 88.79, Subdivision 2.

Section 4:

Allowing fees to be collected from permits and performance bonds required to hold special events on state forest lands and used to pay for the costs of developing, operating, and maintaining facilities necessary for special events and to prevent or mitigate resource impacts of those events, especially to forest roads.

Section 5:

Reducing the state's exposure to financial risks from permit default by requiring a larger initial deposit (or Bid Guarantee).

Streamlining and modernizing timber sale auction provisions to facilitate sealed bidding procedures.

Section 6:
Specifying training and liability requirements for operators on state timber sale permits as recommended by the third-party certification auditors

Section 7:
Eliminating redundant and conflicting language provisions in the State Timber Act.

Section 8:
Strengthening the timber sale operating notification and approval process, thereby reducing environmental problems.

Section 9:
Adds specific "indemnity and hold harmless clause" requirement for purchasers to avoid state liability and meet certification requirements.

Section 10:
Adds authority for "liquidated damages" schedule to timber sales permits for minor offenses in lieu of trespass and other civil charges.

Section 11:
Strengthening the harvest permitting and regulation process for nontraditional forest crops.

Section 12:
There is interest in exploring for minerals not previously explored for in Minnesota. The protections as to the groundwater need to be expanded to cover the new minerals of interest.

Section 13:
Removing a statutory requirement for statewide comprehensive forest resource assessments and plans, which are outdated and have been replaced by other ongoing activities of the Minnesota Forest Resources Council (MFRC), DNR, and others to continually assess the condition of the state's forest resources and establish statewide strategic forest management direction.

Background

The DNR wants to provide an incentive for the donation of land by reimbursing the cost (up to a specified level) of an appraisal. Also, this will remove the DNR from the situation of having the appraisal prepared and provided to the landowner who then uses

it for tax deduction purposes; the appraiser will be dealing directly on any tax issues.

The DNR needs to acquire road easements and utility rights-of-way in connection with state park operations, and existing law limits acquisition for park purposes to be within the boundaries of a park.

The proposed revisions to Minn. Stat. Chapter 90 are part of a continuous improvement effort to modernize the state's timber sales process and standardize it with the process of similar agencies around the state and region. The revisions will also actively address concerns and recommendations arising from the third-party certification audit of state forest management practices. The proposed statute changes were recommended, developed, or reviewed by interested parties, including forest industry trade associations, independent loggers, and third-party forest management certification auditors. There is interest in exploring for minerals not previously explored for in Minnesota. The protections as to the groundwater need to be expanded to cover the new minerals of interest.

Repealing Minn. Stat. Chapter 89.011, subdivisions 3, 6 recognizes that these statewide forest resource planning and assessment requirements are outdated and have been replaced with other ongoing activities, including:

- MFRC Strategic Vision, Goals, and Strategies
- DNR Strategic Conservation Agenda
- DNR Directions
- Third-party certification of state forest lands
- Landscape-level planning efforts of the MFRC and DNR (Subsection Forest Resource Management plans)
- MFRC's Biennial report to the Legislature
- Proliferation of Web-based forest resource information
- The Generic Environmental Impact Statement (GEIS) on Timber Harvesting and Forest Management and the recent GEIS assessment update
- MFRC site-level forest management guidelines and monitoring
- The Interagency Information Cooperative created by the 1995 Sustainable Forest Resources Act.

Allowing the commissioner to charge fees for the use of state forest lands for special events and have those fees annually appropriated to the commissioner enables the resource impacts caused by those events to

be prevented or mitigated, and recoups the expenses incurred when developing, operating, and maintaining facilities used for special events. Special events include: motorcycle, snowmobile, and spots car rides, races, or enduros; dog sled races; dog trials; trail rides with a large number of horses and riders; and commercial uses.

Amending Minn. Stat. Chapter 88.79, Subdivision 1 to include tree-planting activities and written stewardship/forest management plans as approved services to private landowners is a fiscal "housekeeping" item that clarifies language to make it easier to understand where the fees collected for such services are to be deposited.

Financial implications

Section 1

The costs for reimbursing the donors will be paid for out of the existing acquisition budgets. In many instances, there will be no net increase in costs since rather than the state preparing and paying for the appraisal, the donor will have the appraisal prepared and the costs will be reimbursed. Based on a median cost of \$2,500 per appraisal and an average of 25 donations a year, overall costs are estimated at \$62,500 per year.

Section 2

No additional funding is requested for the acquisition of land or interests in land outside of state parks. Any costs will be paid for out of existing acquisition budgets.

Section 3

The fees collected for tree-planting activities and written stewardship/forest management plans will annually bring in approximately \$35,000 to the Special Revenue Fund (\$15,000 for tree-planting equipment rental, \$20,000 for written stewardship/forest management plans).

Section 4

Fees collected for special events held on state forest lands will annually bring in approximately \$45,000 to the Special Revenue Fund (\$15,000 for special event permits, \$30,000 for performance bonds).

Section 5

The proposed Bid Guarantee Payment will result in a one-time shift in revenues from future years to the present by requiring an increased initial deposit on timber sales. The shifted revenues will be split

approximately: 18 percent to the Permanent School Trust Fund, 6 percent to the Special Revenue Fund, 18 percent to the General Fund, and 60 percent to the Forest Management Investment Account.

Section 11

The proposed Forest Crop Permit will be used in place of a more general permitting process and will have no financial impacts.

Section 12

Minimal additional costs are expected for the monitoring and enforcement of the exploratory borings law for the additional minerals. Current exploration is planned on state leased lands for which the monitoring costs are paid for out of the general operating budget.

For further information contact:

Bob Tomlinson, Assistant Director
DNR, Division of Forestry
(651) 259-5290
bob.tomlinson@dnr.state.mn.us

Kathy A. Lewis, (651) 259-5404
DNR, Division of Lands and Minerals
(651) 259-5404
kathy.lewis@dnr.state.mn.us

Lands and Forestry Bill

Author's amendment # 1:

Amend Section 5, page 4, line 9 by deleting the words

"20 percent of the total purchase price of the permit."

And replacing them with the words

"15 percent of the total purchase price of the permit less the down payment amount required by paragraph b of this section."

Author's amendment # 2:

Amend Section 6 page 4, lines 21 through 23 by deleting the words

~~A~~ copy of a current certificate of completion from the safety and education program for Minnesota loggers (log safe program) as required under section 176.130 "

And replacing them with the words

"proof of compliance with the general industry safety standards"

Author's amendment # 3:

Amend Section 6, page 4, line 32 by deleting the words

"is on site at all times while logging operations are active."

And replacing them with the words

"is supervising active logging operations."

Author's amendment # 4:

Amend Section 9, page 6 lines 1 through 6 by deleting all of the section.

Author's amendment # 5:

Amend Section 11 page 7 by deleting lines 15 through 17, inclusive

1.1 A bill for an act
1.2 relating to forestry; appropriating money.

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

1.4 Section 1. APPROPRIATION.

1.5 \$50,000 is appropriated from the general fund to the University of Minnesota
1.6 Department of Forest Resources to gather data through interviews and surveys to develop
1.7 recommendations for an alternative sustainable forestry incentive payment structure.

Section 1.

1.1 A bill for an act
1.2 relating to taxation for forestry; amending Minnesota Statutes 2004, sections
1.3 290C.02, subdivisions 7, 8; 290C.04; proposing coding for new law in Minnesota
1.4 Statutes, chapter 290C.

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

Section 1. Minnesota Statutes 2004, section 290C.02, subdivision 7, is amended to read:

1.7 Subd. 7. **Forest management plan.** "Forest management plan" means a written
1.8 document providing a framework for site-specific healthy, productive, and sustainable
1.9 forest resources. A forest management plan must include at least the following: (i)
1.10 owner-specific forest management goals for the land; (ii) a reliable field inventory of the
1.11 individual forest cover types, their age, and density; (iii) a description of the soil type and
1.12 quality; (iv) an aerial photo and/or map of the vegetation and other natural features of the
1.13 land clearly indicating the boundaries of the land and of the forest land; (v) the proposed
1.14 future conditions of the land; (vi) prescriptions to meet proposed future conditions of
1.15 the land; (vii) a recommended timetable for implementing the prescribed activities; and
1.16 (viii) a legal description of the land encompassing the parcels included in the plan. All
1.17 management activities prescribed in a plan must be in accordance with the recommended
1.18 timber harvesting and forest management guidelines. The commissioner of natural
1.19 resources shall provide a framework for plan content and updating and revising plans.

Sec. 2. Minnesota Statutes 2004, section 290C.02, subdivision 8, is amended to read:

1.21 Subd. 8. **Timber harvesting and forest management guidelines.** "Timber
1.22 harvesting and forest management guidelines" means guidelines developed under section

3.1 individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12, but
3.2 may be shared with county assessors for purposes of tax administration and with county
3.3 treasurers for purposes of the revenue recapture under chapter 270A.

3.4 Sec. 4. [290C.13] NEW OWNERS OF ENROLLED LAND.

3.5 (a) A landowner who, on or before July 1 purchases land which is already enrolled
3.6 in the program may file an application to become a claimant as that term is defined in
3.7 section 290C.02, subdivision 3. The application shall be on a form prescribed by the
3.8 commissioner and must be filed on or before September 1 of that same year. If the
3.9 application is approved, the new claimant will be eligible to receive a payment on the later
3.10 of 45 days after the completed application is approved or October 1 of that same year.

3.11 (b) A landowner who, after July 1, purchases land which is already enrolled in
3.12 the program may file an application to become a claimant as that term is defined in
3.13 section 290C.02, subdivision 3. The application shall be on a form prescribed by the
3.14 commissioner and must be filed on or before September 1 of the following year. If the
3.15 application is approved, the new claimant will be eligible to receive a payment on or after
3.16 October 1 of the following year.

3.17 (c) The payment to the new claimant for the first year shall be calculated based on
3.18 the information contained in the new claimant's application form. thereafter, on or before
3.19 July 1 of each year, the commissioner shall send the new claimant a certification form
3.20 according to the provisions of section 290C.05.

3.21 Sec. 5. EFFECTIVE DATE.

3.22 Sections 1 through 3 are effective the day following final enactment.

2.1 89A.05 and adopted by the Minnesota Forest Resources Council in ~~1998~~ effect at the time
2.2 any tract, parcel, or piece of land is enrolled in the program.

3 Sec. 3. Minnesota Statutes 2004, section 290C.04, is amended to read:

2.4 **290C.04 APPLICATIONS.**

2.5 (a) A landowner may apply to enroll forest land for the sustainable forest incentive
2.6 program under this chapter. The claimant must complete, sign, and submit an application
2.7 to the commissioner by September 30 in order for the land to become eligible beginning
2.8 in the next year. The application shall be on a form prescribed by the commissioner and
2.9 must include the information the commissioner deems necessary. At a minimum, the
2.10 application must show the following information for the land and the claimant: (i) the
2.11 claimant's Social Security number or state or federal business tax registration number and
2.12 date of birth, (ii) the claimant's address, (iii) the claimant's signature, (iv) the county's
2.13 parcel identification numbers for the tax parcels that completely contain the claimant's
2.14 forest land that is sought to be enrolled, (v) the number of acres eligible for enrollment
2.15 in the program, (vi) the approved plan writer's signature and identification number, and
2.16 (vii) proof, in a form specified by the commissioner, that the claimant has executed and
2.17 acknowledged in the manner required by law for a deed, and recorded, a covenant that the
2.18 land is not and shall not be developed in a manner inconsistent with the requirements and
2.19 conditions of this chapter. The covenant shall state in writing that the covenant is binding
2.20 on the claimant and the claimant's successor or assignee, and that it runs with the land
2.21 for a period of not less than eight years. The commissioner shall specify the form of the
2.22 covenant and provide copies upon request. The covenant must include a legal description
2.23 that encompasses all the forest land that the claimant wishes to enroll under this section or
2.24 the certificate of title number for that land if it is registered land.

2.25 (b) In all cases, the commissioner shall notify the claimant within 90 days after
2.26 receipt of a completed application that either the land has or has not been approved for
2.27 enrollment. A claimant whose application is denied may appeal the denial as provided in
2.28 section 290C.11, paragraph (a).

2.29 (c) Within 90 days after the denial of an application, or within 90 days after the
2.30 final resolution of any appeal related to the denial, the commissioner shall execute and
2.31 acknowledge a document releasing the land from the covenant required under this chapter.
2.32 The document must be mailed to the claimant and is entitled to be recorded.

2.33 (d) The Social Security numbers collected from individuals under this section are
2.34 private data as provided in section 13.355. The state or federal business tax registration
2.35 number and date of birth data collected under this section are also private data on

**FINDINGS AND RECOMMENDATIONS
FROM SUSTAINABLE FOREST INCENTIVE ACT (SFIA) WORK GROUP
January 2006**

SFIA provisions at Minn. Stat. § 290C were enacted “to encourage the state’s private forest landowners to make a long-term commitment to sustainable forest management.”

From October, 2005 through January, 2006, a Work Group, representing a broad cross section of public and private entities concerned with sustainable forestry in Minnesota, participated in a series of meetings to discuss the Minnesota’s Sustainable Forestry Incentive Act (SFIA). **[Names and affiliations of SFIA Work Group Participants are attached to this report.]**

The primary motivation for this series of meetings is the relatively low rate of participation in SFIA by family forest landowners in the face of growing development pressure on private forestland. The Work Group determined that SFIA must be changed and improved in order to ensure that the Acts’ policy objectives are met. Those objectives include: 1) ensuring a long-term supply of competitively priced wood fiber to sustain Minnesota’s forest industries and the jobs they provide; 2) increasing the level of forest management on the state’s family forests; and 3) and providing a framework within which Minnesotans can continue to enjoy public access to the state’s private forestlands.

With these policy objectives in mind, the Work Group developed the following findings and recommendations:

SFIA Work Group Findings

1. The Work Group **finds** that substantive program changes are necessary in order for the SFIA program to accomplish the public policy objectives;
 - a. Preventing conversion of forestland to development;
 - b. Promoting sustainable forest management practices on private forestland; and
 - c. Promoting public access to private forestland.
2. The Work Group **finds** that the current SFIA payment formula does not provide a large enough payment to attract a substantial number of family forest landowners to enroll their property in the program.
3. The Work Group **finds** that program costs exceed program benefits for most family forest owners. Such costs include obtaining a stewardship plan, submitting an application, preparing and recording a covenant on the land, and annual recertification. The Work Group believes these requirements constitute a major

“barrier” to participation given the perceived low level of the incentive payment provided by the program.

4. The Work Group **finds** that there are specific aspects of program administration that can be changed to ease enrollment in the program – particularly for family forest landowners.
5. The Work Group **finds** that administration of the SFIA program would benefit from a more clearly delineated lead agency responsible for coordination and promotion of the program.
6. The Work Group **finds** that DNR and Department of Revenue roles with respect to SFIA administration need to be clarified.
7. The Work Group **finds** that information/data must be gathered to provide the framework for discussions to take place regarding the level of payment which would be necessary to substantially increase enrollment in the SFIA program.

SFIA Work Group Recommendations

SFIA Program Administration

1. The Work Group **recommends** that the Department of Natural Resources be the lead agency responsible for administering the SFIA program.
2. The Work Group **recommends** that information to prospective enrollees regarding SFIA program benefits and enrollment procedures be developed and marketed using both print and electronic media.
3. The Work Group **recommends** that an educational and promotional program be developed to market the SFIA program to family forest landowners throughout the state. It is specifically recommended that funds for developing appropriate materials be sought through a proposal to the State Forest Stewardship Committee.
4. The Work Group **recommends** that major promotional efforts associated with SFIA not be launched until such time as the program has been modified – particularly with respect to the incentive payment structure -- in order to avoid failing to meet expectations of enrollees which could permanently damage the program and compromise the state’s ability to accomplish the policy objectives of the SFIA.

SFIA Program Technical Changes

1. The Work Group **recommends** that the Department of Revenue develop recommended technical changes to Minn. Stat. § 290C that address the following:
 - a. Clarifies payment eligibility when there is a change of claimant.
 - b. Clarifies reference to the forest management guidelines with which an enrollee must comply during the period of enrollment of their land in SFIA.
 - c. Clarifies that enrollees of small tracts of forestland are afforded the same protection from liability as is currently afforded enrollees of large tracts of forestland.

SFIA Program Incentive Payment Changes

1. The Work Group **recommends** that the amount and structure of the annual SFIA incentive payment needs to be specifically explored. This includes evaluating:
 - a. A two-tiered SFIA payment structure for enrolled forestlands that provides a higher payment to landowners who provide public access to their forestland.
 - b. A multi-tiered SFIA incentive payment structure that provides a higher incentive payment for forestlands which are in areas at higher risk for development (conversion from forest cover).

Next Steps

1. The Work Group **recommends** that its findings and recommendations be presented to the Governor's office along with Commissioners Gene Merriam of the Department of Natural Resources and Matt Kramer of the Department of Employment and Economic Development. In doing so, the Work Group requests that the Governor's Task Force on Global Competitiveness of the Primary Forest Products Industries be asked to review the Work Group's report and identify needed changes needed to the SFIA program to accomplish its major public policy objectives.
2. The Work Group **recommends** that the House and Senate Policy and Finance Committees with jurisdiction over forestry matters be provided information regarding the SFIA Work Group effort. The specific recommendation would be to seek the opportunity to present testimony for the appropriate House and Senate Committees to outline the Work Group's findings and recommendations.

3. The Work Group **recommends** that a state appropriation of \$50,000 be provided to the University of Minnesota's Department of Forest Resources to undertake a data gathering process to provide the basis for determining an alternative SFIA incentive payment structure.

SFIA Work Group Participants

<p>Mike Roelofs, Legislative Director Dept. of Revenue, Mail Station 7100 600 North Robert Street St. Paul, MN 55146</p>	<p>Lynn Reed, Executive Director MN Taxpayers Association 85 E. 7th Place, Suite 250 St. Paul, MN 55101</p>
<p>Tom Baumann, Manager DNR – Forestry, Box 44 500 Lafayette Road St. Paul, MN 55155</p>	<p>Larry Wolfe, Chief Deputy Auditor Cass County Courthouse P.O. Box 3000 Walker, MN 56484</p>
<p>Dave Zumeta, Executive Director MN Forest Resources Council 2003 Upper Buford Circle St. Paul, MN 55108</p>	<p>Steve Kuha, Legislative Director Association of Assessors Cass County Courthouse P.O. Box 3000 Walker, MN 56484</p>
<p>Terry Weber, Executive Coordinator MN Forest Resources Partnership P.O. Box 144 Grand Rapids, MN 55744</p>	<p>Wayne Brandt, Executive Director Minnesota Forest Industries 903 Medical Arts Building 324 W. Superior Street Duluth, MN 55802</p>
<p>Gabe Horner, Gov't Relations Director The Nature Conservancy in MN 1101 West River Parkway, Suite 200 Minneapolis, MN 55415</p>	<p>Chris Brokl MN Association of Consulting Foresters 16194 Siskin Lane NE P.O. Box 1171 Bemidji, MN 56619-1171</p>
<p>John Curry MN Campaign for Conservation 458 Otis Avenue St. Paul, MN 55104</p>	<p>Bruce ZumBahlen, President Minnesota Forestry Association 8203 Innsdale Avenue South Cottage Grove, MN 55016</p>
<p>Mark Johnson, Executive Director MN Deer Hunters Association 460 Peterson Road Grand Rapids, MN 55744</p>	<p>Kevin Walli, Vice President Fryberger, Buchanan, Smith & Frederick, P.A. First National Bank Building 332 Minnesota Street, Suite W-1260 St. Paul, MN 55101</p>
<p>Dr. Mike Kilgore, Assistant Professor Dept. of Forest Resources – U. of MN 115 Green Hall 1530 Cleveland Avenue No. St. Paul, MN 55108</p>	<p>Tom Murn, Regional Resource Manager Potlatch Corporation 105 Arch Street Cloquet, MN 55720</p>
<p>Kathryn Fernholz Dovetail Partners, Inc. 4801 No. Highway 61, Suite 108 White Bear Lake, MN 55110</p>	<p>Rick Horton Ruffed Grouse Society P.O. Box 657 Grand Rapids, MN 55744</p>
<p>Jim Marshall, Forest Resources Manager UPM Blandin Paper Mill 115 S.W. First Street Grand Rapids, MN 55744</p>	<p>Bob Buckler Buckler Executive Counsel, Inc. P.O. Box 49984 Minneapolis, MN 55449</p>