

House File 2531 - Introduced

HOUSE FILE 2531
BY COMMITTEE ON NATURAL
RESOURCES

(SUCCESSOR TO HF 2213)

A BILL FOR

1 An Act relating to interests in minerals owned by counties and
2 cities.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 331.310 Mineral rights.

2 1. For purposes of this section:

3 a. "*Interest in minerals*" means an interest in real estate
4 that grants ownership of one or more minerals underlying
5 the real estate to a person other than the person who owns
6 the surface rights in and to the real estate. "*Interest in*
7 *minerals*" does not include an active lease in real estate that
8 allows the tenant to remove minerals from the real estate.

9 b. "*Minerals*" means coal, naturally occurring gases, oil,
10 or other gaseous, liquid, or solid hydrocarbons; oil shale;
11 gemstones; metals; fissionable or nonfissionable ore; and steam
12 or other geothermal resources.

13 2. A county shall divest itself of any interest in minerals
14 owned or controlled by the county and shall convey such
15 interest in minerals to the surface owner of the land to which
16 the interest in minerals pertains except where the county is
17 the fee simple surface owner of the land. A conveyance under
18 this section shall be made without consideration and shall be
19 without cost to the surface owner of the land.

20 3. A county shall complete all conveyances required under
21 this section no later than five years after the effective date
22 of this Act. Conveyances pursuant to section 458A.20 shall
23 be completed within one hundred fifty days of service of the
24 required notice. Any interest in minerals acquired by the
25 county after the effective date of this Act shall be conveyed
26 as required under this section within ninety days.

27 Sec. 2. NEW SECTION. 364.26 Mineral rights.

28 1. For purposes of this section:

29 a. "*Interest in minerals*" means an interest in real estate
30 that grants ownership of one or more minerals underlying
31 the real estate to a person other than the person who owns
32 the surface rights in and to the real estate. "*Interest in*
33 *minerals*" does not include an active lease in real estate that
34 allows the tenant to remove minerals from the real estate.

35 b. "*Minerals*" means coal, naturally occurring gases, oil,

1 or other gaseous, liquid, or solid hydrocarbons; oil shale;
2 gemstones; metals; fissionable or nonfissionable ore; and steam
3 or other geothermal resources.

4 2. A city shall divest itself of any interest in minerals
5 owned or controlled by the city and shall convey such interest
6 in minerals to the surface owner of the land to which the
7 interest in minerals pertains except where the city is the
8 surface owner of the land. A conveyance under this section
9 shall be made without consideration and shall be without cost
10 to the surface owner of the land.

11 3. A city shall complete all conveyances required under this
12 section no later than five years after the effective date of
13 this Act. Any interest in minerals acquired by the city after
14 the effective date of this Act shall be conveyed as required
15 under this section within ninety days.

16 Sec. 3. Section 446.7, Code 2026, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 3. The county shall not offer for sale
19 mineral rights or an interest in minerals, as defined in
20 section 331.310. If the taxes on any mineral rights or
21 interests not owned by the owner of the land are delinquent,
22 the county shall proceed in accordance with section 458A.20.

23 Sec. 4. Section 458A.20, Code 2026, is amended to read as
24 follows:

25 **458A.20 Tax sale — redemption by owner.**

26 1. When If the taxes on any mineral rights or interests
27 not owned by the owner of the land are sold at tax sale, and
28 when delinquent, the county treasurer shall send a statement
29 of delinquent taxes and a notice that the mineral rights or
30 interests will be conveyed to the owner of the land unless the
31 owner of those mineral rights or interests does not redeem
32 under the provisions of chapter 447 pays the total amount
33 of the delinquent taxes, interest, and costs to the county
34 treasurer within ninety days after the tax sale, the owner of
35 the land shall thereafter have the same right of redemption

1 ~~as the owner of the mineral rights or interests has, and~~
2 ~~redemption by~~ the notice is served. The county treasurer shall
3 serve the notice by sending it by regular first class mail
4 to the person's last known address and to the address of the
5 person's registered agent listed with the secretary of state,
6 if applicable.

7 2. When the owner of those mineral rights or interests does
8 not pay the total amount due by the deadline, the county shall
9 convey the mineral rights or interests pursuant to section
10 331.310 to the owner of the land. Such conveyance shall
11 terminate any right of redemption of the owner of the mineral
12 rights or interests.

13 3. a. The county may collect the total amount due by
14 converting the amount due to a personal judgment pursuant to
15 sections 445.3 and 446.20, notwithstanding the absence of a tax
16 sale or tax sale certificate.

17 b. If the treasurer determines that it is impractical to
18 pursue collection of the total amount due through the tax sale
19 and the personal judgment remedies, the treasurer shall make
20 a written recommendation to the board of supervisors to abate
21 the amount due. The board of supervisors shall abate, by
22 resolution, the amount due and direct the treasurer to strike
23 the amount due from the county system.

24 Sec. 5. Section 557C.1, Code 2026, is amended to read as
25 follows:

26 557C.1 Lapse of mineral interests in coal — prevention.

27 A mineral interest in coal shall be extinguished is
28 abandoned if it has not been active in accordance with section
29 557C.3 for a period of twenty years after its creation,
30 transfer, or preservation, unless a statement of claim is
31 filed in accordance with section 557C.3, and the ownership
32 shall revert to the person who was then the owner of the
33 interest from which the mineral interest in coal was created,
34 transferred, or preserved 557C.4. Title to an abandoned
35 mineral interest vests in the owner of the surface estate in

1 the land in, or under which the mineral interest is located on
2 the date of abandonment. Upon the filing of a statement of
3 claim within the specified period, the mineral interest shall
4 be deemed to have been preserved for an additional period of
5 twenty years, or a shorter period as may be specified in the
6 instrument creating the interest.

7 Sec. 6. Section 557C.2, subsection 2, Code 2026, is amended
8 to read as follows:

9 2. "*Mineral interest in coal*" means an interest created by
10 an instrument ~~which~~ that creates or transfers, either by grant,
11 assignment, reservation, or otherwise, an interest of any kind
12 in coal, ~~as described in chapter 207~~ oil and gas, naturally
13 occurring gases including but not limited to geologic hydrogen,
14 hydrocarbons, metals, or other minerals, without limitation on
15 the manner of extraction or mining ~~the coal.~~

16 Sec. 7. NEW SECTION. 557C.2A Active mineral interests.

17 A mineral interest is active when any one of the following
18 conditions exists:

19 1. Minerals are produced or explored by or with the express
20 permission of the record owner of the mineral interest.

21 2. Operations are conducted for extraction, withdrawal,
22 injection, storage, or disposal of water, gas, or other fluid
23 substances to produce or enhance the production of minerals
24 by or with the express permission of the record holder of the
25 mineral interest.

26 3. For sold minerals, there is a production from a well or
27 a common vein or seam with the express permission of the record
28 owner of the mineral interest.

29 4. Any valid conveyance, lease, mortgage, assignment,
30 private distribution, termination of joint tenancy interest
31 affidavit, termination of life estate affidavit, or any
32 judgment or decree that makes specific references to the record
33 owner's mineral interest is recorded within the last twenty
34 years in the recorder's office for the county in which the
35 mineral interest is located.

1 5. The mineral interest is subject to an agreement or order
2 to pool or unitize.

3 6. A statement of claim is filed in accordance with section
4 557C.4.

5 Sec. 8. Section 557C.3, Code 2026, is amended to read as
6 follows:

7 **557C.3 Statement of claim — filing requirement.**

8 The statement of claim provided in [section 557C.1](#) shall be
9 filed by the owner of the mineral interest ~~in coal~~ prior to the
10 end of the twenty-year period set forth in [section 557C.1](#) or
11 by July 1, 1994, whichever is later. The statement of claim
12 shall contain the name and address of the owner of the mineral
13 interest ~~in coal~~, and a description of the real estate on, or
14 under, which the mineral interest ~~in coal~~ is located. The
15 statement of claim shall be filed in the office of the recorder
16 in the county in which the real estate is located.

17 Sec. 9. Section 557C.4, Code 2026, is amended to read as
18 follows:

19 **557C.4 Statement of claim — recorder's duty.**

20 Upon the filing of the statement of claim provided for in
21 section 557C.3 in the recorder's office for the county where
22 the real estate on, or under, which the mineral interest
23 ~~in coal~~ exists, is located, the recorder shall record the
24 statement of claim and index the entries required to be made
25 pursuant to [section 557C.3](#) and any applicable entries specified
26 in [sections 558.49](#) and [558.52](#).

27 Sec. 10. Section 557C.5, Code 2026, is amended to read as
28 follows:

29 **557C.5 Reservation in other conveyance.**

30 A reservation of a mineral interest ~~in coal~~ or an exception
31 of a mineral interest ~~in coal~~, contained in a conveyance of
32 the interest out of which it is carved, by a nonowner of the
33 mineral interest ~~in coal~~ shall not be deemed to satisfy the
34 requirements of [this chapter](#) or as a revival of a mineral
35 interest ~~in coal~~ otherwise extinguished under [this chapter](#).

1 the mineral rights or interests.

2 The bill authorizes the county to collect the total amount
3 due by converting the amount to a personal judgment. If the
4 treasurer finds that it is impractical to collect the amount
5 due through tax sale and personal judgment, the treasurer shall
6 make a written recommendation to the board of supervisors to
7 abate the total amount due. The board of supervisors shall
8 abate, by resolution, the amount due and direct the treasurer
9 to strike the amount due from the county system.

10 Under current law, a mineral interest in coal is
11 automatically extinguished 20 years after its creation,
12 transfer, or preservation and the ownership is reverted back
13 to the owner of the land, unless a statement of claim is filed.
14 The bill provides that any mineral interest is abandoned if
15 it has not been active for a period of 20 years after its
16 creation, transfer, or preservation, unless a statement of
17 claim is filed. The bill specifies that a mineral interest is
18 active when one of several certain conditions exist. Title
19 to the abandoned mineral interest vests in the owner of the
20 surface estate in the land in, or under, which the mineral
21 interest is located on the date of abandonment.

22 The bill provides that the statement of claim shall not be
23 required of an owner if the mineral interest was separately
24 taxed for real estate tax purposes, the tax was paid, the
25 mineral interest has not been subject to a tax sale, and the
26 mineral interest has not been conveyed to the owner of the
27 surface estate.