



Here is an explanation to help you fill-out the required application and associated surety bond form.

Section A

When filling out your application, please review this information and add or make changes as necessary. If you are new bonded timber buyer, please write legibly so we can read your contact information. We will be posting this information on our website, so people looking for loggers in their area can find out who is bonded.

Section B

Please list any partners the business has if it is a partnership or principal officers if your business is classified as a corporation.

Section C

List anyone else to be covered by your surety bond, this is the place to list those other buyers.

Section D

This is where you report the amount of dollars paid to timber growers in Iowa; you do not have to use a calendar year if your business records income in a different business year, please define that timeframe and report.

You have the option of reporting income from a different 12-month period of time to help get the correct income reported and the information submitted on time, rather than using a calendar year. For example, you can use December 1, 2018 through November 30, 2019, as long as you note those dates in Item D of your application. This may be helpful for those who are buying logs throughout December and do not have time to add up that income and get the application turned in by the **required January 1 deadline**.

Section E

Confirms you have a CD or surety bond that complies with the requirements of the Bonded Timber Buyer law. Please remember, the surety bond needs to be 10% of the amount you list on line D, with a minimum value of \$25,000 and a maximum value of \$50,000.

Section F

Sign the form, your signature acknowledges that the information on the form you are providing is correct. False statements willfully made in completing the application are a serious misdemeanor.

Note Iowa law requires an annual renewal of application. **At the beginning of each October you will receive an application renewal form from the Iowa DNR that must be completed by Jan 1 to renew your bond status. Please make this a priority, so you can continue to buy timber in Iowa legally.**

The area with the most confusion for this process is with the forms for the surety bond. Once these forms are filled out correctly, the only time they need to be updated is if you buy more timber than what you are covered for. For example, if you currently have a \$25,000 surety bond and were able to purchase \$260,000 worth of timber, then you would be required to increase your surety bond to \$26,000 the next time you renew your application.

Each business has to have a surety bond in the form of a surety bond or a CD. Please choose one method of bonding either Corporate Surety Bond or Certificate of Deposit.

1. For the Corporate Surety Bond method use form NRC72-2 and work with your insurance company to complete. The insurance company can provide you a Corporate Surety Bond for the amount needed to comply with the requirement to have 10% of the previous year's purchases from Iowa timber growers. You would sign as the Surety; the insurance company agent will sign as the principal. This form has to be notarized and the original be sent and filed in our office. The form can be downloaded from the DNR website: www.iowadnr.gov/Conservation/Forestry/Wood-Industry-Logging; look in the middle of the page for the link called "Corporate Surety Bond (Form NRC72-2)"
2. For the Certificate of Deposit method use forms NRC72-3 and NRC72-4 and work with your bank to complete. The CD will be for 10% of the previous year's purchases from Iowa timber growers. The two forms that can be downloaded from DNR website at: www.iowadnr.gov/Conservation/Forestry/Wood-Industry-Logging; look in the middle of the page for the link called "Timber Buyers Surety Bond (Form NRC72-3)" and "Collateral Assignment of Certificate of Deposit (Form NRC72-4)". These forms have to be notarized and the originals sent and filed in our office. Please realize this CD will be sharing ownership with the State of Iowa and will not be redeemed until 1 year after form NRC72-5 has been received by our Department. In other words, once you buy your last log, turn in form NRC72-5 to begin the clock, so you can get your CD redeemed as quickly as possible.

Once the application and surety bond are properly filled out and the originals filed in our office, the Bonded Timber Buyer list is updated on our webpage at: www.iowadnr.gov/Conservation/Forestry/Wood-Industry-Logging. This website also has a link to the Bonded Timber Buyer law and the rules that have been created to follow the law, for your reference.

Your compliance with the Iowa Bonded Timber Buyer law is appreciated. The DNR would prefer to provide education about this law and let everyone know how this program is being applied, to reduce confusion and hopefully bring a better understanding about why the DNR does this each year, rather than write citations for violations. Those timber buyers who wish to take their chances and do not comply with this law will be sought out and dealt with in court.

If you know of anyone who is buying timber from Iowa landowners and is not bonded, if you send me their contact information, I will follow-up with them by giving them 20 days notice to comply with the law or be cited.

I am available to answer any of your questions related to the Bonded Timber Buyer program throughout the year. If you have any questions, please contact me via e-mail at aron.flickinger@dnr.iowa.gov or call my office at 515-725-8455.

Thanks for your help,



Aron Flickinger
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