

90.161 SURETY BONDS FOR AUCTION TIMBER PERMITS.

Subdivision 1. **Bond required.** Except as otherwise provided by law, the purchaser of any state timber, before any timber permit becomes effective for any purpose, shall 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 and the appraisal report as to quantity, less the amount of any payments pursuant to sections 90.14 and 90.163. The bond shall be conditioned upon the faithful performance by the purchaser and successors in interest of all terms and conditions of the permit and all requirements of law in respect to timber sales. The bond shall be approved in writing by the commissioner and filed for record in the commissioner's office. In the alternative to cash and bond requirements, but upon the same conditions, a purchaser may post bond for 100 percent of the purchase price and request refund of the amount of any payments pursuant to sections 90.14 and 90.163. The commissioner may credit the refund to any other permit held by the same permit holder if the permit is delinquent as provided in section 90.181, subdivision 2, or may credit the refund to any other permit to which the permit holder requests that it be credited.

Subd. 2. **Failure to bond.** If bond is not furnished, no harvesting may occur and the down payment for timber shall forfeit to the state.

Subd. 3. **Subrogation.** In case of default in payment by the permit holder the surety upon the bond shall make payment in full to the state of all sums of money due under such permit; and thereupon such surety shall be deemed immediately subrogated to all the rights of the state in the timber so paid for; and such subrogated party may pursue the timber and recover therefor, or have any other appropriate relief in relation thereto which the state might or could have had if such surety had not made such payment. No assignment or other writing on the part of the state shall be necessary to make such subrogation effective, but the certificate signed by and bearing the official seal of the commissioner, showing the amount of such timber, the lands from which it was cut or upon which it stood, and the amount paid therefor, shall be prima facie evidence of such facts.

Subd. 4. **Change of security.** Prior to any harvest activity, or activities incidental to the preparation for harvest, a purchaser having posted a bond for 100 percent of the purchase price of a sale may request the release of the bond and the commissioner shall grant the release upon cash payment to the commissioner of 15 percent of the appraised value of the sale, plus eight percent interest on the appraised value of the sale from the date of purchase to the date of release.

History: (6394-18) 1925 c 276 s 18; 1939 c 120 s 1; 1961 c 202 s 15; 1967 c 110 s 10; 1981 c 305 s 7; 1986 c 444; 1987 c 109 s 10; 1994 c 551 s 7,8; 2000 c 485 s 6,7; 2003 c 73 s 7; 2007 c 57 art 1 s 76