

MN DNR Lands and Minerals Division
1525 3rd Ave. East
Hibbing, MN 55746

May 14, 2025

Minnesota Counties
Via Email

Good day,

DNR received an inquiry from Redwood County asking about the process for making \$50 payments and paying claims for mineral rights under Minn. Stat. § 282.005. In an effort to provide clarity and direction regarding the minerals claim process, we have drafted this letter to all of the counties, explaining DNR's understanding of the timing and distribution of payments. DNR acknowledges that some counties may have a different view of some of these issues, but DNR hopes that sharing its interpretation of the statute will be helpful.

1. Under the new forfeiture law, the mineral estate is reserved upon forfeiture

According to [Minn. Stat. § 282.005](#), subd. 8 “upon forfeiture, any iron-bearing stockpiles, minerals and mineral interests shall be sold (reserved) to the state for \$50. The county auditor must notify interested parties within 60 days of the sale of the surface estate by sending a notice and a claim form.” The interested parties (owners, lienholders, or any other parties who have filed according to section 276.041) of the parcel prior to forfeiture are entitled to \$50 as compensation for the mineral estate. If an interested party believes the value of the minerals is greater than the public liens on the property (sum of delinquent taxes, special assessments, penalties, interests and costs assigned to the parcel – also referred to as the “minimum bid” in Minn. Stat. § 282.005), the interested parties may submit a claim to challenge the value of the mineral estate. DNR's understanding is that counties will mail a notice and claim form to any “interested parties” as defined in the statute 60 days after the surface sale required by section 282.005 (“Tyler auction”). DNR's understanding is the counties will mail a notice and claim form even if the property does not sell at the Tyler auction. If the forfeited property consists only of severed mineral rights, DNR's understanding is that no Tyler auction will be held, but the county will mail a notice and claim form to interested parties.

2. \$50 mineral payments

As stated above, according to MN statute 282.005, Subd. 8, “upon forfeiture any iron-bearing stockpiles, minerals and mineral interests shall be sold to the state for \$50.” This payment is to be made whether a claim is submitted by any interested parties or not. The claim form is not for the \$50; it is for claims for the value of mineral interests in excess of the minimum bid. The statute does not indicate when or how the \$50 payment to the interested parties is made. DNR presumes that the counties will make the \$50 payments because DNR is not

involved in the process until a mineral valuation claim is filed. DNR's understanding is that some counties intend to make the payment when they send the notice and claim form. Counties may want to wait until the right to repurchase expires before sending the \$50 payment. The \$50 may be divided by the county amongst the interested parties as needed if there is more than one.

3. DNR proposes to reimburse counties annually for the \$50 payments

DNR is proposing to reimburse counties once per year for all \$50 payments made. DNR requests that counties keep a record of \$50 payments made and invoice DNR for these amounts. DNR intends to launch a process for submittal of invoices in December for 2025, with reimbursements made in January of 2026. This process would then be carried out every year thereafter.

4. Interested parties can challenge the value of the mineral estate

The claim form generated by the Department of Revenue (DOR) gives interested parties the opportunity to claim that the minerals on their forfeited property are worth more than the minimum bid. The claim form can be found in the DOR's Delinquent Tax and Tax Forfeiture Manual (<https://www.revenue.state.mn.us/delinquent-real-property-tax-and-tax-forfeiture-manual>).

The interested party, or claimant, has six months from the date of the first notice to return the claim form and any supporting documentation to the county. If claims are made within 6 months, the county would then send the claim form and supporting documentation submitted by the claimant to the DNR Lands and Minerals Division (address below and on DNR web site), which would begin an investigation to determine if the minerals have value above the minimum bid. The minimum bid is defined in Minn. Stat. § 282.005, subd. 2 as "the sum of delinquent taxes, special assessments, penalties, interests, and costs assigned to the parcel."

5. If the value of the mineral estate is challenged, the DNR will make a decision and notify the claimant and the county

Once the DNR's investigation is complete, there will be two possible outcomes:

1. DNR sends a notice and order to the claimant stating that the value of their mineral interests does not exceed the minimum bid, copying the county auditor, or
2. DNR sends a notice and order to the claimant approving their claim, copying the county auditor. DNR will use legislatively appropriated funds to send an electronic funds transfer to the county auditor for distribution to interested parties associated with the property.

6. Interested parties have six months to make a claim

If no claims are received by the county within the statutory six-month period for filing, the interested parties are no longer eligible to receive payment. If the property is again forfeited for nonpayment of taxes in the future, no further claims for mineral interests may be paid with respect to the property.

Any further questions can be directed to this email address: MineralClaims.DNR@state.mn.us.

Sincerely,

Ted Anderson
Assistant Director
Division of Lands and Minerals

CC: Joni Brekke

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Claim forms and all supporting documents submitted to the DNR can be sent to:

Attention: Minerals Claims Group
MN DNR
1525 3rd Ave. East
Hibbing, MN 55746