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

Section 1. CONSTITUTIONAL AMENDMENT; HIGHWAY BONDS.

The following amendment to the Minnesota Constitution, Article XIV, j Section 11, is proposed to the people of the state. The section, if the amendment is adopted, shall read as follows:

Sec. 11. The legislature may provide by law for the sale of bonds to carry out the provisions of section 2. Bonds issued and unpaid shall not at any time exceed \$150,000,000 par value. The proceeds shall be paid into the trunk highway fund. Any bonds shall mature serially over a term not exceeding 20 years, and shall not be sold for less than par and accrued interest and shall not bear interest at a greater rate than five percent per annum. If the trunk highway fund is not adequate to pay principal and interest of these bonds when due, the legislature may levy on all taxable property of the state in an amount sufficient to meet the deficiency or it may appropriate to the fund money in the state treasury not otherwise appropriated.

Sec. 2. SUBMISSION TO VOTERS.

The proposed amendment shall be submitted to the people at the 1982 general election. The question submitted shall read:

<u>"Shall the Minnesota Constitution be amended to remove restrictions on</u> the interest rate for and the amount of trunk highway bonds?

> <u>Yes</u>" <u>No</u>"

Sec. 3. BALLOT QUESTION.

Notwithstanding any law or rule to the contrary, the ballot question in section 2 shall immediately follow the first question placed on the ballot and submitted to the people at the 1982 general election. This section is effective the day following final enactment.

Approved March 22, 1982

CHAPTER 511 - S.F.No. 1859

An act relating to forestry; establishing a forest resource management policy and plan; realignment of forestry boundaries; establishing a forest management fund and accounting system; changing certain procedures for timber sales from state and tax-forfeited lands; extending certain timber permits; making various changes in forestry laws; amending Minnesota Statutes 1980, Sections 16A.125, Subdivision 5; 89.001, and by adding

subdivisions; 89.01, Subdivision 6; 89.021, Subdivision 1; 89.036; 89.37, Subdivisions 2, 3, 3a, and 4; 90.201; 90.251, Subdivisions 1 and 4; 197.447; 282.01, Subdivisions 1 and 3; 282.02; and 282.132; Minnesota Statutes 1981 Supplement, Section 282.04, Subdivision 1; Laws 1981, Chapter 305, Section 11; proposing new law coded in Minnesota Statutes, Chapters 88, 89, 90, and 282; repealing Minnesota Statutes 1980, Sections 282.031; 282.032; 282.033; 282.034; 282.035; 282.036; and 282.037.

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

Section 1. SHORT TITLE.

Sections 1 to 29 may be cited as the Forest Resource Management Act of 1982.

Sec. 2. Minnesota Statutes 1980, Section 89.001, is amended by adding subdivisions to read:

Subd. 8. "Forest resources" means those natural assets of forest lands, including timber and other forest crops, recreation, fish and wildlife habitat, wilderness, rare and distinctive flora and fauna, air, water, soil, and educational, aesthetic and historic values.

Subd. 9. "Multiple use" means the principle of forest management by which forest resources are utilized in the combinations that will best meet the needs of the people of the state; including the harmonious and coordinated management of the forest resources, each with the other, without impairment of the productivity of the land and with consideration of the relative values of the resources, and not necessarily the combination of uses resulting in the greatest economic return or unit output.

Subd. 10. "Sustained yield" means the principle of forest management for the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of forest resources without impairment of the productivity of the land; allowing for periods of intensification of management to enhance the current or anticipated output of one or more of the resources.

Subd. 11. "Reforestation" means the process of natural or artificial forest regeneration, including securing seed, growing seedlings, preparing sites, planting seed, planting trees, removing deleterious growth and underbrush and other activities related to forest regeneration.

Subd. 12. "Extractive use" means the removal of sand, gravel, peat or any mineral from beneath the surface of the land.

Subd. 13. FOREST LANDS UNDER THE AUTHORITY OF THE COMMISSIONER. "Forest lands under the authority of the commissioner" means state forest lands and other forest lands managed by the commissioner outside of state forests, except for tax-forfeited lands held in trust for the taxing districts and for the following units of the outdoor recreation system as defined in section 86A.04: state parks, state trails, state wildlife management areas, state

scientific and natural areas, state water access sites, state historic sites, state rest areas and state wilderness areas.

Sec. 3. [89.002] POLICIES.

<u>Subdivision 1.</u> FOREST RESOURCE MANAGEMENT POLICY. The commissioner shall manage the forest resources of state forest lands under the authority of the commissioner according to the principles of multiple use and sustained yield. The forest resource management policy shall not supersede any existing duty or authority of the commissioner in managing forest lands, but the duties and authorities, as far as practicable, shall be exercised consistently with this policy. The forest resource management policy is not intended to exclude extractive uses of forest lands under the authority of the commissioner pursuant to state law.

<u>Subd.</u> 2. **REFORESTATION POLICY.** (a) The commissioner shall maintain all forest lands under authority of the commissioner in appropriate forest cover with species of trees, degree of stocking, rate of growth and stand conditions designed to secure optimum public benefits according to multiple use, sustained yield principles and consistent with applicable forest management plans.

(b) Each year the commissioner shall strive to assure that (1) reforestation occurs annually on an acreage at least equal to the acreage harvested that year on all forest lands under the authority of the commissioner; (2) additional reforestation is accomplished on areas previously harvested but not adequately reforested so that the backlog of reforestation work can be eliminated; and (3) poorly stocked forest land, or forest land damaged by natural causes, shall be returned to a state of productivity.

<u>Subd. 3.</u> FOREST ROAD POLICY. The commissioner shall provide a system of forest roads and trails which provides access to state forest land and other forest land under his authority which is adequate to permit the commissioner to manage, protect, and develop those lands and their forest resources consistent with the forest resource management policy, and to meet demands for forest resources.

Sec. 4. Minnesota Statutes 1980, Section 89.01, Subdivision 6, is amended to read:

Subd. 6. When any state lands not reserved or set aside are found by the commissioner to be more valuable for the production of timber than for agriculture he may by written order designate such lands as state forest or adjust the boundaries of state forests subject to the approval of the state legislature at its next regular session.

Sec. 5. [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 3. 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 data base, compatible with the data base of the Minnesota land management information center, capable of continuous updating and usable as a tool in effectively managing forest resources, utilizing existing data bases 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 3, 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) <u>Measures to enhance recreational opportunities and fish and wildlife</u> 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. 4. FEDERAL COORDINATION. The department of natural resources shall coordinate all forest resources planning efforts with the appropriate federal agencies in order to achieve optimum public benefit, to obtain federal assistance, to participate in the federal forestry planning process, and to enhance the productivity and multiple use management of forest resources.

<u>Subd. 5.</u> PUBLIC AND PRIVATE COORDINATION. The department of natural resources shall coordinate all forest resources planning efforts with counties and other public agencies and private organizations engaged in forest resource management and research.

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.

Sec. 6. [89.012] UNIT FOREST RESOURCE PLANS.

Each geographic administrative unit of the division of forestry identified by the commissioner as an appropriate unit for forest resource planning shall have a unit forest resource plan which is consistent with the forest resource management policy and plan, including state reforestation and road policies. The scope and content of the plan shall be determined by the commissioner. A unit plan shall not be implemented until approved by the commissioner.

<u>A unit plan shall set forth the specific goals and objectives for the</u> management, protection, development, and production of forest resources in the administrative unit. <u>A unit plan shall be integrated with other uses not managed</u> under the multiple use, sustained yield principles policy when those uses have been authorized and approved according to law, including compliance with environmental review procedures. Unit plans shall be revised as necessary to remain consistent with the forest resource management plan.

Sec. 7. [89.013] PRESENTATION TO LEGISLATURE.

The completed forest resource management plan and unit plans shall be presented at hearings before the standing committees of each house of the legislature with jurisdiction over natural resources or appropriation matters.

Sec. 8. [89.014] ADMINISTRATIVE REALIGNMENT PLAN.

<u>Subdivision 1.</u> REALIGNMENT OF STATE FORESTS. The commissioner shall propose a realignment of the boundaries of state forests, including consolidation or creation of state forests and adjustment of boundaries of existing state forests, which is based on the long-term suitability of forest lands under the authority of the commissioner for use and management for forestry purposes and the state forest resource management policy and plan. In proposing the realignment the commissioner shall consider the results of the land suitability study required by Laws 1981, Chapter 356, Section 31, Subdivision 4(s).

Subd. 2. REALIGNMENT OF ADMINISTRATIVE UNITS. The commissioner shall propose a realignment of the administrative units of the division of forestry which provides cost-effective administration of the lands managed by the division and reasonable convenience and access of the public in utilizing forest resources. The realignment shall identify the appropriate administrative level for which unit forest resource plans should be prepared under section 6.

Subd. 3. PRESENTATION TO LEGISLATURE. The commissioner shall present the realignment plans required by this section to the appropriate substantive standing committees of both houses of the legislature by December 31, 1983, including drafts of legislation needed to implement the plans.

Sec. 9. Minnesota Statutes 1980, Section 89.021, Subdivision 1, is amended to read:

Subdivision 1. ESTABLISHED. There are hereby established and re-established as state forests, for growing, managing and harvesting timber and other forest crops and for the establishment and development of recreational areas and for the protection of watershed areas, and the preservation and development of rare and distinctive species of flora and fauna native to such areas in accordance with the forest resource management policy and plan, all lands and waters now owned by the state or hereafter acquired by the state, excepting lands acquired for other specific purposes or tax-forfeited lands held in trust for the taxing districts unless incorporated therein as otherwise provided by law, in the townships and sections described as follows:

Sec. 10. Minnesota Statutes 1980, Section 89.036, is amended to read:

89.036 FUNDS APPORTIONED TO COUNTY.

The state of Minnesota shall hereafter annually on July 1 or as soon thereafter as may be practical, pay from the state forest fund to each county, in which there now are, or hereafter shall be situated, any state forests, a sum equal to 50 percent of the gross receipts of such state forests located within such county, which have been received during the preceding fiscal year and credited to the state forest fund, which payment shall be received and distributed by the county treasurer, as if such payment had been received as taxes on such lands payable in the current year.

After making such payment to the county, the balance of said funds in the state forest fund on July 1 shall be transferred and credited to the general forest management fund of the state established under section 11.

The commissioner of finance shall annually draw his warrants upon the state treasurer for the proper amounts in favor of the respective counties entitled thereto and the state treasurer shall pay such warrants from the state forest fund.

The commissioner of finance and the state treasurer shall, and are hereby authorized and empowered to devise, adopt, and use such accounting methods as they may deem proper, and to do any and all other things reasonably necessary in carrying out the provisions of this section.

There is hereby appropriated to the counties entitled to such payment, from the state forest fund in the state treasury, an amount sufficient to make the payments specified herein.

Sec. 11. [89.04] FOREST MANAGEMENT FUND.

<u>Subdivision 1.</u> FUND ESTABLISHED; SOURCES. The forest management fund is created as an account in the state treasury and may be spent only for the purposes provided in subdivision 2. The following revenue shall be deposited in the forest management fund:

(a) Money transferred from the state forest fund as provided in section 89.036;

(b) Money transferred from the state forest suspense account as provided in section 16A.125, subdivision 5, which may be appropriated to implement the state forest resource management policy and plan only on state forest trust fund lands as defined in section 16A.125, subdivision 5;

(c) Money from the sale of tree planting stock as provided in section 89.37, subdivision 4; and

(d) Interest accruing from investment of the fund.

Subd. 2. PURPOSES OF FUND. Subject to appropriation by the legislature, money in the forest management fund may be spent by the department of natural resources in accordance with the forest resource management policy and plan for any of the following purposes:

(a) <u>Reforestation consistent</u> with the state reforestation policy and forest resource management plan;

(b) Forest road improvements consistent with the state forest road policy and forest resource management plan;

(c) Equipment and training needed for the prevention and suppression of forest fires;

(d) Forest pest prevention and treatment.

Sec. 12. [89.05] ACCOUNTING SYSTEM.

The department of natural resources shall consolidate and simplify the accounting system within the department for receipts from department managed lands, disbursements made on a regular basis, and the program for federal aids and grant reimbursements. The new accounting system shall be implemented with the cooperation and under the supervision of the department of finance, utilizing the assistance and recommendations of the office of the legislative auditor.

Sec. 13. [89.06] NURSERY AND TREE IMPROVEMENT PLAN.

By February 1, 1983, the commissioner, with the assistance of the agricultural experiment station of the University of Minnesota, shall submit a plan to the legislature on the benefits and costs of making the nursery and tree improvement program in chapter 89 self-supporting. The plan shall include, but not be limited to, at least the following elements:

(a) tree species and stand improvement;

(b) adoption of a seed certification system;

(c) development of specialized seed tree orchards;

(d) implementation of modern nursery techniques;

(e) contractual arrangements with users of tree seedlings; and

(f) an economic analysis of surcharges and user fees that would make the nursery and tree improvement program self-supporting.

Sec. 14. Minnesota Statutes 1980, Section 89.37, Subdivision 2, is amended to read:

Subd. 2. PUBLIC LANDS; AUXILIARY FORESTS OF NONPROF-IT CORPORATIONS. Such planting stock may be supplied for use on any lands owned by or subject to an easement or right of way held by the state or by any political subdivision of the state free of charge or upon payment of all or any part of the cost of such stock or and expenses of distribution, as the commissioner may determine. Such planting stock may be supplied under like conditions for use in any auxiliary forest owned and maintained by any corporation organized for religious, social, moral, educational, scientific, benevolent, charitable, fraternal, or reformatory purposes and not for profit.

Sec. 15. Minnesota Statutes 1980, Section 89.37, Subdivision 3, is amended to read:

Subd. 3. **PRIVATE LANDS.** Except as otherwise expressly provided, such planting stock in lots of not less than 500 may be supplied for use on private land only upon payment of such sum as the commissioner shall determine to be fair and reasonable pay for the cost of the stock and expenses of distribution.

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Sec. 16. Minnesota Statutes 1980, Section 89.37, Subdivision 3a, is amended to read:

Subd. 3a. SALES OF TREES TO SOIL AND WATER CONSERVA-TION DISTRICTS. The commissioner of natural resources may supply tree planting stock to organized soil and water conservation districts for soil, water, wildlife and conservation purposes or as prescribed in section 89.35, subdivision 2_{1} upon payment of the cost of the stock and expenses of distribution.

There is no minimum limitation on the number of trees going on an individual location. The district shall make the determination of the numbers of trees going to each location.

Resale of trees with roots attached by the districts to their cooperators is permitted if planted in accordance with conservation purposes set forth in section 89.35, subdivision 2.

The soil and water conservation districts are permitted to resell trees with an adequate amount added to defray costs of handling, grading, transportation, storage, salaries and other costs directly related to planting the stock.

The district shall keep a record of all trees planted and the locations of the plantings. A record of the plantings shall be sent to the commissioner of natural resources.

Soil and water conservation districts. may establish joint distribution centers, if necessary, to facilitate distribution or improve quality of tree planting stock when approved by the commissioner of natural resources and the soil and water conservation districts so affected.

Sec. 17. Minnesota Statutes 1980, Section 89.37, Subdivision 4, is amended to read:

Subd. 4. **PROCEEDS OF SALE.** All moneys received in payment for tree planting stock supplied under this section shall be deposited in the state treasury and credited to the general fund forest management fund pursuant to section 11 and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

Sec. 18. [89.65] FORESTRY EDUCATION.

Subdivision 1. By March 1, 1983, the commissioner shall provide to the respective standing committees on natural resources and finance of the house and the senate a report on continuing education needs of public and private foresters. The report shall be done with the assistance and cooperation of the University of Minnesota's agricultural extension service, agricultural experiment station and college of forestry, and shall detail the benefits and costs, including recommendations on licensing and course curricula, of developing a cooperative continuing education program for forestry professionals.

Subd. 2. By July 1, 1983, the commissioner shall implement a continuing education program for state foresters in the employ of the department of natural resources. The program shall be based on recommendations made in the report required in subdivision 1.

Subd. 3. The commissioner shall prepare and distribute a forest management manual, stressing the concept of multiple use and education and management concerns for small landowners who own at least ten acres of woodlands. The manual shall be prepared with the assistance and cooperation of the University of Minnesota's agricultural extension service, agricultural experiment station and college of forestry, and other public and private forestry organizations.

Sec. 19. [89.66] FORESTRY RESEARCH AND EXTENSION.

<u>Subdivision 1.</u> AGRICULTURE EXPERIMENT STATION. The director of the state agricultural experiment station at the University of Minnesota is authorized to conduct, support and cooperate in research activities deemed necessary to obtain scientific information about forest resources. Activities conducted under this section shall include, but not be limited to, the following:

(a) forest resources management research, including activities related to managing, reproducing and growing forest vegetation for forest resources purposes;

(b) forest environmental research, including activities related to management of watersheds, controlling erosion, improving wildlife habitats, reducing water and air pollution and related purposes;

(c) forest protection research, including activities related to protection of forest vegetation from fire, insects, diseases, animals, noxious plants, and air pollutants;

(d) forest utilization research, including activities related to harvesting, transportation, marketing, and utilization of wood; and

(e) forest resource assessment research, including activities required to inventory and survey the type and extent of forest resources.

To ensure efficient and effective accomplishment of forest research goals and objectives, the director of the state agricultural experiment station shall cooperate with other public and with private forestry organizations seeking scientific forestry information through research, and provide to the commissioner appropriate forest research results in the development and implementation of the forest resources management policy and plan.

<u>Subd.</u> 2. AGRICULTURAL EXTENSION SERVICE. The director of the agricultural extension service at the University of Minnesota is authorized to conduct, support, and cooperate in forestry extension activities including, but not limited to, the following:

(a) Providing educational programs that will enable individuals to recognize and capture opportunities for managing forests for purposes of recreation, timber, water, wildlife, forage, and other purposes;

(b) Using educational programs to disseminate the results of forestry research;

(c) <u>Providing for the forestry educational needs of the private, nonindustri-</u> al forest landowner;

(d) Assisting in providing continuing education programs for professionally trained resource managers;

(e) <u>Providing educational programs that will enhance in harvesting</u>, processing, and marketing of wood;

(f) Assisting in the identification of topics in need of forestry research.

In implementing this subdivision, all appropriate educational methods may be used.

To ensure efficient and effective accomplishment of forestry extension goals and objectives, the director of the state extension service shall cooperate with the commissioner in the development and implementation of the forest resources management policy and plan, and shall encourage close cooperation between forestry extension staffs in county, state, and federal service, and between personnel involved in forestry research and land management in all public and private agencies.

Sec. 20. Minnesota Statutes 1980, Section 90.201, is amended to read:

90.201 <u>VOID</u> TIMBER SALES, WHEN VOID; REFUNDS; <u>ADJUST-</u> <u>MENT OF SALE TERMS</u>.

<u>Subdivision 1.</u> VOID SALES; REFUNDS. Any sale of timber made by fraud or mistake or in violation of the provisions of this chapter shall be void, the permit issued thereon shall be of no effect, and the holder shall be required to surrender the same. In case of a sale made by mistake the amount so paid shall be refunded to the permit holder, or at his request the commissioner may credit the refund as payment upon any other timber purchased by the permit holder. If timber has been cut on a permit which required cancellation due to error by the state, it may be sold at single stumpage rate without formalities.

<u>Subd.</u> 2. REFUNDS ON FINAL BILLING; INTEREST PAYMENT ON LATE REFUNDS. The commissioner shall refund to a permit holder any amount paid on a timber sale which exceeds the value of the timber cut under that sale as determined on a final statement transmitted pursuant to section 90.181. The commissioner may credit a refund to any other permit held by the same permit holder if the permit is delinquent as provided in section 90.181, subdivision 2, and may credit a refund to any other permit to which the permit holder requests that it be credited.

Any refund of cash which is due to a permit holder as determined on a final statement transmitted pursuant to section 90.181 which is not paid to the permit holder within 45 days after the date of that statement shall bear interest at the rate determined pursuant to section 549.09 unless the refund is credited on another permit as provided in this subdivision. Interest shall be paid from the date of the final statement. No interest shall be paid in an amount of \$50 or less.

<u>Subd.</u> 3. SETTLEMENT OF PERMIT OBLIGATIONS. When a permit holder dies or becomes permanently incapacitated, the commissioner may cancel the permit and compromise and settle the remaining obligations to the state.

Sec. 21. [90.045] APPRAISAL STANDARDS.

By July 1, 1983, the commissioner shall establish specific timber appraisal standards according to which all timber appraisals will be conducted under chapter 90. The standards shall include a specification of the maximum allowable appraisal sampling error, and the procedures for tree defect allowance, tract area estimation, product volume estimation, and product value determination. The timber appraisal standards shall be included in each edition of the timber sales manual published by the commissioner. In addition to the duties pursuant to section 90.061, every state appraiser shall conduct his work within the guidelines of the timber appraisal standards. The standards shall not be subject to the rulemaking provisions of chapter 15.

Sec. 22. Minnesota Statutes, 1980, Section 90.251, Subdivision 1, is amended to read:

Subdivision 1. The commissioner shall institute such scaling and check scaling procedures for state timber as will protect the interest of the state. This will include the assignment of a trained timber scaling specialist in the classified service to be responsible for check scaling and to develop scaling and check scaling techniques and standards. Such scaling and check scaling techniques and standards will shall be approved by the commissioner and legislative auditor. Check scaling will shall also be accomplished by other forestry supervisors with such reports forwarded to the timber scaling specialist. The timber scaling specialist will shall report any scaling deficiencies or trespass to the commissioner. Any such deficiencies requiring the attention of the legislative auditor, attorney general, or state executive council will be forwarded to these offices by the commissioner. All timber cut on lands in the charge of the commissioner, except as expressly provided otherwise by the commissioner shall be scaled. No timber may be scaled until such timber is first marked with M I N or as otherwise properly identified as specified in the permit. All scaling shall be done upon the land from which the timber was cut; provided that the state appraiser, subject to the approval of the commissioner, may designate in writing to a permit holder another location where such timber may be scaled, counted or measured; all logs individually scaled shall be numbered consecutively, and the number of

each entered upon the minutes of the scaler; such allowance shall be made for defects therein as will make such timber equivalent to merchantable timber. No state timber shall be removed from the land where it was cut until it has been so scaled or counted except as herein provided. Any person removing any such timber from the land where it was cut, or from the place designated, before it has been so scaled or counted shall be guilty of a gross misdemeanor.

Sec. 23. Minnesota Statutes 1980, Section 90.251, Subdivision 4, is amended to read:

Subd. 4. No state timber shall ever be scaled for or on behalf of the state by any person except a state appraiser, or scaler except as provided otherwise by the commissioner, and as far as practicable the scaler and appraiser shall not be the same person for any timber cut under a permit. No scale, count, measurement, or estimate of state timber officially made and reported by any state appraiser or scaler shall ever be changed or altered by any other person, nor superseded or set aside in any manner except as expressly provided in this chapter. Reappraisals of unsold state land or timber may be made when deemed advisable by the commissioner. Except as herein expressly provided and as generally authorized by sections 10.11 and 10.12, no claim of the state for timber from state lands shall ever be settled or discharged for less than the full amount thereof as shown by the scale or estimate of scalers, or of state appraisers, as the case may be.

Sec. 24. Minnesota Statutes 1980, -- Section 282.01, Subdivision 1, is amended to read:

Subdivision 1. CLASSIFICATION; "USE; EXCHANGE. Except as ownership of particular tracts of land should be held by the state or its subdivisions for a recognized public purpose and public access, it is the general policy of this state to encourage return of tax-forfeited lands to private ownership and the tax rolls through sale, and classification of lands according to this chapter is not in contravention of this general policy It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. All parcels of land becoming the property of the state in trust under the provisions of any law now existing or hereafter enacted declaring the forfeiture of lands to the state for taxes, shall be classified by the county board of the county wherein such parcels lie as conservation or nonconservation. Such classification shall be made with consideration, among other things, to the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, and their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. Such classification, furthermore, shall aid: to encourage and foster a mode of land

utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; to facilitate reduction of governmental expenditures; to conserve and develop the natural resources; and to foster and develop agriculture and other industries in. the districts and places best suited thereto.

In making such classification the county board may make use of such data and information as may be made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing information pertinent thereto at the time such classification is made. Such lands may be reclassified from time to time as the county board may deem necessary or desirable, except as to conservation lands held by the state free from any trust in favor of any taxing district.

Provided that If any such lands are located within the boundaries of any organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale shall first be approved by the town board of such town or the governing body of such municipality insofar as the lands located therein are concerned. The town board of the town or the governing body of the municipality will be deemed to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality...If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it shall, within 90 days of the request for classification or reclassification with the county board to withhold the parcel from public sale. The county board shall then withhold the parcel from public sale for one year.

Any tax-forfeited lands may be sold by the county board to any organized or incorporated governmental subdivision of the state for any public purpose for which such subdivision is authorized to acquire property or may be released from the trust in favor of the taxing districts upon application of any state agency for any authorized use at not less than their value as determined by the county board. The commissioner of revenue shall have power to convey by deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to any governmental subdivision for any authorized public use, provided that an application therefor shall be submitted to the commissioner with a statement of facts as to the use to be made of such tract and the need therefor and the recommendation of the county board. The deed of conveyance shall be upon a form approved by the attorney general and shall be conditioned upon continued use for the purpose stated in the application, provided, however, that if the governing body of such governmental subdivision by resolution determines that some other public use shall be made of such lands, and such change of use is approved by the county board and an application for such change of use is made

to the commissioner, and approved by him, such changed use may be made of such lands without the necessity of the governing body conveying the lands back to the state and securing a new conveyance from the state to the governmental subdivision for such new public use.

Whenever any governmental subdivision to which any tax-forfeited land has been conveyed for a specified public use as provided in this section shall fail to put such land to such use, or to some other authorized public use as provided herein, or shall abandon such use, the governing body of the subdivision shall authorize the proper officers to convey the same, or such portion thereof not required for an authorized public use, to the state of Minnesota, and such officers shall execute a deed of such conveyance forthwith, which conveyance shall be subject to the approval of the commissioner and in form approved by the attorney general, provided, however, that a sale, lease, transfer or other conveyance of such lands by a housing and redevelopment authority as authorized by sections 462.411 to 462.711 shall not be an abandonment of such use and such lands shall not be reconveyed to the state nor shall they revert to the state. No vote of the people shall be required for such conveyance. In case any such land shall not be so conveyed to the state, the commissioner of revenue shall by written instrument, in form approved by the attorney general, declare the same to have reverted to the state, and shall serve a notice thereof, with a copy of the declaration, by certified mail upon the clerk or recorder of the governmental subdivision concerned, provided, that no declaration of reversion shall be made earlier than five years from the date of conveyance for failure to put such land to such use or from the date of abandonment of such use if such lands have been put to such use. The commissioner shall file the original declaration in his office, with verified proof of service as herein required. The governmental subdivision may appeal to the district court of the county in which the land lies by filing with the clerk of court a notice of appeal, specifying the grounds of appeal and the description of the land involved, mailing a copy thereof by certified mail to the commissioner of revenue, and filing a copy thereof for record with the county recorder or registrar of titles, all within 30 days after the mailing of the notice of reversion. The appeal shall be tried by the court in like manner as a civil action. If no appeal is taken as herein provided, the declaration of reversion shall be final. The commissioner of revenue shall file for record with the county recorder or registrar of titles, of the county within which the land lies, a certified copy of the declaration of reversion and proof of service.

Any city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, which has acquired tax-forfeited land for a specified public use pursuant to the terms of this section, may convey said land in exchange for other land of substantially equal worth located in said city of the first class, provided that the land conveyed to said city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, in exchange shall be subject to the public use and reversionary provisions of this section; the tax-forfeited land so conveyed shall thereafter be

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

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free and discharged from the public use and reversionary provisions of this section, provided that said exchange shall in no way affect the mineral or mineral rights of the state of Minnesota, if any, in the lands so exchanged.

Sec. 25. Minnesota Statutes 1980, Section 282.01, Subdivision 3, is amended to read:

Subd. 3. SALE OF NON-CONSERVATION LANDS. All such parcels of land classified as non-conservation, except those which may be reserved, as hereinafter provided, shall be sold at public or private sale, as hereinafter provided, if it shall be determined, by the county board of the county wherein such parcels lie, that it is advisable to do so, having in mind their accessibility, their proximity to existing public improvements, and the effect of their sale and occupancy on the public burdens. Any parcels of land proposed to be sold shall be first appraised by the county board of the county wherein such parcels lie, and such parcels may be reappraised whenever the county board deems it necessary to carry out the intent of sections 282.01 to 282.13. In such appraisal the value of the land and any standing timber thereon shall be separately determined. Before any No parcel of land is containing any standing timber may be sold until the appraised value of the timber thereon shall first and the sale of the land have been approved by the commissioner of natural resources. The commissioner of natural resources shall base his review of a proposed sale on the policy and considerations specified in subdivision 1. The decision of the commissioner of natural resources shall be in writing and shall state the reasons therefor. The county may appeal the decision of the commissioner of natural resources to the district court in the manner provided by section 15.0424 for judicial review of contested case decisions.

In any county wherein a state forest or any part thereof is located, the county auditor shall submit to the commissioner of natural resources at least 30 days before the first publication of the list of lands to be offered for sale a list of all lands included therein which are situated outside of any incorporated municipality. If at any time before the opening of the sale the commissioner notifies the county auditor in writing that he finds standing timber on any parcel of such land, such parcel shall not be sold unless the requirements of this section respecting the separate appraisal of such timber and the approval thereof by the commissioner shall have been complied with. The commissioner may waive the requirement of the aforesaid 30 day notice as to any parcel of land which has been examined and the timber value approved as required by this section.

If any public improvement is made by a municipality after any parcel of land has been forfeited to the state for the non-payment of taxes and such improvement is assessed in whole or in part against the property benefited thereby, the clerk of such municipality shall certify to the county auditor, immediately upon the determination of the assessments for such improvement, the total amount that would have been assessed against such parcel of land if it

had been subject to assessment; or if any such public improvement is made, as aforesaid, or is petitioned for, ordered in or assessed, whether such improvement is completed in whole or in part, at any time between the appraisal and the sale of any such parcel of land, the cost of such improvement shall be included as a separate item and added to the appraised value of any such parcel of land at the time it is sold; and no sale of any such parcel of land shall have any effect whatever to discharge or free such parcel of land from lien for the special benefit conferred upon it by reason of such public improvement until the cost thereof. including penalties, if any, shall be paid. The county board shall determine the amount, if any, by which the value of such parcel was enhanced by such improvement and shall include such amount as a separate item in fixing the appraised value for the purpose of sale. In classifying, appraising, and selling such lands, the county board may designate the tracts as assessed and acquired, or may by resolution provide for the subdivision of such tracts into smaller units or for the grouping of several such tracts into one tract when such subdivision or grouping is deemed advantageous for the purpose of sale, but each such smaller tract or larger tract must be classified and appraised as such before being offered for sale. If any such lands have once been classified, the board of county commissioners, in its discretion, may, by resolution, authorize the sale of such smaller tract or larger tract without reclassification.

Sec. 26. Minnesota Statutes 1980, Section 282.02, is amended to read:

282.02 LIST OF LANDS OFFERED FOR SALE.

Immediately after classification and appraisal of the land, and , in the case of timbered land, after approval of the appraisal of the timber by the commissioner of natural resources when required pursuant to section 282.01, subdivision 3, the county board shall provide and file with the county auditor a list of parcels of land to be offered for sale. This list shall contain a description of the parcels of land and the appraised value thereof; provided that the description and appraised value may be omitted in the discretion of the county board. The auditor shall publish a notice of the forfeiture and intended public sale of such parcels of land and a copy of the resolution of the county board fixing the terms of the sale, if other than for cash only, by publication once a week for two weeks in the official newspaper of the county, the last publication to be not less than ten days previous to the commencement of the sale.

A notice in substantially the following form shall be sufficient:

"Notice is hereby given that I shall sell to the highest bidder, at my office in the courthouse in the city of, in the county of, the following described parcels of land forfeited to the state for nonpayment of taxes which have been classified and appraised as provided by law. Such sale will be governed, as to terms, by the resolution of the county board authorizing the same, and commence at o'clock a.m., on the day of, 19...

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Description ...... Appraised value
Subdivision Sec. Twp. Range $
or or
Lot Block
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Given under my hand and seal this day of, 19...

County Auditor, County, Minnesota."

The notice shall also indicate the amount of any special assessments which may be the subject of a reassessment or new assessment or which may result in the imposition of a fee or charge pursuant to sections 429.071, subdivision 4, 435.23, and 444.076.

If the county board of St. Louis or Koochiching counties determines that the sale shall take place in a county facility other than the courthouse, the notice shall specify the facility and its location.

Sec. 27. [282.038] VETERAN'S CREDIT FOR LAND IN AGRICUL-TURAL USE.

Any veteran, as defined in section 197.447, who served on active duty in World War I or II, or during the periods June 27, 1950, to July 1, 1955 or July 1, 1958 to July 27, 1973, and who owns land which was purchased at public auction pursuant to this chapter may apply for a credit as provided in this section if the veteran has developed and cultivated the land for agricultural purposes within five years after the date of purchase.

<u>A veteran who desires to receive a credit shall apply to the county board</u> not later than six years after the date of purchase. The application shall state: (a) that the veteran is the owner of the land; (b) the price of the land, improvements and timber as appraised at the time of purchase and the actual price paid by the veteran; and (c) the number of acres of land purchased and the number of acres which the veteran has developed and cultivated for agricultural purposes.

If the board finds that the veteran is eligible for a credit and that land purchased by the veteran is primarily devoted to use for agricultural purposes it shall pay a credit to the veteran equal to one-half of the difference between the appraised price at the time of purchase and the actual price paid for the land. A credit shall be limited to one purchase of 320 acres of contiguous land.

Sec. 28. [282.039] VETERAN'S CREDIT APPLICATION.

<u>The provisions of Minnesota Statutes 1980, Sections 282.031 to 282.037</u> <u>shall continue in effect with respect to any veteran who has applied to purchase</u> <u>land under those sections before the effective date of this section or to any veteran</u> <u>who purchases land under those sections and applies within the required time for</u> <u>a credit under Minnesota Statutes 1980, Section 282.033.</u> This section is repealed <u>April 1, 1988.</u>

Sec. 29. Minnesota Statutes 1981 Supplement, 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, except in the case of oral or sealed bid auction sales, the down payment shall be twenty percent of the sale value, and the remaining eighty percent shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be twenty percent of the sale price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. 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 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 \$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 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. 30. Minnesota Statutes 1980, Section 282.132, is amended to read:

282.132 TIMBER DEFINED.

As used in sections 282.01 to 282.13 inclusive, "timber" means trees and reproduction thereof of every size and species, which that will or may produce forest products of value, whether standing or down, and including, but not limited to, logs, bolts, <u>pulpwood</u>, posts, poles, cordwood, <u>lumber</u> and decorative material.

Sec. 31. Minnesota Statutes 1980, Section 16A.125, Subdivision 5, is amended to read:

Subd. 5. The term "state forest trust fund lands" as used in this subdivision, means any state school lands or other public lands subject to trust provisions under the state constitution and heretofore or hereafter set apart as state forest lands as provided by law.

Beginning July 1, 1955, The commissioner of finance and the state treasurer shall keep a separate account of all receipts from the sale of timber or other revenue from such state forest trust fund lands, to be known as the state forest suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.

As soon as practicable after the close of each fiscal quarter from and after July 1, 1955, the commissioner of finance, upon information which shall be supplied by the commissioner of natural resources which the commissioner of natural resources is herewith directed to furnish, the commissioner of finance shall determine and certify to the commissioner of finance and the state treasurer the total costs incurred by the state during such that quarter under appropriations theretofore made for the protection, improvement, administration, and management of such state forest trust fund lands for forestry purposes as authorized by law, specifying the trust funds interested in such lands, respectively.

As soon as practicable after the end of each fiscal year, beginning with the year ending June 30, 1956, the commissioner of finance and the state treasurer shall distribute the receipts credited to said the state forest suspense account during such that fiscal year as follows:

(1) The total costs incurred by the state for the forest management purposes aforesaid during such the fiscal year and as certified as hereinbefore provided in this subdivision shall be transferred to a special account to be known

as the state forest development account. The total amount on deposit in the state forest development account is limited to and shall not exceed \$500,000 in any one fiscal year. Any amount in excess of \$500,000 on deposit in the state forest development account on July 1, 1974, shall be transferred to the state trust funds in the same manner as provided in clause (2), except that if the total costs exceed \$500,000, the costs in excess of \$500,000 shall be transferred to the forest management fund established under section 11.

(2) The balance of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the lands from which the receipts were derived.

All moneys accruing and credited to said the state forest development account from time to time are hereby appropriated to the division of lands and forestry in the department of natural resources, subject to the supervision and control of the commissioner of natural resources, for the purpose of planting, stand improvement, and forest development of such state forest trust fund lands for forestry purposes implementing the state forest resource management policy and plan on state forest trust fund lands, to remain available until expended.

All the foregoing appropriations herein contained are to under this subdivision shall be expended subject to the provisions of law. No appropriation shall become available for expenditure until such any estimates as required by law shall have been are approved by the commissioner of finance. No obligation involving expenditure of money shall be entered into unless there is a balance in the appropriation available not otherwise encumbered to pay obligations previously incurred.

Sec. 32. [88,067] TRAINING OF LOCAL FIRE DEPARTMENTS.

The commissioner may make grants for training of volunteer fire departments in techniques of fire control that will enable them to assist the state more effectively in controlling forest fires. The commissioner may require a local match for any grant. Training shall be provided to the extent practicable in coordination with other public agencies with training and educational responsibilities.

Sec. 33. Minnesota Statutes 1980, Section 197.447, is amended to read:

197.447 VETERAN, DEFINED.

The word "veteran" as used in sections 196.02, 196.07, 197.59, 197.601, 282.031, and 282.032 and section 27 means any person who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, and who is a citizen of the United States.

Sec. 34. PERSONNEL PROPOSALS IN DEPARTMENT BUDGET,

<u>The commissioner of natural resources shall propose to the legislature in</u> the departmental budget for the 1984-85 biennium that the following positions be added to the permanent complement of the department:

(a) Three forest soil and hydrology specialists;

(b) Two forest pest specialists;

(c) One tree improvement specialist;

(d) Four forest planners; and

(e) Ten forest management specialists to provide technical assistance to private nonindustrial forest landowners throughout the state.

Sec. 35. Laws 1981, Chapter 305, Section 11, is amended to read:

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 Chapter 90, which expires during 1981 between January 1, 1981 and December 31, 1982. This extension shall be in addition to any extension previously granted pursuant to section 90.191 chapter 90; shall be made without additional charge, and shall otherwise be subject to the requirements of section 90.191 chapter 90.

Sec. 36. REPEALER.

<u>Minnesota</u> <u>Statutes</u> <u>1980, Sections</u> <u>282.031,</u> <u>282.032,</u> <u>282.033,</u> <u>282.034,</u> <u>282.035,</u> <u>282.036 and</u> <u>282.037, are repealed.</u>

Sec. 37. EFFECTIVE DATE.

Sections 10, 11, 14, 15, 16, 17, and 31 are effective July 1, 1983. The remaining sections of this act are effective the day following final enactment. Approved March 22, 1982

CHAPTER 512 — H.F.No. 1919

An act relating to agriculture; formulating a state agricultural land preservation and conservation policy; imposing duties on state agencies regarding agency actions adversely affecting agricultural land; continuing the existence of the joint legislative committee on agricultural land preservation; allocating certain state cost-sharing funds for high priority soil erosion, sedimentation and water control problems identified by local soil and water conservation districts; raising the petitioners' bond in certain drainage project cases and the appellant's bond in the case of certain appeals; clarifying the responsibility imposed on