

SB 492

Dormant Mineral Interests Act

What does this bill not do?

- This bill will not tax producing mineral rights. They are already being taxed.
- This bill will not tax mineral rights that accompany surface ownership.
- This bill will not tax federal, state or tribal lands.
- This bill will not tax lessees.
- This bill will not create a new bureaucracy; the counties already record deeds.

What is the issue here?

- Mineral rights that have been separated from surface rights have become divided and subdivided over time.
- Records of severed mineral rights are buried in county courthouses around the state, not easily accessible to surface owners, mineral owners, or people interested in mineral production.
- Many landowners don't know who owns the minerals under their land.
- Many mineral owners don't know that they own minerals.
- Many producers don't know what is available for production.

What does this bill do?

- This bill requires owners of severed, dormant, mineral rights to record their holding with their county by October, 2007.
- Unrecorded severed, dormant, mineral rights can revert to the surface owner after 2007, providing the mineral interest has been dormant for 20 years.
- A state-wide data base of severed, dormant, mineral rights will result.
- Landowners will learn who owns the minerals under their land and be able to purchase mineral rights if they and the owners can agree.
- Mineral production will be stimulated because mineral producers will more easily learn who owns mineral rights, be able to purchase them, and consolidate them.
- Owners of record of severed, dormant, mineral rights will pay a tax to the county.
- Severed mineral taxes will provide relief to property tax payers.

Is this bill constitutional?

- Yes. Indiana's Mineral Lapse Act was upheld by the U.S. Supreme Court in 1982.
- Statute in Minnesota, Texas, Arkansas and Colorado support this bill.