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## Rep. Peter DeFazio introduces legislation to update 1872 Mining Law

July 10, 2014

Rep. Peter DeFazio (D-OR) introduced legislation intended to change the royalty structure for non-coal mining operations in the United States. The proposal aims to update the 1872 Mining Law, the long-lasting legislation that governs hardrock mining in the United States.

Under the proposed legislation, an eight percent royalty on gross revenue would be applied to new mines and a four percent royalty would be assessed to existing mines. Mining companies currently pay no royalties on metals, such as gold and silver, mined on federal lands. Rep. DeFazio, Ranking Member of the House Committee on Natural Resources, said the bill would require mining companies to pay taxes on minerals extracted from public lands, something mining companies have not had to do under the 1872 Mining Law.

The royalties collected would fund mine reclamation projects. The Bureau of Land Management (BLM) currently requires that mining companies pay fees, called bonding requirements, to cover future cleanup costs, but the Government Accountability Office issued a report stating that these bonding requirements frequently prove insufficient.

The National Mining Association (NMA) expressed skepticism toward the legislation, pointing out the \$30 billion in taxes that the mining industry pays every year. NMA also voiced concern on the effect of increased royalties on mining companies, warning that such actions may drive down investment in the mining industry.

The legislation also seeks to make it easier for state and local governments to declare certain areas as “off-limits” for mining in order to protect drinking water, wildlife habitat, and historic resources.

Sources: E&E News, Government Accountability Office, Representative Peter DeFazio

*Updated 8/8/14*

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