

SENATE BILL 525

M3

6lr2471
CF HB 576

By: **Senator Edwards**

Introduced and read first time: February 4, 2016

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Dormant Minerals Interests Act – Use of Mineral Interest –**
3 **Clarification**

4 FOR the purpose of clarifying that when an owner of a mineral interest takes a certain
5 action for a mineral that is part of a mineral interest, the action constitutes use of
6 the entire mineral interest owned by that owner; and generally relating to the use of
7 a mineral interest under the Maryland Dormant Mineral Interests Act.

8 BY repealing and reenacting, with amendments,
9 Article – Environment
10 Section 15–1203
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2015 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Environment**

16 15–1203.

17 (a) (1) On or after October 1, 2011, a surface owner of real property that is
18 subject to a mineral interest may maintain an action to terminate a dormant mineral
19 interest.

20 (2) A mineral interest is dormant for the purpose of this subtitle if:

21 (i) The mineral interest is unused for a period of 20 or more years
22 preceding the commencement of termination of the mineral interest; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) Notice of the mineral interest was not recorded during the period
2 of 20 or more years preceding the commencement of termination of the mineral interest.

3 (b) (1) The action must be in the nature of and require the same notice as is
4 required in an action to quiet title as set forth in § 14–108 of the Real Property Article.

5 (2) The action may be maintained, whether or not the owner of the severed
6 mineral interest is an unknown or missing owner.

7 (c) (1) Except as provided in paragraph (2) of this subsection, the following
8 actions taken by or under the authority of [the] AN owner of a mineral interest in relation
9 to any mineral that is part of the mineral interest shall constitute use of the entire mineral
10 interest **OWNED BY THAT OWNER:**

11 (i) Active mineral operations on or below the surface of the real
12 property or other property utilized or pooled with the real property, including production,
13 geophysical exploration, exploratory or developmental drilling, mining, exploitation, and
14 development of minerals;

15 (ii) Payment of taxes on a separate assessment of the mineral
16 interest or of a transfer or severance tax relating to the mineral interest, in accordance with
17 § 8–229 of the Tax – Property Article;

18 (iii) Recordation of an instrument that creates, reserves, or otherwise
19 evidences a claim to, or the continued existence of, the mineral interest, including an
20 instrument that transfers, leases, or divides the interest; and

21 (iv) Recordation of a judgment or decree that makes a specific
22 reference to the mineral interest.

23 (2) The injection of substances for the purpose of disposal or storage does
24 not constitute use of a mineral interest.

25 (d) (1) A surface owner of real property that is subject to a mineral interest
26 who brings an action to terminate a dormant mineral interest in accordance with this
27 section shall bring the action in the circuit court of the jurisdiction in which the real
28 property is located.

29 (2) A court order that terminates a mineral interest merges the terminated
30 mineral interest, including express and implied appurtenant surface rights and obligations,
31 with the surface estate in shares proportionate to the ownership of the surface estate,
32 subject to existing liens for taxes or assessments.

33 (3) (i) A court order that terminates a mineral interest shall identify:

34 1. The mineral interest;

1 2. Each surface estate into which the mineral interest is
2 merged, including the tax map and parcel number;

3 3. The name of each surface owner;

4 4. If known, the name of each person that owned the mineral
5 interest prior to the termination date; and

6 5. Any information determined by the court as appropriate
7 to describe the effect of the termination and merger of the mineral interest.

8 (ii) The clerk of the court that issued the order shall record the order
9 in the land records.

10 (e) This section shall apply notwithstanding any provision to the contrary in:

11 (1) The instrument that creates, reserves, transfers, leases, divides, or
12 otherwise evidences the claim to, or the continued existence of, the mineral interest; or

13 (2) Another recorded document, unless the instrument or other recorded
14 document provides an earlier termination date.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2016.