

## Sec. 11. RENEWAL OF LICENSE; EXCEPTION.

Any licenses issued by the commissioner of health under Minnesota Statutes, section 181.953, and expiring during 1991, need not be renewed.

## Sec. 12. REPEALER.

Minnesota Statutes 1990, sections 181.950, subdivision 3; and 181.953, subdivision 2; and Minnesota Rules, parts 4740.0100; 4740.0110; 4740.0120; 4740.0130; 4740.0140; 4740.0150; 4740.0160; 4740.0170; 4740.1010; 4740.1020; 4740.1025; 4740.1040; 4740.1050; 4740.1060; 4740.1065; 4740.1070; 4740.1075; 4740.1080; and 4740.1090, are repealed.

## Sec. 13. EFFECTIVE DATE.

Sections 1 to 12 are effective the day following final enactment, except that the changes in section 6 do not apply to a laboratory with a current license from the commissioner until July 1, 1992.

Presented to the governor May 2, 1991

Signed by the governor May 6, 1991, 3:18 p.m.

## CHAPTER 61—S.F.No. 732

*An act relating to natural resources; offering an alternative to bond or deposit requirements on contracts for cutting timber; allowing reduction in value of letters of credit given as security for timber permits; amending Minnesota Statutes 1990, section 90.173; proposing coding for new law in Minnesota Statutes, chapter 90.*

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

Section 1. **[90.162] ALTERNATIVE TO BOND OR DEPOSIT REQUIREMENTS.**

In lieu of the bond or cash deposit required by section 90.161 or 90.173, a purchaser of state timber may, at the time of the bid approval and upon payment by the purchaser to the commissioner of 25 percent of the appraised value under section 90.14, elect in writing on a form prescribed by the attorney general to prepay the purchase price for any designated cutting block identified on the permit before the date the purchaser enters upon the land to begin harvesting the timber.

Sec. 2. Minnesota Statutes 1990, section 90.173, is amended to read:

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

New language is indicated by underline, deletions by ~~strikeout~~.

(a) 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 the bond may deposit with the state treasurer cash, a certified check, a cashier's check, a personal 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 timber sale. All of the conditions of the timber sale bond shall equally apply to the deposit with the state treasurer. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making 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. Sums of money as may be required by the state treasurer to carry out the terms and provisions of this section are appropriated from the general fund to the state treasurer for 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 nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

(b) If an irrevocable bank letter of credit is provided as security under paragraph (a), at the written request of the permittee the state shall annually allow the amount of the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the state has received payment under the timber permit. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than the value of the timber remaining to be harvested under the timber permit.

### Sec. 3. EFFECTIVE DATE.

This act is effective the day following final enactment. Section 1 applies to timber sale contracts entered into after the effective date of that section.

Presented to the governor May 2, 1991

Signed by the governor May 6, 1991, 3:33 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.