

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1381

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OFFICIAL STATUS
Introduction and first reading
Referred to Environment and Natural Resources Policy and Legacy Finance

1.1 A bill for an act
1.2 relating to mining; modifying responsibilities for mining promotion in the state;
1.3 amending Minnesota Statutes 2016, sections 93.001; 93.0015, subdivisions 1, 2;
1.4 93.15, subdivisions 1, 2; 93.16; 93.2235, subdivision 1; 93.2236; 93.285,
1.5 subdivisions 2, 3; 93.44.

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

1.7 Section 1. Minnesota Statutes 2016, section 93.001, is amended to read:

1.8 **93.001 POLICY FOR MINERAL DEVELOPMENT.**

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

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

1.18 Sec. 2. Minnesota Statutes 2016, section 93.0015, subdivision 1, is amended to read:

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

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

2.1 (2) the commissioner of the Minnesota Pollution Control Agency;

2.2 (3) the commissioner of Iron Range resources and rehabilitation;

2.3 (4) the director of the Minnesota Geological Survey;

2.4 (5) the dean of the University of Minnesota Institute of Technology;

2.5 (6) the director of the Natural Resources Research Institute; ~~and~~

2.6 (7) the commissioner of natural resources; and

2.7 ~~(7) four~~ (8) five individuals appointed by the governor for a four-year term, one each

2.8 representing ~~the iron ore and taconite, nonferrous metallic minerals, and industrial minerals~~

2.9 ~~industries~~ mining interests within the state, materials recycling industries, local governments,

2.10 environmental organizations, and ~~one representing~~ labor.

2.11 Sec. 3. Minnesota Statutes 2016, section 93.0015, subdivision 2, is amended to read:

2.12 Subd. 2. **Staffing.** The commissioner of ~~natural resources shall serve~~ employment and

2.13 economic development serves as chair of the committee. A member of the committee may

2.14 designate another person of the member's organization to act in the member's place. The

2.15 commissioner of employment and economic development shall provide staff and

2.16 administrative services necessary for the committee's activities.

2.17 Sec. 4. Minnesota Statutes 2016, section 93.15, subdivision 1, is amended to read:

2.18 Subdivision 1. **Designation of mining units.** (a) The commissioner of ~~natural resources~~

2.19 employment and economic development may designate any lands belonging to the state

2.20 and the beds of any waters belonging to the state or any lands in which the state has an

2.21 interest as mining units and may rearrange or modify the mining units from time to time,

2.22 subject to the limitations of this section.

2.23 (b) No mining unit shall contain lands belonging to more than one permanent trust fund,

2.24 except mining units leased under section 93.25.

2.25 (c) Lands ~~which~~ that have been sold by the state and are in use as part of the site of a

2.26 plant for the production of taconite concentrates shall not be designated as mining units.

2.27 Sec. 5. Minnesota Statutes 2016, section 93.15, subdivision 2, is amended to read:

2.28 Subd. 2. **List of mining units.** The commissioner of employment and economic

2.29 development shall prepare and keep on file in the Office of the Division of Lands and

2.30 Minerals of the Department of Natural Resources and at such other places as the

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

3.6 Sec. 6. Minnesota Statutes 2016, section 93.16, is amended to read:

3.7 **93.16 LEASES; SALE, NOTICE.**

3.8 (a) Except as otherwise expressly provided by law, leases for iron ore or other minerals
3.9 belonging to the state shall be issued only upon public sale as provided under this section.

3.10 (b) The sale of leases shall be held at such times and places as designated by the
3.11 commissioner.

3.12 (c) The commissioner shall give public notice of intent to hold a public sale by publication
3.13 in the State Register, the EQB Monitor, and such other publications as the commissioner
3.14 may direct at least 90 days prior to the proposed date of sale.

3.15 (d) The commissioner shall give public notice of each sale by publication for three
3.16 successive weeks in a newspaper that has its known office of issue in the county seat of the
3.17 county in which the mining units to be leased are located and in a daily newspaper printed
3.18 and published in Hibbing and Virginia. If no newspaper has its known office of issue in the
3.19 county seat of a particular county, the commissioner shall publish notice in the newspaper
3.20 designated as the publisher of the official proceedings of the county board of that county.
3.21 The first publication shall be at least 30 days before the date of sale. The public notice of
3.22 sale shall also be published in the State Register and the EQB Monitor at least 30 days
3.23 before the date of sale and may be published in additional newspapers and trade magazines,
3.24 as the commissioner may direct.

3.25 (e) Each notice shall contain the following information:

3.26 (1) time and place of holding the sale;

3.27 (2) the place or places where the list of mining units to be offered for sale will be available
3.28 for inspection and where forms for bids and applications for leases may be obtained; and

3.29 (3) such other information as the commissioner may direct.

3.30 (f) The sale of a lease is considered a project for the purpose of environmental review
3.31 under chapter 116D.

4.1 Sec. 7. Minnesota Statutes 2016, section 93.2235, subdivision 1, is amended to read:

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

4.4 (1) taconite pellet product improvements;

4.5 (2) value-added production of taconite iron ore; or

4.6 (3) cost-savings ~~production~~ and pollution-reduction improvements at Minnesota taconite
4.7 plants.

4.8 An amount equal to the sum of money transferred to the general fund under section
4.9 93.223, subdivision 1, reduced by \$100,000, is annually appropriated from the general fund
4.10 to the commissioner for the purposes of this section.

4.11 Sec. 8. Minnesota Statutes 2016, section 93.2236, is amended to read:

4.12 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

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

4.16 (b) If the balance in the minerals management account exceeds \$3,000,000 on March
4.17 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must be
4.18 distributed to the permanent school fund, the permanent university fund, and taxing districts
4.19 as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed to each
4.20 fund must be in the same proportion as the total mineral lease revenue received in the
4.21 previous biennium from school trust lands, university lands, and lands held by the state in
4.22 trust for taxing districts.

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

4.28 Sec. 9. Minnesota Statutes 2016, section 93.285, subdivision 2, is amended to read:

4.29 Subd. 2. **Inclusion in mining unit.** In case any stockpiled iron ore is situated on land
4.30 designated or suitable for designation as a mining unit under section 93.15, the stockpiled
4.31 ore may, in the discretion of the commissioner of ~~natural resources~~ employment and economic

5.1 development, be included in the unit by inserting a description of the ore in the designation
5.2 of the unit. Otherwise the ore shall not be considered as included in the unit. Upon the
5.3 inclusion of the ore in the unit, it shall be subject to all provisions of law relating to the sale,
5.4 issuance, terms, and conditions of a lease covering the unit and other matters pertaining
5.5 thereto, so far as applicable.

5.6 Sec. 10. Minnesota Statutes 2016, section 93.285, subdivision 3, is amended to read:

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

5.11 (b) The commissioner of natural resources may lease the mining unit at public or private
5.12 sale for an amount and under terms and conditions prescribed by the commissioner of natural
5.13 resources. The lease term may not exceed 25 years. The amount payable for stockpiled iron
5.14 ore material shall be at least equivalent to the minimum royalty that would be payable under
5.15 section 93.20.

5.16 Sec. 11. Minnesota Statutes 2016, section 93.44, is amended to read:

5.17 **93.44 DECLARATION OF POLICY.**

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