

CHAPTER 277—H. F. No. 496.

An act relating to permits to explore for and leases to mine and remove iron ores in certain areas of the state classified as not known to contain commercial deposits of such ores.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Purposes of act.—The purpose of this act is to encourage prospecting for iron ores in sections of the state classified as not known to contain merchantable deposits of such ores, in an attempt to assure continued production from Minnesota of a raw material essential to the economic security of the country in time of peace and its defense in time of war. It shall be liberally construed to carry out that purpose.

Sec. 2. Prospecting permits and mining leases issued for certain lands.—All parts of the State of Minnesota except St. Louis, Lake, Itasca, Crow Wing and Fillmore Counties are hereby classified as areas in which no merchantable deposits of iron ore are known to exist and with respect to which prospecting permits and mining leases may be issued hereunder covering lands belonging to the state or lands in the minerals of which the state has an interest. Provided that at any time prior to the receipt by him of an application for a permit thereon in accordance with the provisions of this act, the Commissioner of Conservation may withdraw for such time as he sees fit from the operation of this act any designated townships or portions thereof by publishing notice of such withdrawal in a legal newspaper published in the county in which the lands so withdrawn are situated. Provided, further, that the Commissioner of Conservation, with the approval of the Executive Council, may classify as being subject to this act particular areas in St. Louis, Itasca, Crow Wing, Lake, or Fillmore Counties situated more than five miles from any known occurrence of iron ore or iron-bearing formation, and thereupon lands in such areas shall be subject hereto.

Sec. 3. Commissioner of Conservation to issue permits.—The commissioner of conservation may execute permits to prospect for iron ore under lands belonging to the State or lands in the minerals of which the State has any interest, in trust or otherwise, within the areas classified by or in accordance with Section 2 hereof as not known to contain merchantable deposits of iron ore, including lands in conservation areas, game refuges, forest areas, or state or national forests, but excluding lands within any state park, and upon compliance with the provisions of such permits may issue leases for the mining of such ore subject to the conditions hereinafter provided. The powers and duties vested in or imposed upon such commissioner by this act are hereby declared to be cum-

ulative and in addition to the powers and duties vested in or imposed upon him by any other law of this State, and such powers and duties so invested or imposed by this act shall not be limited by any other such law. Provided the Commissioner may refuse to issue permits on any lands being used at the time of the application for permit for tree plantation, nursery, administrative purposes or similar uses essential for the operation and maintenance of any state forest area or game refuge, or may impose such conditions upon the issuance of any permit covering lands used for such purposes as he deems necessary.

Sec. 4. Rights under permit.—Permits hereunder shall confer the same rights to prospect for iron ore on the lands described therein and shall be subject to the same conditions with respect to prospecting and reporting thereon as are provided under Mason's Minnesota Statutes of 1927, Section 6407, with respect to holders of permits granted in accordance therewith, but shall otherwise be in form appropriate to the provisions of this act. Provided that the term of such permit shall be for a period of two years and the work of prospecting thereunder shall begin within six months from the date thereof. It shall contain provisions requiring the payment of any damages sustained by the state to timber, structures or other improvements belonging to the state. The requirements for prospecting work thereunder may be satisfied by work performed upon either the lands covered by the permit or on lands included in other permits issued to the same permit holder hereunder in the same general mineral formation or area as those covered by the permit and in the same section according to the United States Government survey or in an adjoining section; provided work done under one permit cannot be credited upon other permits hereunder located in more than one adjoining section. In case the prospecting work is not performed on the lands covered by the permit the holder's reports on the progress of the work shall show work performed on other lands within the limitations above set forth sufficient to constitute compliance with the foregoing provisions.

Sec. 5. Applications—fees.—Applications for permit to prospect for iron ore hereunder shall be presented to the commissioner of conservation either by the applicant or his agent in person or by mail. The application shall describe the lands to be embraced in the permit, which shall consist of contiguous descriptions and shall not exceed one hundred sixty acres unless some of the descriptions are fractional subdivisions, in which case the acreage may exceed that number by not more than the amount by which any one or more of such fractional subdivisions shall exceed forty acres each. The lands covered by any such permit are herein referred to as a "mining unit", and no such mining unit shall contain

lands belonging to more than one permanent trust fund, or shall intermingle tax-forfeited lands not held in trust for taxing districts with tax-forfeited lands held in trust for taxing districts, or intermingle either with permanent trust fund lands. Each application shall be accompanied by a certified check or a cashier's check on a national or state bank in Minnesota, payable to the State Treasurer, in the sum of \$25.00. The commissioner of conservation shall endorse upon each application the exact time of presentation and shall preserve the same in his office. The first applicant for permit on any land whose application hereunder, with accompanying fee, is filed with the commissioner of conservation in accordance herewith shall be entitled to receive a permit hereunder.

Sec. 6. Permit holders may receive mining leases.—At any time prior to the expiration of any such permit, the original holder or any assignee thereof shall have the right to receive from the commissioner of conservation a mining lease, which shall bind the State and the person to whom it shall be issued to the mutual observance of the obligations and conditions thereof, and the mining lease shall be in the form set forth in Mason's Minnesota Statutes of 1927, Section 6409 as amended, and require the payment of the rentals and royalties set forth in said form, except that said form shall be modified so as to provide that the annual rate of rental for the first five years shall be \$500.00 per year, and thereafter shall be \$5,000.00 per year. As a condition precedent to the issuing of such mining lease the holder of the permit shall file a full report, property verified of all work of exploration done under the permit, or an affidavit in case no work was done, stating such facts, and pay to the State Treasurer a sum of money based on the quarterly royalty payment of \$125.00 for the first year, as set out in the lease, in the ratio that the unexpired portion of the quarter bears to the full quarter.

Sec. 7. Leases on tax forfeited lands.—In the event that any lands covered by any lease hereunder shall be tax-forfeited lands held by the state under trust for the taxing districts, the rentals and royalties paid under any such permit or lease shall be held by the State Treasurer in a special fund subject to disposition thereof as may be provided by any law hereafter enacted. In the event that with respect to any lands leased hereunder the State owns or has an interest in the minerals only, without ownership of the surface of such lands, such lessee shall make proper compensation to the owner of the surface rights for any damage caused thereto. In the event that the state shall own only a fractional undivided interest in the minerals in any land leased hereunder, the royalty and annual rental to be paid the State under such lease shall be such fractional part of the royalty or annual rental payable in the event the State had the entire interest in

said minerals that the interest owned by the State bears to the entire interest therein. Except as herein otherwise provided, royalty and rental payable hereunder shall be paid into the same fund as if the particular lands had been leased or sold under existing laws.

Sec. 8. **Effective date.**—This act shall take effect sixty days after its adoption and approval.

Approved April 2, 1943.

CHAPTER 278—H. F. No. 633.

(AMENDING SECTIONS 425.02; 425.03; 425.04; 425.06 and 425.08 MINNESOTA STATUTES 1941.)

An act relating to department of health pension funds in cities now or hereafter having a population of 50,000 inhabitants or more, and amending Mason's Supplement 1940, Sections 1442-2, 1442-3, 1442-4 and 1442-6, and amending Mason's Minnesota Statutes of 1927, Section 1442-8.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Law amended.**—Mason's Minnesota Supplement 1940, Section 1442-2 is amended to read as follows:

1442-2. **Pension system for disabled or retired employees.**—That every such municipal department or bureau of health now existing, or which may hereafter be organized, may and hereby is authorized to become incorporated pursuant to the provisions of the General Statutes of Minnesota, and to adopt articles of incorporation and by-laws as a relief association to provide and permit said department or bureau of health relief association so incorporated or so organized, to pay out of and from any fund that it may have received from the State of Minnesota or from any other source, a service or disability pension in such sum and under such limitations and conditions as its articles of incorporation and by-laws shall provide and permit, to each of its pensioned members, who shall have reached the age of fifty years or more, and who shall have done active duty as a member of such health department or bureau for a period of twenty years or more in the city in which such relief association shall be so organized, or who having been disabled physically or mentally because of any injury or disability received or suffered while so employed as such member of such health department or bureau so as to render necessary his retire-