

CHAPTER 575—S. F. No. 1538

An act relating to state mining leases and the review of the commissioner's determination of market value of ore in computing royalties thereunder, and amending Minnesota Statutes 1953, Section 93.20, Subdivision 9.

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

Section 1. Minnesota Statutes 1953, Section 93.20, Subdivision 9, is amended to read as follows :

Subd. 9. (1) The royalties to be paid by the part___ of the second part to the party of the first part on ore removed in each calendar year that this lease remains in force as hereinafter specified shall be increased or decreased for that calendar year in the same proportion that the market value of standard grade Mesabi Non-Bessemer iron ore containing 51.50 percent iron, natural analysis, at lower lake ports, as of April first of that year, is increased or decreased above or below the corresponding market value of such standard ore that prevailed at the time of submission of the application for a prospecting permit on the mining unit covered by this lease; provided, that, in no case shall such royalties be less than the minimum royalties prescribed by law. For the purposes hereof, the market value of such standard ore as of the date of application for a prospecting permit on the mining unit covered by this lease, as determined by the commissioner of conservation, was _____ Dollars (\$_____). As soon as practicable after April first of each year, the commissioner of conservation shall determine the market value of such standard grade of Mesabi Non-Bessemer ore as of said date, shall file his order thereon in his office, shall file certified copies thereof in the offices of the state treasurer and state auditor, and shall mail a certified copy thereof to the part___ of the second part. The market value so determined shall govern for the purpose of computing royalties due under this lease on ore removed during such calendar year. If such determination is not made in time for use in computing any such royalty, such royalty shall be computed and paid when due at the last rate theretofore in force under the provisions hereof, subject to adjustment as hereinafter provided. Upon the determination by the commissioner of the applicable market value of ore, if it appears that the amount theretofore paid for any royalty subject to such determination was less or greater than the correct amount based on such determination, any deficiency in such payment shall be added to and paid together with the rental or royalty due at the next following quarterly payment date hereunder, and any excess in such

payment shall be applied as a credit upon rentals or royalties subsequently due hereunder as the case may be.

(2) If the part___ of the second part shall dispute any determination by the commissioner of the market value of such standard ore, the royalties affected thereby shall nevertheless be paid when due at the rates based on such determination; provided, that upon making any such payment when due, the part___ of the second part may file with the commissioner a protest against such determination, specifying the amount alleged to be the true market value of such standard ore for the purpose of computing such royalty. *If the dispute involves the determination of the market value of such standard ore as of the date of application for a prospecting permit, as set forth in Subd. 9 (1) above, such protest shall be filed once only and then within 30 days after the first royalty payments are due.* Within 30 days after filing such protest, the part___ of the second part may bring an action against the commissioner in the district court for Ramsey County for a declaratory judgment determining the market value of the ore in dispute as stated in the protest. Upon the taking effect of final judgment in such action, the value determined thereby shall supersede the value determined by the commissioner for the purposes hereof, and adjustment of the amounts paid or payable for royalties shall be made accordingly in like manner as hereinbefore provided upon determination of market value by the commissioner. If such action is not brought within the time aforesaid, the commissioner's determination of market value shall be final. In case the part___ of the second part shall be entitled to any adjustment on account of overpayment of royalties hereunder, and the rentals or royalties subsequently due on or before the termination of this lease are not sufficient to make such adjustment as hereinbefore provided, the excess of such royalties paid above the amount adjustable against subsequent rentals or royalties shall be refunded to the part___ of the second part as provided by Minnesota Statutes 1949, Section 6.136.

Approved April 20, 1955.

CHAPTER 576—S. F. No. 1546

[Not Coded]

An act relating to acquisition of sites and the purchase of school buildings and the furnishings and equipment thereof, and the issuance of bonds for such purposes in certain