

298.296 OPERATION OF FUND.

Subdivision 1. **Project approval.** The board and commissioner shall by August 1 of each year prepare a list of projects to be funded from the Douglas J. Johnson economic protection trust with necessary supporting information including description of the projects, plans, and cost estimates. These projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the board unless it finds that:

- (a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (b) the prospective benefits of the expenditure exceed the anticipated costs; and
- (c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

Each project must be approved by over one-half of all of the members of the board and the commissioner of Iron Range resources and rehabilitation. The list of projects shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be expended only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust.

(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the corpus of the trust may be made available for use as provided in subdivision 4, and up to \$10,000,000 from the corpus of the trust may be made available for use as provided in section 298.2961.

(c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8, section 17, may be expended on projects. Funds may be expended for projects under this paragraph only if the project:

- (1) is for the purposes established under section 298.292, subdivision 1, clause (1) or (2); and
- (2) is approved by two-thirds of all of the members of the board.

No money made available under this paragraph or paragraph (d) can be used for administrative or operating expenses of the Iron Range Resources and Rehabilitation Board or expenses relating to any facilities owned or operated by the board on May 18, 2002.

(d) Upon recommendation by a unanimous vote of all members of the board, amounts in addition to those authorized under paragraphs (a), (b), and (c) may be expended on projects described in section 298.292, subdivision 1.

(e) Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

(f) Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

(g) Additionally, notwithstanding section 298.293, upon the approval of the board, money from the corpus of the trust may be expanded to purchase forest lands within the taconite assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

Subd. 3. Administration. The commissioner and staff of the Iron Range Resources and Rehabilitation Board shall administer the program under which funds are expended pursuant to sections 298.292 to 298.298.

Subd. 4. Temporary loan authority. (a) The board may recommend that up to \$7,500,000 from the corpus of the trust may be used for loans, loan guarantees, grants, or equity investments as provided in this subdivision. The money would be available for loans for construction and equipping of facilities constituting (1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject to the net proceeds tax imposed under section 298.015. A loan or loan guarantee under this paragraph may not exceed \$5,000,000 for any facility.

(b) Additionally, the board must reserve the first \$2,000,000 of the net interest, dividends, and earnings arising from the investment of the trust after June 30, 1996, to be used for grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a). This amount must be reserved until it is used as described in this subdivision.

(c) Additionally, the board may recommend that up to \$5,500,000 from the corpus of the trust may be used for additional grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a).

(d) The board may require that it receive an equity percentage in any project to which it contributes under this section.

History: *2Sp1982 c 2 s 9; 1983 c 46 s 4; 1984 c 654 art 2 s 121; 1987 c 386 art 8 s 3; 1993 c 369 s 112; 1994 c 587 art 6 s 6,7; 1995 c 264 art 7 s 6; 1996 c 471 art 12 s 6,7; 1997 c 231 art 8 s 10; 1998 c 389 art 10 s 20; 1999 c 243 art 9 s 4; 1Sp2001 c 5 art 6 s 32; 2002 c 377 art 8 s 15; 2003 c 127 art 11 s 10,12; 2006 c 281 art 4 s 20; 2008 c 154 art 8 s 12; 2009 c 78 art 7 s 21; 2013 c 3 s 21,22*