

that would be payable under the terms of the lease if the material were shipped or otherwise disposed of as iron ore, but not less than the applicable minimum rate prescribed by section 93.20.

Approved April 21, 1953.

CHAPTER 551—H. F. 1680

An act relating to prospecting for iron ore in certain lands belonging to the state not known to contain merchantable deposits of such ore and to the permits and leases thereon and to the distribution of funds from said leases and permits; amending Minnesota Statutes 1949, Section 93.283, Subdivisions 6, as amended, and 7.

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

Section 1. Minnesota Statutes 1949, Section 93.283, Subdivision 6, as amended by Laws 1951, Chapter 171, is amended to read:

Subd. 6. **Permit holders, receipt of mining leases.** At any time prior to the expiration of any such permit, if the commissioner shall determine that all the terms and conditions of the permit and applicable provisions of law have been complied with, 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set forth in section 93.20, and require the payment of the royalties set forth in Laws 1941, Chapter 456, Section 5, as originally enacted, except that the royalties shall be modified so as to comply with and be subject to the provisions of Section 93.20, Subdivision 9, as amended by Laws 1951, Chapter 616, or any subsequent amendment thereof in force at the time of submission of the application for the permit, and also except that the rental shall be modified so as to provide that the annual rental for that part of the first calendar year remaining after the effective date of the lease and for the four succeeding calendar years shall be at the rate of \$500 per calendar year, and the annual rate of rental thereafter shall be \$5,000 per calendar year. As a condition precedent to the issuing of such mining lease the holder of the permit shall file a full report, properly 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 for the first quarter, as set out in the lease, in the ratio that the unexpired portion of the quarter bears to the full quarter.

Sec. 2. Minnesota Statutes 1949, Section 93.283, Subdivision 7, is amended to read:

Subd. 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 in trust for the taxing districts, the rentals and royalties paid under any such permit or lease shall be distributed annually by the state auditor on the first day of September as follows: 20 percent to the general revenue fund of the state, and 80 percent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town, village, or city, two-ninths; and school district, four-ninths. 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.

Approved April 21, 1953.

CHAPTER 552—H. F. No. 1681

An act relating to state land and minerals, prescribing the form and provisions of iron ore mining leases, and to the modification thereof; amending Minnesota Statutes 1949, Section 93.20, Subdivisions 22, 24 and 38, as amended.

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

Section 1. Minnesota Statutes 1949, Section 93.20, Subdivision 22, as amended by Laws 1951, Chapter 616, is amended to read:

Subd. 22. The iron ore so taken and shipped shall be weighed by the railroad carrier. Weight bills or certificates,