REVISOR

H. F. No. 408

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

01/23/2017 Authored by Metsa, Ecklund and Rarick The bill was read for the first time and referred to the Committee on Education Finance

1.1	A bill for an act
1.2	relating to taxation; minerals; modifying certain provisions regarding expenditures
1.3 1.4	from the Iron Range school consolidation and cooperatively operated school account; amending Minnesota Statutes 2016, section 298.28, subdivision 7a.
1.5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.6	Section 1. Minnesota Statutes 2016, section 298.28, subdivision 7a, is amended to read:
1.7	Subd. 7a. Iron Range school consolidation and cooperatively operated school account.
1.8	(a) The following amounts must be allocated to the Iron Range Resources and Rehabilitation
1.9	Board to be deposited in the Iron Range school consolidation and cooperatively operated
1.10	school account that is hereby created:
1.11	(1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax imposed
1.12	under section 298.24; and
1.13	(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed
1.14	under section 298.24;
1.15	(2) the amount as determined under section 298.17, paragraph (b), clause (3);
1.16	(3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax
1.17	proceeds attributable to the increase in the implicit price deflator as provided in section
1.18	298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J.
1.19	Johnson economic protection trust fund;
1.20	(ii) for distributions in 2016, an amount equal to two-thirds of the sum of the increased
1.21	tax proceeds attributable to the increase in the implicit price deflator as provided in section

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- (iii) for distributions in 2017, an amount equal to two-thirds of the sum of the increased
 tax proceeds attributable to the increase in the implicit price deflator as provided in section
 2.5 298.24, subdivision 1, for distribution years 2015, 2016, and 2017, with the remaining
 one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and
- 2.7

(4) any other amount as provided by law.

(b) Expenditures from this account may be approved as ongoing annual expenditures 2.8 and shall be made only to provide disbursements to assist school districts with the payment 2.9 of bonds that were issued for qualified school projects, or for any other school disbursement 2.10 as approved by the commissioner of Iron Range resources and rehabilitation, after the 2.11 commissioner has sought review of the expenditures by the Iron Range Resources and 2.12 Rehabilitation Board. For purposes of this section, "qualified school projects" means school 2.13 projects within the taconite assistance area as defined in section 273.1341, that were (1) 2.14 approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of 2.15 education pursuant to section 123B.71. 2.16

- (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for
 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset
 any reduction in debt service equalization aid that the school district qualifies for in that
 year, under section 123B.53, subdivision 6, compared with the amount the school district
 qualified for in fiscal year 2018.
- 2.22 (d) No expenditure under this section shall be made unless approved by seven members
 2.23 of the commissioner of Iron Range resources and rehabilitation after seeking review of the
 2.24 expenditure from the Iron Range Resources and Rehabilitation Board.

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