

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1308

S. P. 405

In Senate, March 25, 1975

On motion of Senator Trotzky of Penobscot, referred to the Committee on Natural Resources. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Reeves of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Clarify the Maine Mining Law to Reform Procedures for Handling of Licenses and Lease Negotiations and to Increase Income from Mineral Operations.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 10 MRSA § 2101, first sentence, as last amended by PL 1973, c. 513, § 22, is further amended to read:

The Maine Mining Bureau, as heretofore established, shall consist of 7 members, ~~the State Geologist and one each from a member from each of the State Departments of Agriculture, Conservation, Commerce and Industry, Inland Fisheries and Game, Marine Resources, Bureau of Forestry and the Board of Environmental Protection~~ ~~plus the State Geologist.~~

Sec. 2. 10 MRSA § 2105, first ¶, 5th and 6th sentences, as amended by PL 1967, c. 120, § 2, are further amended to read:

The annual fee shall be ~~\$25~~ \$50 per claim included in the license to mine, not exceeding ~~\$500~~ \$1500 for coverage of a single mineral deposit held by one licensee. The license to mine shall be renewed on expiration, providing the licensee satisfied the bureau that he has complied with ~~the such~~ terms and conditions imposed by the Mining Bureau in his original license or renewals of said license.

Sec. 3. 10 MRSA § 2105, 2nd ¶ is amended to read:

The holder of a license to mine shall make royalty and ~~rental payment~~ other such payments as follows:

Sec. 4. 10 MRSA § 2105, sub-§ 1, as amended by PL 1967, c. 120, § 2, is repealed.

Sec. 5. 10 MRSA § 2105, sub-§ 2, first 2 ¶¶ are repealed and the following enacted in place thereof:

2. **Royalty.** Royalty payment is charged on an annual basis. All royalty payments shall be paid annually.

Each mining license or lease must contain a provision for a minimum royalty applicable to all mining operations on or under state-owned lands. Minimum royalties shall be applied against actual royalties set forth herein. A minimum royalty shall be applied for the first and each subsequent year that a license or lease is in effect. The amount of royalty and minimum royalty shall be negotiated by the Maine Mining Bureau and the lessee to provide an equitable return to the State for removal of the natural resources. Royalty payments to the bureau shall be based on a negotiated charge per unit of value or product extracted from state land.

Sec. 6. 10 MRSA § 2105, sub-§ 2, ¶ A, subparagraphs (1), (2) and (3) are repealed.

Sec. 7. 10 MRSA § 2105, next to the last ¶, is repealed.

Sec. 8. 10 MRSA § 2105, last ¶, first sentence, is amended to read:

All fee ~~rental~~ and royalty moneys accruing from operations under prospectors' permits, the license to mine or mining lease shall be paid into the Maine Mining Bureau for administration and control of all prospecting, development or mine activity conducted in areas administered by the bureau.

Sec. 9. 10 MRSA § 2106, sub-§ 1 is amended to read:

1. **Minimum royalty in advance.** That he has deposited with his application the required ~~rental~~ **minimum royalty** in advance of the first year's tenure;

Sec. 10. 10 MRSA § 2106, last ¶ is amended to read:

The mining lease is to be negotiated by the Mining Bureau and shall provide for ~~the payment of the same rental for the property and~~ the payment of the same royalty and minimum royalty fees as provided under the terms of the license to mine.

STATEMENT OF FACT

The Mining Law should be amended to correct inconsistencies in language and to allow for more effective handling of license and lease negotiations. The fee structure is also raised to increase income to the State from mineral operations.