

By: Senator(s) Gandy, Burton, Fillingane, Montgomery

To: Energy

SENATE BILL NO. 2316

1 AN ACT TO CREATE THE MISSISSIPPI MINERAL RIGHTS REFORM ACT OF
2 2015; TO REQUIRE REGISTRATION OF SEVERED MINERAL INTERESTS IN THE
3 OFFICE OF THE CHANCERY CLERK OF THE COUNTY IN WHICH THE MINERAL
4 INTEREST IS LOCATED; TO PROVIDE FOR FORFEITURE TO THE STATE OF ANY
5 SEVERED MINERAL INTEREST NOT SO REGISTERED; AND FOR RELATED
6 PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** (1) This section shall be known and may be cited
9 as the "Mississippi Mineral Rights Reform Act of 2015."

10 (2) (a) Except as provided in paragraph (b) of this
11 subsection, from and after January 1, 2016, every owner of a fee
12 simple interest in minerals, hereafter referred to as a mineral
13 interest, in lands in this state, which interest is owned
14 separately from the fee title to the surface of the property upon
15 or beneath which the mineral interest exists, shall record in the
16 land records of the office of the chancery clerk in the county
17 where the mineral interest is located a verified statement, in
18 triplicate, setting forth the owner's address, interest in the
19 minerals, and both (i) the legal description of the property upon
20 or beneath which the interest exists, and (ii) the book and page



21 number of the instrument by which the mineral interest is created
22 or acquired. No statement may be recorded which contains mineral
23 interests from more than one (1) governmental section unless the
24 instrument by which the mineral interest is created or acquired
25 includes mineral interests from more than one (1) governmental
26 section. The chancery clerk shall file with the county tax
27 assessor a copy of each document so recorded within sixty (60)
28 days after recordation in the office of the chancery clerk.

29 (b) This section shall not apply to the following
30 owners of mineral interests: (i) the United States of America;
31 (ii) the State of Mississippi; and (iii) any American Indian tribe
32 or band owning reservation lands in this state.

33 (3) If the owner of a mineral interest fails to record the
34 verified statement required by this section before January 1,
35 2016, as to any interests owned on or before December 31, 2015, or
36 within one (1) year after acquiring the interest as to interests
37 acquired on or after January 1, 2016, the mineral interest shall
38 forfeit to the state after notice and opportunity for hearing as
39 provided in this section.

40 (4) (a) The Director of the Department of Geology of the
41 Department of Environmental Quality shall notify the last owner of
42 record in the land records of the chancery clerk of a hearing on
43 an order to show cause why the mineral interest should not forfeit
44 to the state absolutely. The notice shall be served in the same
45 manner as provided for the service of summons in a civil action



46 under Rule 4 of the Mississippi Rules of Civil Procedure and shall
47 contain the following:

48 (i) The legal description of the property upon or
49 beneath which the interest exists;

50 (ii) A recitation that the statement of severed
51 mineral interest either did not comply with the requirements
52 specified by this section for such a statement or was not recorded
53 within the time specified in this section, or both; and

54 (iii) That the court will be requested to enter an
55 order adjudging the forfeiture of the mineral interest to be
56 absolute in the absence of a showing that there was substantial
57 compliance with laws requiring the registration of severed mineral
58 interests. For the purposes of this section, substantial
59 compliance with laws requiring the registration of severed mineral
60 interests means:

61 1. That the records in the office of the
62 chancery clerk specified the true ownership of the severed mineral
63 interest during the time period within which the statement of
64 severed mineral interest should have been recorded with the
65 chancery clerk, or that probate, divorce, bankruptcy, mortgage
66 foreclosure, or other proceedings affecting the title had been
67 timely initiated and diligently pursued by the true owner during
68 the time period within which the severed mineral interest
69 statement should have been recorded; and



70 2. That all taxes relating to severed mineral
71 interests had been timely paid, including any taxes that would
72 have been due and owing under this section had the interest been
73 properly recorded as required by this section within the time
74 specified in this section. For the purposes of this section,
75 "timely paid" means paid within the time period during which tax
76 forfeiture would not have been possible had a real property tax
77 been assessed against the property.

78 (b) After the mineral interest has forfeited to the
79 state pursuant to this section, a person claiming an ownership
80 interest before the forfeiture may recover the fair market value
81 of the interest, either:

82 (i) As an alternative claim raised in the hearing
83 on the order to show cause why the mineral interest should not
84 forfeit absolutely, with fair market value to be determined and
85 paid as provided in this subsection; or

86 (ii) In a separate action brought as follows: An
87 action may be commenced within six (6) years after entry of
88 judgment under this section to determine the ownership and the
89 fair market value of the mineral interests in the property both at
90 the time of forfeiture and at the time of bringing the action.
91 The action shall be brought in the manner provided for an action
92 to determine adverse claims, to the extent applicable. The person
93 bringing the action shall serve notice of the action on the
94 Director of the Department of Geology of the Department of



95 Environmental Quality of natural resources in the same manner as
96 is provided for service of notice of the action on a defendant.
97 The Director of the Department of Geology of the Department of
98 Environmental Quality may appear and contest the allegations of
99 ownership and value in the same manner as a defendant in such
100 actions. A copy of the court's decree shall be attached to the
101 claim.

102 (5) The forfeiture provisions of this section do not apply
103 to mineral interests valued and taxed under other laws relating to
104 the taxation of minerals, gas, coal, oil, or other similar
105 interests, so long as a tax is imposed and no forfeiture under the
106 tax laws is complete. However, if the mineral interest is valued
107 under other tax laws, but no tax is imposed, the mineral
108 interest forfeits under this section if not recorded as required
109 by this section.

110 **SECTION 2.** This act shall take effect and be in force from
111 and after January 1, 2015.

