

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 1123**

(SENATE AUTHORS: RUUD and Ingebrigtsen)

DATE	D-PG	OFFICIAL STATUS
02/20/2017	661	Introduction and first reading Referred to Environment and Natural Resources Policy and Legacy Finance
03/06/2017	1080	Author added Ingebrigtsen
03/14/2017		Comm report: To pass as amended Second reading

1.1 A bill for an act

1.2 relating to natural resources; modifying timber sales requirements; amending

1.3 Minnesota Statutes 2016, sections 90.01, subdivisions 8, 12, by adding a

1.4 subdivision; 90.101, subdivision 2; 90.14; 90.145, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2016, section 90.01, is amended by adding a subdivision

1.7 to read:

1.8 Subd. 1a. **Affiliate.** "Affiliate" means a person who:

1.9 (1) controls, is controlled by, or is under common control with any other person including,

1.10 without limitation, a partner, business entity with common ownership, or principal of any

1.11 business entity or a subsidiary, parent company, or holding company of any person; or

1.12 (2) bids as a representative for another person.

1.13 Sec. 2. Minnesota Statutes 2016, section 90.01, subdivision 8, is amended to read:

1.14 Subd. 8. **Permit holder.** "Permit holder" means the person or affiliate of the person who

1.15 is the signatory of a permit to cut timber on state lands.

1.16 Sec. 3. Minnesota Statutes 2016, section 90.01, subdivision 12, is amended to read:

1.17 Subd. 12. **Responsible bidder.** "Responsible bidder" means a person or affiliate of a

1.18 person who is financially responsible; demonstrates the judgment, skill, ability, capacity,

1.19 and integrity requisite and necessary to perform according to the terms of a permit issued

1.20 under this chapter; and is not currently debarred by ~~another~~ a government entity for any

1.21 cause.

2.1 Sec. 4. Minnesota Statutes 2016, section 90.101, subdivision 2, is amended to read:

2.2 Subd. 2. **Sale list and notice.** At least 30 days before the date of sale, the commissioner  
2.3 shall compile a list containing a description of each tract of land upon which any timber to  
2.4 be offered is situated and a statement of the estimated quantity of timber and of the appraised  
2.5 price of each kind of timber thereon as shown by the report of the state appraiser. No  
2.6 description shall be added after the list is posted and no timber shall be sold from land not  
2.7 described in the list. Copies of the list ~~shall~~ must be furnished to all interested applicants.  
2.8 At least 30 days before the date of sale, a copy of the list shall must be posted on the Internet  
2.9 or conspicuously posted in the forest office or other public facility most accessible to potential  
2.10 bidders at least 30 days prior to the date of sale. The commissioner shall cause a notice to  
2.11 be published once not less than one week before the date of sale in a legal newspaper in the  
2.12 county or counties where the land is situated. The notice shall state the time and place of  
2.13 the sale and the location at which further information regarding the sale may be obtained.  
2.14 The commissioner may give other published or posted notice as the commissioner deems  
2.15 proper to reach prospective bidders.

2.16 Sec. 5. Minnesota Statutes 2016, section 90.14, is amended to read:

2.17 **90.14 AUCTION SALE PROCEDURE.**

2.18 (a) All state timber shall be offered and sold by the same unit of measurement as it was  
2.19 appraised. No tract shall be sold to any person other than the ~~purchaser~~ responsible bidder  
2.20 in whose name the bid was made. The commissioner may refuse to approve any and all bids  
2.21 received and cancel a sale of state timber for good and sufficient reasons.

2.22 (b) The purchaser at any sale of timber shall, immediately upon the approval of the bid,  
2.23 or, if unsold at public auction, at the time of purchase at a subsequent sale under section  
2.24 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the  
2.25 appraised value. In case any purchaser fails to make such payment, the purchaser shall be  
2.26 liable therefor to the state in a civil action, and the commissioner may reoffer the timber  
2.27 for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been  
2.28 made.

2.29 (c) In lieu of the scaling of state timber required by this chapter, a purchaser of state  
2.30 timber may, at the time of payment by the purchaser to the commissioner of 15 percent of  
2.31 the appraised value, elect in writing on a form prescribed by the attorney general to purchase  
2.32 a permit based solely on the appraiser's estimate of the volume of timber described in the  
2.33 permit, provided that the commissioner has expressly designated the availability of such  
2.34 option for that tract on the list of tracts available for sale as required under section 90.101.

3.1 A purchaser who elects in writing on a form prescribed by the attorney general to purchase  
3.2 a permit based solely on the appraiser's estimate of the volume of timber described on the  
3.3 permit does not have recourse to the provisions of section 90.281.

3.4 (d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be  
3.5 awarded to the high bidder, who shall pay to the commissioner a down payment of 15  
3.6 percent of the appraised value that must be received or postmarked within 14 days of the  
3.7 date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser  
3.8 is liable for the down payment to the state and the commissioner may offer the timber for  
3.9 sale to the next highest bidder as though no higher bid had been made.

3.10 (e) Except as otherwise provided by law, at the time the purchaser signs a permit issued  
3.11 under section 90.151, the commissioner shall require the purchaser to make a bid guarantee  
3.12 payment to the commissioner in an amount equal to 15 percent of the total purchase price  
3.13 of the permit less the down payment amount required by paragraph (b) for any bid increase  
3.14 in excess of \$10,000 of the appraised value. If a required bid guarantee payment is not  
3.15 submitted with the signed permit, no harvesting may occur, the permit cancels, and the  
3.16 down payment for timber forfeits to the state. The bid guarantee payment forfeits to the  
3.17 state if the purchaser and successors in interest fail to execute an effective permit.

3.18 Sec. 6. Minnesota Statutes 2016, section 90.145, subdivision 2, is amended to read:

3.19 Subd. 2. **Purchaser registration.** To facilitate the sale of permits issued under section  
3.20 90.151, the commissioner may establish a registration system to verify the qualifications  
3.21 of a person or affiliate as a responsible bidder to purchase a timber permit. Any system  
3.22 implemented by the commissioner shall be limited in scope to only that information that is  
3.23 required for the efficient administration of the purchaser qualification requirements of this  
3.24 chapter. The registration system established under this subdivision is not subject to the  
3.25 rulemaking provisions of chapter 14 and section 14.386 does not apply.