

ten percent. The program shall be administered so as to ensure the maximum possible use of available federal money.

Sec. 7. YOUTH HOSTELS.

The department of natural resources in cooperation with the outdoor recreation advisory council shall examine the need for youth hostels and the sources available for financial assistance to such hostels throughout the state in order to further the development of the national system of youth hostels to increase the opportunity for outdoor recreation. The examination shall be done in cooperation with the Minnesota historical society and shall include the possibility of the use of historically significant structures and other structures on public land particularly those on or adjacent to units of the Outdoor Recreation System. The results of the study shall be submitted to the legislature on or before January 15, 1982. For the purposes of this section, the term "youth hostel" means an inexpensive, self-service, dormitory style, supervised, over-night facility, chartered by American Youth Hostels, Inc., and operated in accordance with their practices.

Sec. 8. BOND SALES EXPENSES.

The sum of \$34,800 is appropriated to the commissioner of finance for bond sale expenses pursuant to Minnesota Statutes, Section 16A.64, Subdivision 4; and 121.215, Subdivision 3.

Sec. 9. REPEALER.

Laws 1979, Chapter 301, Section 6, Subdivision 1, is repealed. The appropriation provided in subdivision 2 of that section shall be expended in accordance with section 6 of this act.

Approved May 29, 1981

CHAPTER 305 — H.F.No. 936

An act relating to natural resources; raising limitations on values of state timber which may be sold at public auction or informal sale; providing for intermediate auction sales and changing certain other provisions relating to the sale and removal of state timber; sale of stumpage; permitting extension of certain timber permits; amending Minnesota Statutes 1980, Sections 90.031, Subdivision 4; 90.041, by adding a subdivision; 90.101, Subdivision 1; 90.151, Subdivisions 11 and 13; 90.161, Subdivision 1; 90.173; 90.181, Subdivision 2; 90.191, Subdivision 1; 282.04, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 90.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1980, Section 90.031, Subdivision 4, is amended to read:

Subd. 4. The executive council may formulate and establish, from time to time, such rules and regulations as it deems advisable for the transaction of timber business of the state, including approval of the sale of timber on any tract in a lot exceeding \$20,000 when the sale is in the best interests of the state, and may abrogate, modify, or suspend such rules and regulations at its pleasure.

Sec. 2. Minnesota Statutes 1980, Section 90.041, is amended by adding a subdivision to read:

Subd. 4. In May of each year, the commissioner shall hold a public meeting in each forest area to inform the public of the manner in which the cutting list for that area for the next fiscal year is proposed to be allocated between informal, intermediate and regular auction sales. The public shall be afforded an opportunity to provide written and oral comments concerning the proposed allocation.

Sec. 3. Minnesota Statutes 1980, Section 90.101, Subdivision 1, is amended to read:

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$7,500~~ \$20,000 in appraised value and may determine the number of sections or fractional sections of land to be covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except to the highest bidder at public auction, and the minimum price shall be the appraised value as fixed by the report of the state appraiser. All sales shall be held in the county in which the tract is located and no sale shall be held in more than one location on any one day.

Sec. 4. **[90.121] INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF \$7,000.**

The commissioner may sell the timber on any tract of state land in lots not exceeding \$7,000 in appraised value, in the same manner as timber sold at public auction under section 90.101, and related laws, subject to the following special exceptions and limitations:

(1) sales shall be at the forest office or other public facility most accessible to potential bidders or close to where the tract is located;

(2) the commissioner's list describing the tract, quantity of timber, and appraised price shall be compiled not less than 30 days before the date of sale and a copy of the list posted not less than 30 days before the date of the sale;

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(3) notice of the sale shall be published once, not less than one week before the date of the sale;

(4) no bidder may be awarded more than 25 percent of the total tracts offered at the first round of bidding unless fewer than four tracts are offered, in which case not more than one tract shall be awarded to one bidder. Any tract not sold shall be available for a period of 90 days for purchase by persons eligible under this section at the appraised value;

(5) the bond or deposit required pursuant to section 90.161 or 90.173 shall be given or deposited before any cutting begins or not later than nine months after the date of sale, whichever is earlier;

(6) in lieu of the placing of the marks M I N on cut products as prescribed under section 90.151, subdivision 2, all landings of cut products shall be legibly marked with the name of the permit holder and the assigned permit number;

(7) no person may hold more than four permits issued under this section and no sale may be made to a person holding four permits which are still in effect or to a person having more than 20 employees;

(8) the permit may not exceed one year in duration;

(9) if the purchaser for good and sufficient reason is unable to cut the timber within the one year permit period, the commissioner may grant one extension for a period of up to one year from the date of expiration of the original permit without interest, and one additional extension of one year with interest;

(10) if all cut timber, equipment, and buildings, are not removed at the end of any 120 day extension period which the commissioner may grant for removal, the commissioner may grant a second period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of a request by the permit holder for hardship reasons only.

The auction sale procedure set forth in this section constitutes an additional alternative timber sale procedure available to the commissioner and is not intended to replace other authority possessed by the commissioner to sell timber in lots of \$7,000 or less.

Sec. 5. Minnesota Statutes 1980, Section 90.151, Subdivision 11, is amended to read:

Subd. 11. Except as authorized under section 90.191, any permit ~~falling~~ which fails to conform to the requirements of this section ~~or, in the case of a permit issued under section 4, which fails to conform to the requirements of section 4,~~ shall be void ~~on its face~~.

Sec. 6. Minnesota Statutes 1980, Section 90.151, Subdivision 13, is amended to read:

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Subd. 13. The commissioner may grant extensions of timber permits and contracts, ~~whether issued before or after July 1, 1967, for such periods as the commissioner deems advisable, provided that (1) for permits issued on or after May 15, 1975 the total of such the extensions shall not exceed three years from the date of the expiration of the original permit, and (2) for permits issued prior to May 15, 1975 the total of such the extensions and the original permit term shall not exceed ten years from date of issuance of the permit.~~ All extensions granted pursuant to this subdivision shall be subject to all the provisions of this chapter. The commissioner shall include in each extension a condition that the purchaser shall pay to the state interest at the rate of ~~six~~ eight percent of the unpaid purchase price for each year of ~~such~~ extension or portion thereof to the date of the seasonal scale report of products cut as computed on the sale price of the timber cut, or if not cut, upon the official estimate thereof; however, the purchaser is not required to pay interest totaling \$1 or less.

Sec. 7. Minnesota Statutes 1980, Section 90.161, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by law the purchaser of any state timber, before any timber permit to him shall become effective for any purpose, shall within 90 days from the date of purchase give a good and valid bond to the state of Minnesota equal to the value of all timber covered or to be covered by the permit, as shown by the sale price bid therefor and the appraisal report thereof as to quantity, less the amount of any payment pursuant to section 90.14, which bond shall be conditioned upon the faithful performance by the purchaser and his successors in interest of all the terms and conditions of the permit and all requirements of law in respect to such sales; and the bond shall be approved in writing by the commissioner and filed for record in his office.

Sec. 8. Minnesota Statutes 1980, Section 90.173, is amended to read:

90.173 PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.

In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit the person required to file ~~such~~ the bond may deposit with the state treasurer cash, a certified check, ~~or~~ a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount as would be required for a bond. If securities listed in this section are deposited, the par value of the securities shall be not less than the amount required for the timber sale bond, and the person required to file the timber sale bond shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the security in the event of default under the

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timber sale. All of the conditions of the timber sale bond shall equally apply to such the deposit with the state treasurer. In the event of a default the state may take from such the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making such the deposit and shall bear interest at the rate determined pursuant to section 549.09 if not returned within 30 days from the date of the default. Such Sums of money as may be required by the state treasurer to carry out the terms and provisions of this section are heroby appropriated from the general fund to the state treasurer for such these purposes. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a non-final statement if it appears that the total amount due on the permit will exceed the bid price.

Sec. 9. Minnesota Statutes 1980, Section 90.181, Subdivision 2, is amended to read:

Subd. 2. **DEFERRED PAYMENTS.** If the amount of the statement is not paid within 30 days of the date thereof, it shall bear interest at the rate of six percent per annum from date determined pursuant to section 549.09, except that the purchaser shall not be required to pay such interest that totals \$1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the attorney general who shall proceed to collect the same. When deemed in the best interests of the state, the commissioner shall deem it for the best interest of the state he shall take possession of the timber for which such an amount is due wherever it may be found and sell the same informally or at public auction after giving such notice as he deems reasonable notice. The proceeds of such the sale shall be applied, first, to the payment of the expenses of seizure and sale; and, second, to the payment of the amount due for such the timber, with interest; and the surplus, if any, shall belong to the state; and, in case a sufficient amount is not realized to pay such these amounts in full, the balance shall be collected by the attorney general. Neither payment of such the amount, nor the recovery of judgment therefor, nor satisfaction of such the judgment, nor the seizure and sale of such timber, shall release the sureties on any bond given pursuant to this chapter, or preclude the state from afterwards claiming that such the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed, or from prosecuting the offender criminally.

Sec. 10. Minnesota Statutes 1980, Section 90.191, Subdivision 1, is amended to read:

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Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$1,500~~ \$3,000 in appraised value, without formalities but for not less than the full appraised value thereof, to any individual person. No sale shall be made under this section to any person holding two permits issued hereunder which are still in effect; except that (1) a partnership as defined in chapter 323, which may include spouses but which shall provide evidence that a partnership exists, may be holding two permits for each of not more than three partners who are actively engaged in the business of logging or who are the spouses of persons who are actively engaged in the business of logging with that partnership; and (2) a corporation, a majority of whose shares and voting power are owned by natural persons related to each other within the fourth degree of kindred according to the rules of the civil law or their spouses or estates, may be holding two permits for each of not more than three shareholders who are actively engaged in the business of logging or who are the spouses of persons who are actively engaged in the business of logging with that corporation.

Sec. 11. EXTENSION OF CERTAIN TIMBER PERMITS.

The commissioner of natural resources may extend for an additional period of not to exceed one year any timber permit issued pursuant to Minnesota Statutes, Section 90.191, which expires during 1981. This extension shall be in addition to any extension previously granted pursuant to section 90.191; shall be made without additional charge, and shall otherwise be subject to the requirements of section 90.191.

Sec. 12. Minnesota Statutes 1980, Section 282.04, Subdivision 1, is amended to read:

Subdivision 1. **TIMBER SOLD FOR CASH.** The county auditor may sell dead, down and mature timber upon any tract that may be approved by the natural resources commissioner. Such sale of timber products shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at such public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until such time as the county board may withdraw such timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources. Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale. The county board may require final settlement on the basis of a scale of cut products. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale above mentioned, in which case the notice shall contain a description of such parcels, a statement of the estimated quantity of each species of timber thereon and the

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appraised price of each specie of timber for 1,000 feet, per cord or per piece, as the case may be. In such cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from such parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of such sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of such sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from such parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by him when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of green standing, dead, down, dying, insect infected or diseased timber not exceeding ~~\$1,500~~ \$3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of such sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two such sales, directly or indirectly to any individual shall be in effect at one time. As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private vendue, and at such prices and under such terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt therefrom, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$300 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any such leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by such cancellation shall be refunded from the forfeited tax sale fund upon the claim

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of the lessee, to be audited and allowed by the county board as in case of other claims against the county. The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon such conditions and for such consideration and for such period of time, not exceeding 15 years, as the county board may determine; said permits, licenses, or leases to be subject to approval by the commissioner of natural resources. Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor. The county auditor may, with the approval of the county board and the commissioner of natural resources, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat from tax-forfeited lands upon such terms and conditions as the county board may prescribe.

Provided, however, that no lease for the removal of peat shall be made by the county auditor pursuant to this section without first holding a public hearing on his intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

Sec. 13. MEETINGS IN 1981.

Notwithstanding any contrary provision in section 2, in 1981 the meetings required by that section shall be held not later than July 1, 1981.

Sec. 14. EFFECTIVE DATE.

Sections 2, 11 and 13 are effective the day following final enactment. The remaining sections of this act are effective August 1, 1981.

Approved May 29, 1981

CHAPTER 306 — H.F.No. 1005

An act relating to housing; authorizing municipalities under 2,500 population to elect that the state building code not apply within their jurisdictions; permitting certain investments by the Minneapolis retirement board; authorizing temporary rulemaking power for the housing finance agency to define certain terms; providing for the continuation of staff complement; providing for changes in the assumability of agency loans; making non-citizen veterans eligible for certain loans; permitting certain loans; permitting the transfer of certain funds; providing for a revolving account; restricting the use of municipal housing revenue bonds in redevelopment areas; eliminating restrictions on the issuance of certain bonds exempted by federal law; appropriating money; amending Minnesota Statutes 1980, Sections 422A.05, by adding a subdivision;

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