

**SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION**

S.F. No. 3636

(SENATE AUTHORS: EATON, Dibble and Scalze)

DATE	D-PG	OFFICIAL STATUS
05/22/2016	7428	Introduction and first reading Referred to Jobs, Agriculture and Rural Development

A bill for an act

relating to mining; modifying responsibilities for mining promotion in the state;
amending Minnesota Statutes 2014, sections 93.001; 93.0015, subdivisions
1, 2, 3; 93.15, subdivisions 1, 2; 93.2235, subdivision 1; 93.2236; 93.285,
subdivisions 2, 3; 93.44.

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

Section 1. Minnesota Statutes 2014, section 93.001, is amended to read:

93.001 POLICY FOR MINERAL DEVELOPMENT.

(a) It is the policy of the state to provide for the diversification of the state's mineral economy through long-term support of mineral exploration, evaluation, environmental protection, research, development, production, and commercialization. The commissioner of natural resources is responsible for mineral evaluation and environmental protection. The commissioner of employment and economic development is responsible for supporting appropriate mineral research, exploration, development, production, and commercialization.

(b) The commissioner of natural resources shall ensure that mining is conducted with sound natural resource conservation and management principles that protect the environment for future generations.

Sec. 2. Minnesota Statutes 2014, section 93.0015, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** The Mineral Coordinating Committee is established to plan for diversified and environmentally sound mineral development. The Mineral Coordinating Committee consists of:

(1) the commissioner of ~~natural resources~~ employment and economic development;

(2) the commissioner of the Minnesota Pollution Control Agency;
(3) the commissioner of Iron Range resources and rehabilitation;
(4) the director of the Minnesota Geological Survey;
(5) the dean of the University of Minnesota Institute of Technology;
(6) the director of the Natural Resources Research Institute; ~~and~~
(7) the commissioner of natural resources; and
~~(7) four~~ (8) five individuals appointed by the governor for a four-year term, one
each representing ~~the iron ore and taconite, nonferrous metallic minerals, and industrial~~
minerals industries mining interests within the state, materials recycling industries, local
governments, environmental organizations, and one representing labor.

Sec. 3. Minnesota Statutes 2014, section 93.0015, subdivision 2, is amended to read:

Subd. 2. **Staffing.** The commissioner of ~~natural resources~~ employment and
economic development shall serve as chair of the committee. A member of the committee
may designate another person of the member's organization to act in the member's place.
The commissioner of employment and economic development shall provide staff and
administrative services necessary for the committee's activities.

Sec. 4. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2020.

Sec. 5. Minnesota Statutes 2014, section 93.15, subdivision 1, is amended to read:

Subdivision 1. **Designation of mining units.** (a) The commissioner of ~~natural~~
~~resources~~ employment and economic development may designate any lands belonging to
the state and the beds of any waters belonging to the state or any lands in which the state
has an interest as mining units and may rearrange or modify the mining units from time to
time, subject to the limitations of this section.

(b) No mining unit shall contain lands belonging to more than one permanent trust
fund, except mining units leased under section 93.25.

(c) Lands which have been sold by the state and are in use as part of the site of a
plant for the production of taconite concentrates shall not be designated as mining units.

Sec. 6. Minnesota Statutes 2014, section 93.15, subdivision 2, is amended to read:

Subd. 2. **List of mining units.** The commissioner of employment and economic
development shall prepare and keep on file in the Office of the Division of Lands
and Minerals of the Department of Natural Resources and at such other places as the

commissioner may direct a list of the mining units designated under this section, giving the descriptions of the mining units and such other information as the commissioner deems necessary. In case the commissioner of natural resources shall prescribe special conditions to be included in a lease for any mining unit as authorized by law, a statement of the conditions shall be included with the designation of the unit in the list.

Sec. 7. Minnesota Statutes 2014, section 93.2235, subdivision 1, is amended to read:

Subdivision 1. **Commissioner.** The commissioner of employment and economic development shall establish a program to award grants to taconite mining companies for:

- (1) taconite pellet product improvements;
- (2) value-added production of taconite iron ore; or
- (3) cost-savings ~~production~~ and pollution reduction improvements at Minnesota taconite plants.

An amount equal to the sum of money transferred to the general fund under section 93.223, subdivision 1, reduced by \$100,000, is annually appropriated from the general fund to the commissioner for the purposes of this section.

Sec. 8. Minnesota Statutes 2014, section 93.2236, is amended to read:

93.2236 MINERALS MANAGEMENT ACCOUNT.

(a) The minerals management account is created as an account in the natural resources fund. Interest earned on money in the account accrues to the account. Money in the account may be spent or distributed only as provided in paragraphs (b) and (c).

(b) If the balance in the minerals management account exceeds \$3,000,000 on June 30, the amount exceeding \$3,000,000 must be distributed to the permanent school fund, the permanent university fund, and taxing districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed to each fund must be in the same proportion as the total mineral lease revenue received in the previous biennium from school trust lands, university lands, and lands held by the state in trust for taxing districts.

(c) Subject to appropriation by the legislature, money in the minerals management account may be spent by the commissioner of natural resources for ~~mineral resource management~~ the purposes cited in section 93.001, paragraph (b), and the commissioner of employment and economic development for projects to enhance future mineral income and promote new mineral resource opportunities.

Sec. 9. Minnesota Statutes 2014, section 93.285, subdivision 2, is amended to read:

4.1 Subd. 2. **Inclusion in mining unit.** In case any stockpiled iron ore is situated
4.2 on land designated or suitable for designation as a mining unit under section 93.15, the
4.3 stockpiled ore may, in the discretion of the commissioner of ~~natural resources~~ employment
4.4 and economic development, be included in the unit by inserting a description of the ore in
4.5 the designation of the unit. Otherwise the ore shall not be considered as included in the
4.6 unit. Upon the inclusion of the ore in the unit, it shall be subject to all provisions of law
4.7 relating to the sale, issuance, terms, and conditions of a lease covering the unit and other
4.8 matters pertaining thereto, so far as applicable.

4.9 Sec. 10. Minnesota Statutes 2014, section 93.285, subdivision 3, is amended to read:

4.10 Subd. 3. **Stockpile mining unit.** (a) Any stockpiled iron ore, wherever situated,
4.11 may, in the discretion of the commissioner of ~~natural resources~~ employment and economic
4.12 development, be designated as a stockpile mining unit for disposal separately from ore in
4.13 the ground, such designation to be made according to section 93.15, so far as applicable.

4.14 (b) The commissioner of natural resources may lease the mining unit at public or
4.15 private sale for an amount and under terms and conditions prescribed by the commissioner
4.16 of natural resources. The sale of a lease is considered a project for the purpose of
4.17 environmental review. The lease term may not exceed 25 years. The amount payable for
4.18 stockpiled iron ore material shall be at least equivalent to the minimum royalty that would
4.19 be payable under section 93.20.

4.20 Sec. 11. Minnesota Statutes 2014, section 93.44, is amended to read:

4.21 **93.44 DECLARATION OF POLICY.**

4.22 In recognition of the effects of mining upon the environment, it is hereby declared
4.23 to be the policy of this state to provide for the reclamation of certain lands hereafter
4.24 subjected to the mining of metallic minerals or peat where such reclamation is necessary,
4.25 both in the interest of the general welfare and as an exercise of the police power of the
4.26 state, to control possible adverse environmental effects of mining, to preserve the natural
4.27 resources, and to encourage the planning of future land utilization, while at the same time
4.28 promoting the orderly development of mining; and the encouragement of good mining
4.29 practices, ~~and the recognition and identification of the beneficial aspects of mining.~~