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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4435

03/21/2022 Authored by Lislegard and Ecklund

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy

1.1 A bill for an act
1.2 relating to mining; facilitating mineral commodity and nonfuel gas leases; amending
1.3 Minnesota Statutes 2020, sections 9.071; 93.245; 93.25, subdivisions 1, 2.

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

1.5 Section 1. Minnesota Statutes 2020, section 9.071, is amended to read:

1.6 9.071 SETTLEMENT OF CLAIMS; OTHER SPECIFIED POWERS.

1.7 The council has the powers with respect to:

- 1.8 (1) timberlands provided in sections 90.031, 90.041, and 90.151;
1.9 (2) lands acquired from the United States provided in section 94.50;
1.10 (3) lands subject to delinquent drainage assessments provided in section 84A.20;
1.11 (4) transfer of lands between departments of state government provided in section 15.16;
1.12 (5) sale or exchange of lands within national forests provided in sections 92.30 and
1.13 92.31;
1.14 (6) approval of acquisition of land for camping or parking area provided in sections
1.15 97A.135 and 97A.141;
1.16 (7) awarding leases to prospect for iron ore provided in section 93.17;
1.17 (8) approval of rules for issuance of leases to prospect for minerals, mineral commodities,
1.18 or nonfuel gases under state lands provided in section 93.25; and
1.19 (9) construction of dams provided in section 103G.545.

2.1 Sec. 2. Minnesota Statutes 2020, section 93.245, is amended to read:

2.2 **93.245 MINING MINERALS OTHER THAN IRON ORE.**

2.3 (a) If a mineral or mineral commodity other than iron ore or taconite ore ~~is~~, including
 2.4 nonfuel gases, are found on or in a mining unit covered by a state iron ore or taconite iron
 2.5 ore mining lease, the state lessee may apply to the commissioner of natural resources for a
 2.6 negotiated lease to explore for, mine, and remove the mineral, mineral commodity, or
 2.7 nonfuel gases. The terms and conditions under which the mineral, mineral commodity, or
 2.8 nonfuel gases may be mined or products recovered shall be as agreed upon by the
 2.9 commissioner and the state lessee. A mineral lease ~~for ores other than iron ore or taconite~~
 2.10 ~~iron ore~~ under this section must comply with section 93.25 and rules adopted thereunder.

2.11 (b) The right is reserved to the state to reject any or all applications for a negotiated lease
 2.12 under paragraph (a). The state may lease, under section 93.25 and rules adopted thereunder,
 2.13 any minerals or mineral commodities other than iron ore or taconite iron ore, including
 2.14 nonfuel gases, on or in a mining unit covered by a state iron ore or taconite iron ore mining
 2.15 lease.

2.16 Sec. 3. Minnesota Statutes 2020, section 93.25, subdivision 1, is amended to read:

2.17 Subdivision 1. **Leases.** The commissioner may issue leases to prospect for, mine, and
 2.18 remove minerals and mineral commodities other than iron ore, including nonfuel gases,
 2.19 upon any lands owned by the state, including trust fund lands, lands forfeited for nonpayment
 2.20 of taxes whether held in trust or otherwise, and lands otherwise acquired, and the beds of
 2.21 any waters belonging to the state. For purposes of this section, iron ore means iron-bearing
 2.22 material where the primary product is iron metal.

2.23 Sec. 4. Minnesota Statutes 2020, section 93.25, subdivision 2, is amended to read:

2.24 Subd. 2. **Lease requirements.** All leases for nonferrous metallic minerals or petroleum
 2.25 must be approved by the Executive Council, and any other mineral, mineral commodity, or
 2.26 nonfuel gas lease issued pursuant to this section that covers 160 or more acres must be
 2.27 approved by the Executive Council. The rents, royalties, terms, conditions, and covenants
 2.28 of all such leases shall be fixed by the commissioner according to rules adopted by the
 2.29 commissioner, but no lease shall be for a longer term than 50 years, and all rents, royalties,
 2.30 terms, conditions, and covenants shall be fully set forth in each lease issued. No lease shall
 2.31 be canceled by the state for failure to meet production requirements prior to the 36th year
 2.32 of the lease. The rents and royalties shall be credited to the funds as provided in section
 2.33 93.22.