

**SENATE BILL NO. 2312**

Introduced by

Senators Anderson, Hogue, Klein, Triplett

Representatives Heller, Laning

1 A BILL for an Act to amend and reenact section 15-05-01 of the North Dakota Century Code,  
2 relating to coal leases on state land.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 15-05-01 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15-05-01. Coal lands or coal in tracts - Leases - Term.**

7 The board of university and school lands may lease any lands or coal in tracts that may be  
8 contained in lands sold with a reservation of coal deposits under its control for coal mining  
9 purposes. Any lease made under this chapter must be for ~~such a~~ period of time as the board  
10 may determine. Lands or coal in tracts that may be contained in lands sold with a reservation of  
11 coal deposits must be leased for coal mining purposes for ~~such a~~ royalty upon the coal as the  
12 board may deem fair and in the best interest of the state; ~~provided, that the minimum royalty~~  
13 ~~may not be less than fifteen cents per ton [907.18 kilograms], or six percent of the price per ton~~  
14 ~~[907.18 kilograms] of coal, whichever is greater.~~ The royalty applies only to coal actually mined  
15 and saved from the leased premises. If the board owns or controls a smaller interest than the  
16 entire and undivided coal estate, the royalty must be paid to it only in proportion to which its  
17 interest bears to the entire undivided fee. The board may lease land or coal in tracts for the  
18 purpose of prospecting for and mining coal for an annual rental of not less than one dollar per  
19 acre [.40 hectare] per year. The rental paid for any year may not be deducted from the royalties  
20 as they accrue. The board may adjust the royalty of existing coal leases as the board  
21 determines fair and in the best interest of the state.