

Fiscal Note Request SB0492, As Introduced

(continued)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local government impact would result from Section 6(1) that requires the county clerk and recorder to receive, charge, and record the notices. Local government impact would also result from Section 11 that enacts a mineral interest property tax, to be administered by the county.

TECHNICAL NOTES:

Department of Natural Resources

1. The exception for state-owned mineral interests in Section 4(1)(b) is conditioned upon unspecified other state law that may permit state mineral interests to be subject to SB 492. As drafted, DNRC is unable to determine the intent or the state statutes that would be recognized under this legislation as nullifying the exception for state-owned mineral interests. The DNRC concurs that state mineral interests should be excluded, and suggests the conditional narrative in Section 4(1)(b) be amended to reference specific statutes that would condition the exception, or delete the conditional reference to other state law.
2. Section 11 imposes a property tax on the owner of a recorded mineral interest. Section 3(3) defines mineral interest to include interests derived from the ownership of the mineral estate, including royalty, production payment, executive right, non-elective right, leasehold, or lien related to minerals. It is unclear whether such interests in state-owned land are intended to be subject to recordation and taxation under this act. The DNRC recommends Section 4(1)(b) be amended to clarify that the act does not apply to “a mineral interest of or derived from this state or an agency or political subdivision of this state.”