

CHAPTER 1176**MINERAL RIGHTS AND INTERESTS***H.F. 2531*

AN ACT relating to interests in minerals owned by counties and cities, and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. **331.310 Mineral interests.**

1. For purposes of this section:

a. “*Mineral interests*” means any real property interest in one or more natural resources or minerals underlying the surface of a tract of land, which can be owned separately from the surface estate.

b. “*Minerals*” means coal, any naturally occurring gas, oil, or other gaseous, liquid, or solid hydrocarbons; oil shale; gemstones; metals; fissionable or nonfissionable ore; or steam or other geothermal resources. “*Minerals*” does not mean minerals as defined in section 208.2.

2. A county shall divest itself of any mineral interest owned or controlled by the county and shall convey such mineral interest to the surface owner of the land to which the mineral interest pertains except when the county is the fee simple surface owner of the land. A conveyance under this section shall be made without consideration and shall be without cost to the surface owner of the land.

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

Sec. 2. NEW SECTION. **364.26 Mineral interests.**

1. For purposes of this section:

a. “*Mineral interests*” means any real property interest in one or more natural resources or minerals underlying the surface of a tract of land, which can be owned separately from the surface estate.

b. “*Minerals*” means coal, any naturally occurring gas, oil, or other gaseous, liquid, or solid hydrocarbons; oil shale; gemstones; metals; fissionable or nonfissionable ore; or steam or other geothermal resources. “*Minerals*” does not mean minerals as defined in section 208.2.

2. A city shall divest itself of any mineral interests owned or controlled by the city and shall convey such mineral interests to the surface owner of the land to which the mineral interest pertains except when the city is the surface owner of the land. A conveyance under this section shall be made without consideration and shall be without cost to the surface owner of the land.

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

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

NEW SUBSECTION. 3. The county shall not offer mineral interests, as defined in section 331.310, for sale. If the taxes on any mineral interests not owned by the surface owner of the land are delinquent, the county shall proceed in accordance with section 458A.20.

Sec. 4. Section 458A.18, Code 2026, is amended to read as follows:

458A.18 Mineral rights taxed separately.

All rights and interests in or to oil, gas, or other minerals underlying land, whether

created by or arising under deed, lease, reservation of rights, or otherwise, which rights or interests are owned by any person other than the surface owner of the land, shall be assessed and taxed separately to the owner of such rights or interests in the same manner as other real estate. The taxes on such rights or interests that are not owned by the surface owner of the land shall not be a lien on the land.

Sec. 5. Section 458A.19, Code 2026, is amended to read as follows:

458A.19 Rate.

In order to pay the costs of assessment and collection and provide a reasonable minimum standard of taxation, the taxes on any mineral rights or interests not owned by the surface owner of the land shall be not less than five cents per acre.

Sec. 6. Section 458A.20, Code 2026, is amended to read as follows:

458A.20 Tax sale — redemption by owner.

1. When If the taxes on any mineral rights or interests not owned by the surface owner of the land are sold at tax sale, and when delinquent, the county treasurer shall send a statement of delinquent taxes and a notice that the mineral rights or interests will be conveyed to the owner of the associated surface tract unless the owner of those mineral rights or interests does not redeem under the provisions of chapter 447 pays the total amount of the delinquent taxes, interest, and costs to the county treasurer within ninety days after the tax sale, the owner of the land shall thereafter have the same right of redemption as the owner of the mineral rights or interests has, and redemption by the notice is served. The county treasurer shall serve the notice by sending it by regular first class mail to the person's last known address and to the address of the person's registered agent listed with the secretary of state, applicable.

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

3. a. The county may collect the total amount due by converting the amount due to a personal judgment against the owner of the delinquent mineral interest pursuant to sections 445.3 and 446.20, notwithstanding the absence of a tax sale or tax sale certificate.

b. If the treasurer determines that it is impractical to pursue collection of the total amount due and the personal judgment remedies, the treasurer shall make a written recommendation to the board of supervisors to abate the amount due. The board of supervisors shall abate, by resolution, the amount due and direct the treasurer to strike the amount due from the county system.

Sec. 7. Section 557C.1, Code 2026, is amended to read as follows:

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

A mineral interest in coal shall be extinguished is abandoned if it has not been active in accordance with section 557C.2A for a period of twenty years after its creation, transfer, or preservation, unless a statement of claim is filed in accordance with section 557C.3; and the ownership shall revert to the person who was then the owner of the interest from which the mineral interest in coal was created, transferred, or preserved. Title to an abandoned mineral interest vests in the owner of the surface estate in the land in, or under, which the mineral interest is located on the date of abandonment. Upon the filing of a statement of claim within the specified period, the mineral interest shall be deemed to have been preserved for an additional period of twenty years, or a shorter period as may be specified in the instrument creating the interest.

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

2. "Mineral Severed mineral interest in coal" means an interest created by an instrument which that creates or transfers, either by grant, assignment, reservation, or otherwise, an interest of any kind in coal, as described in chapter 207, without limitation on the manner of mining the coal any naturally occurring gases, oil, or other gaseous, liquid, or solid hydrocarbons; oil shale; gemstones; metals; fissionable or nonfissionable ore; or steam or

other geothermal resources. “Severed mineral interest” does not include an interest in any resource listed in the definition of “mineral” under section 208.2.

Sec. 9. **NEW SECTION. 557C.2A Active mineral interests.**

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

1. Minerals are produced or explored by the record owner of the mineral interest, or the rightful assignees or lessees of the record owner of the severed mineral interest, or pursuant to a pooling order issued by the department of natural resources pursuant to chapter 458A.

2. Operations are conducted for extraction, withdrawal, injection, storage, or disposal of water, gas, or other fluid substances to produce or enhance the production of minerals by or with the express permission of the record holder of the mineral interest, or pursuant to a pooling order issued by the department of natural resources pursuant to chapter 458A.

3. For solid minerals, there is a production from a well or a common vein or seam with the express permission, including such permission as provided for in an instrument of lease or other form of assignment, of the record owner of the severed mineral interest, or pursuant to a pooling order issued by the department of natural resources pursuant to chapter 458A.

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

5. The severed mineral interest is subject to a written agreement or pooling order issued by the department of natural resources pursuant to chapter 458A.

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

Sec. 10. Section 557C.3, Code 2026, is amended to read as follows:

557C.3 Statement of claim — filing requirement.

The statement of claim provided in section 557C.1 shall be filed by the owner of the severed mineral interest ~~in—eol~~ prior to the end of the twenty-year period set forth in section 557C.1 or by July 1, 1994, whichever is later. The statement of claim shall contain the name and address of the owner of the severed mineral interest ~~in—eol~~, and a description of the real estate on, or under, which the severed mineral interest ~~in—eol~~ is located. The statement of claim shall be filed in the office of the recorder in the county in which the real estate is located.

Sec. 11. Section 557C.4, Code 2026, is amended to read as follows:

557C.4 Statement of claim — recorder’s duty.

Upon the filing of the statement of claim provided for in section 557C.3 in the recorder’s office for the county where the real estate on, or under, which the severed mineral interest ~~in—eol~~ exists, is located, the recorder shall record the statement of claim and index the entries required to be made pursuant to section 557C.3 and any applicable entries specified in sections 558.49 and 558.52.

Sec. 12. Section 557C.5, Code 2026, is amended to read as follows:

557C.5 Reservation in other conveyance.

A reservation of a mineral interest ~~in—eol~~ or an exception of a mineral interest ~~in—eol~~, contained in a conveyance of the interest out of which it is carved, by a nonowner of the mineral interest ~~in—eol~~ shall not be deemed to satisfy the requirements of this chapter or as a revival of a severed mineral interest ~~in—eol~~ otherwise extinguished under this chapter.

Sec. 13. Section 557C.6, Code 2026, is amended to read as follows:

557C.6 Exemption.

The filing of the statement of claim required under section 557C.3 to preserve the severed mineral interest ~~in—eol~~ shall not be required of an owner if the severed mineral interest was separately taxed for real estate tax purposes at any time after July 1, 1971,

the tax was paid, the mineral interest has not been subject to a tax sale, and the severed mineral interest has not been conveyed to the owner of the surface estate pursuant to sections 331.310 or 458A.20.

Sec. 14. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved June 2, 2026