

MODEL FINANCIAL ASSURANCE LAW PROTECTS MINNESOTA'S TAXPAYERS

Mining Minnesota, a mining trade association, recently released a series of fact sheets which answer four questions an activist group posed to Governor Dayton regarding copper-nickel mining in the state. Each fact sheet provides details about how one of the world's largest undeveloped resources of copper and nickel can be responsibly mined, protecting Minnesota's environment and creating unprecedented economic opportunity.

This week, Mine Reader highlights Mining Minnesota's fact sheet explaining how Minnesota's "financial assurance" law and rules – seen as national models – ensures state taxpayers are protected from future financial burdens related to mining.



"Financial assurance is the result of a state law that requires the Commissioner of the Department of Natural Resources (DNR) to establish a bond or other security from a mining company and annually review the amount of the financial assurance. The Commissioner of the DNR developed a Minnesota Rule to implement this legislative directive. Key provisions of financial assurance include:

- Ensure that there is a source of funds to be used by the Commissioner of the DNR if the mining company fails to perform reclamation. These funds are annually adjusted and continuously maintained by the mining company.
- Funds will be sufficient to cover the costs of reclamation.
- Funds will be available and made payable to the Commissioner when needed.
- Funds will be fully valid, binding and enforceable under state and federal law.
- Funds will not be dischargeable through bankruptcy.
- All terms and conditions of the financial assurance must be approved by the Commissioner of the DNR."

In fact, not only will Minnesota taxpayers be protected, taxpayers are likely to see significant financial gains with strategic nonferrous mineral development in Minnesota.