

# Humboldt and Lander Counties, Nevada | Case Studies

Gold is a precious mineral highly valued for its durability and beauty. Used to make jewelry and art, it also has technological uses such as memory chip conductors and reflective satellite coverings. In 2015, the U.S. was the fourth-largest producer of gold, extracting 200 tons valued at \$7.6 billion.<sup>i</sup> The U.S. gold reserves, with an estimated size of 3,000 tons, are the fifth largest in the world.<sup>ii</sup> Nevada accounts for 74% of total U.S. gold production.<sup>iii</sup>

## Geology and history

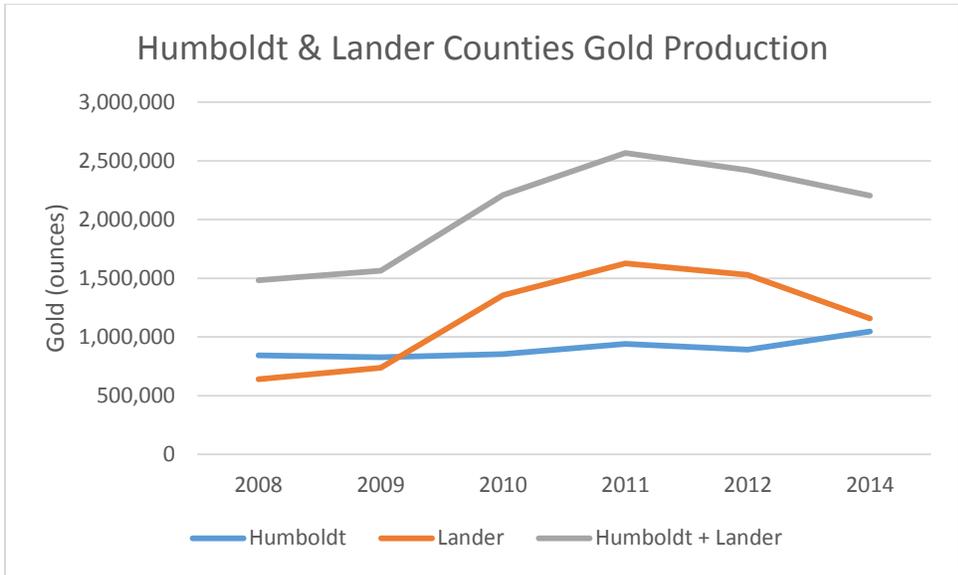
Mineral mining in Nevada began shortly after the onset of the California Gold Rush in 1849. The 1859 discovery of the Comstock Lode silver deposit in the Virginia Range of western Nevada was the first major discovery of silver ore in the country.<sup>iv</sup> All told, the Great Basin geological region, which covers most of Nevada and crosses into Oregon, Utah, and California, has a total resource potential that exceeds 3,200 metric tons (100,000,000 ounces) of gold.<sup>v</sup>

The major gold mines in Humboldt and Lander counties represent more recent production operations. The counties' two largest mines, the Twin Creeks Mine in Humboldt and the Pipeline/Cortez Hills Mine in Lander, did not start producing gold until the early 1990s. These mines are now two of the largest gold producers in the state.

## Production

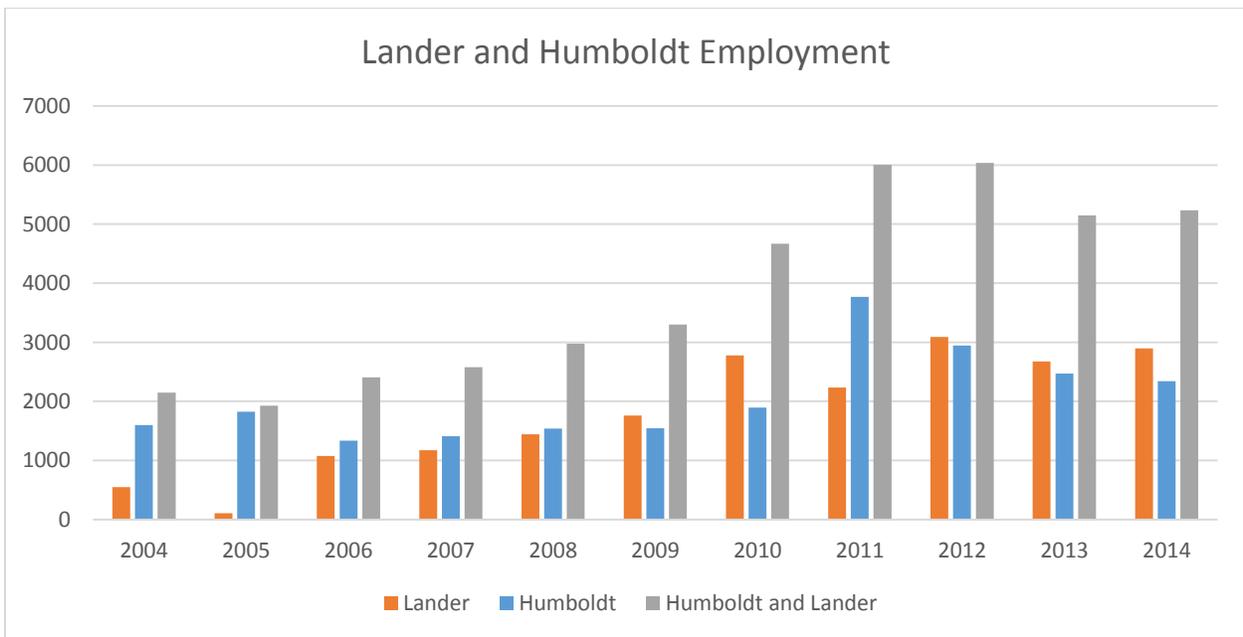
Nevada is currently experiencing the biggest gold boom in U.S. history, which began in 1981 and has produced over 240 million ounces, often from public lands.<sup>vi</sup> This surge in production is largely the result of discovering deposits that contain microscopic gold particles.<sup>vii</sup> These deposits occur when gold is deposited quickly and disseminated into the surrounding rock.

The two major gold-mining companies behind this development are Newmont Mining Corporation and Barrick Gold Corporation, which operate open pit mining operations.<sup>viii</sup> Gold production in Humboldt and Lander counties totaled 2,203,219 ounces in 2014, accounting for 45% of the state's total gold production that year.<sup>ix</sup>



## Employment

In 2014, gold mining provided jobs for 5,234 workers, which represented 26% of the entire county population of 23,261 in the two counties.<sup>xixii</sup> 2,340 employees and contractors were employed in Humboldt County and 2,894 were employed in Lander County.<sup>xiii</sup>



## <sup>xiv</sup> Revenue

Gold-mining serves as a key driver of funding for local governments across the state. In addition to various property and sales taxes, counties receive annual revenue from the gold industry, largely from the state’s Net Proceeds of Minerals (NPM) Tax. This tax is considered to be an ad valorem property tax assessed on minerals produced in the state, applied at a rate of 5% on royalties and all other net proceeds exceeding \$4 million. In FY 2014, Nevada counties received a total of \$103 million in state and county Net Proceeds of Minerals Taxes. \$52.5 million went to the state and \$50.5 went directly to counties.<sup>xv</sup>

In 2014, Humboldt and Lander accounted for a total of 53% of the state’s Net Proceeds of Minerals (19.54% and 33.36% respectively).<sup>xvi</sup> In FY 2014, Humboldt County received \$7.9 million in NPM taxes and royalties; Lander County received \$21.5 million.<sup>xvii</sup>

## Costs

A number of state-level resources, which are listed below, shed light on Humboldt and Lander County transportation systems, reclamation procedures, and emergency services. While these government publications discuss costs to the state government, they do not specify the fiscal costs of gold extraction to Humboldt and Lander county governments.

- [Nevada Department of Transportation: Reports and Publications](#)
- [Nevada Bureau of Mining Regulation & Reclamation Cost Estimator](#)

## Data availability

The table below highlights the data sources used to compile this narrative, as well as any gaps in publicly available data.

Measure	Data availability	Data gaps
Production	The U.S. Geological Survey published gold extraction data at the county level for 2008–2012.	
Employment	The Nevada Department of Taxation published Humboldt and Lander county gold-mining industry employment totals from 2004-2014.	Neither the Bureau of Labor Statistics nor the U.S. Census Bureau has ten-year employment-trend data for the mining industry at the Humboldt or Lander county level for 2004–2013. There are several years and subindustries without data.

Measure	Data availability	Data gaps
Revenue	The Nevada Department of Taxation published revenue information.	Information on production taxes or sales and use taxes related to the extractive industries was not found.
Costs		Data on connections between county transportation, emergency services, reclamation, and water-infrastructure investments and extractive industries was not found.

## Notes

---

<sup>i</sup> U.S. Geological Survey, Gold Commodity Summary (PDF), 2016

<sup>ii</sup> Ibid.

<sup>iii</sup> U.S. Geological Survey, Western Region Gold Deposits

<sup>iv</sup> [History of Virginia City, Nevada and the Comstock Lode](#)

<sup>v</sup> U.S. Geological Survey, [Western Region Gold Deposits](#)

<sup>vi</sup> Ibid.

<sup>vii</sup> Ibid.

<sup>viii</sup> Nevada Bureau of Mines and Geology, [Major Mines of Nevada 2014 \(PDF\)](#)

<sup>ix</sup> Ibid.

<sup>x</sup> Ibid.

<sup>xi</sup> Ibid.

<sup>xii</sup> Bureau of Labor Statistics, [NAICS Codes 212 and 213](#), 2005–2014

<sup>xiii</sup> Nevada Bureau of Mines and Geology, [Major Mines of Nevada 2014 \(PDF\)](#)

<sup>xiv</sup> Bureau of Labor Statistics, [NAICS Codes 212 and 213](#), 2005–2014

<sup>xv</sup> Nevada Department of Taxation, [2014-2015 Net Proceeds of Minerals Bulletin](#)

<sup>xvi</sup> Ibid.

<sup>xvii</sup> Ibid.