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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **4042**

03/07/2022 Authored by Lislegard and Ecklund

The bill was read for the first time and referred to the Committee on Industrial Education and Economic Development Finance and Policy

03/10/2022 By motion, recalled and re-referred to the Taxes

- 1.1 A bill for an act
- 1.2 relating to taxation; taconite production tax; establishing the Iron Range education
- 1.3 account; amending Minnesota Statutes 2020, section 298.28, by adding a
- 1.4 subdivision.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2020, section 298.28, is amended by adding a subdivision
- 1.7 to read:
- 1.8 Subd. 7b. **Iron Range education account.** (a) Five cents per taxable ton for distributions
- 1.9 in 2024 through 2034 must be allocated to the commissioner of Iron Range Resources and
- 1.10 Rehabilitation to be deposited in the Iron Range education account that is hereby created.
- 1.11 (b) Funds from this account shall be allocated in equal shares to Independent School
- 1.12 District No. 695, Chisholm, and Independent School District No. 701, Hibbing, to assist
- 1.13 with the payment of bonds issued for school construction or improvement projects that were
- 1.14 approved by the commissioner of education pursuant to section 123B.71.
- 1.15 (c) Funds shall only be released under paragraph (b) once the district provides an
- 1.16 expenditure equal to twice the amount of the expenditure released from the Iron Range
- 1.17 education account for each school project.
- 1.18 (d) A district must use the distribution under this subdivision to reduce its equalized
- 1.19 debt service levy under section 123B.53. The commissioner of education must not recompute
- 1.20 the debt service equalization aid under section 123B.53 as a result of a disbursement under
- 1.21 this subdivision.
- 1.22 **EFFECTIVE DATE.** This section is effective beginning with distributions in 2024.