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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **3925**

04/14/2016 Authored by Hackbarth, Garofalo, McNamara, Sanders and Scott

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act
1.2 relating to Iron Range resources and rehabilitation; modifying duties of the
1.3 commissioner; creating a Legislative-Citizen Commission; providing legislative
1.4 oversight; modifying appropriations and distributions; making conforming
1.5 changes; requiring a study; appropriating money; amending Minnesota
1.6 Statutes 2014, sections 116J.423, subdivision 1; 116J.424; 298.001, by adding
1.7 a subdivision; 298.018, subdivision 1; 298.17; 298.22; 298.221; 298.2211,
1.8 subdivisions 3, 6; 298.2213; 298.2214, subdivision 2; 298.223; 298.227; 298.27;
1.9 298.28, subdivisions 7, 7a, 9c, 9d, 11; 298.292, subdivision 2; 298.294; 298.296;
1.10 298.2961; 298.297; 298.298; 298.46.

1.11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.12 Section 1. Minnesota Statutes 2014, section 116J.423, subdivision 1, is amended to read:

1.13 Subdivision 1. **Created.** The Minnesota minerals 21st century fund is created
1.14 as a separate account in the treasury. ~~Money in the account is appropriated to the~~
1.15 ~~commissioner of employment and economic development for the purposes of this section.~~
1.16 All money earned by the account, loan repayments of principal and interest, and earnings
1.17 on investments must be credited to the account. For the purpose of this section, "fund"
1.18 means the Minnesota minerals 21st century fund. The commissioner shall operate the
1.19 account as a revolving account.

1.20 **EFFECTIVE DATE.** This section is effective July 1, 2017.

1.21 Sec. 2. Minnesota Statutes 2014, section 116J.424, is amended to read:

1.22 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**
1.23 **CONTRIBUTION.**

1.24 The commissioner of the Iron Range Resources and Rehabilitation Board with
1.25 approval by the board, shall provide an equal match for any loan or equity investment

made for a facility located in the tax relief area defined in section 273.134, paragraph (b), by the Minnesota minerals 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the ~~board~~ commissioner and the ~~board~~ agency at its sole discretion shall decide what interest it acquires in a project. The commissioner of employment and economic development may require a commitment from the ~~board~~ commissioner to make the match prior to disbursing money from the fund.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 3. Minnesota Statutes 2014, section 298.001, is amended by adding a subdivision to read:

Subd. 11. **Commission.** "Commission" means the Legislative-Citizen Commission on Iron Range resources and rehabilitation under section 298.22.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2014, section 298.018, subdivision 1, is amended to read:

Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the taconite assistance area defined in section 273.1341, shall be allocated as follows:

(1) five percent to the city or town within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of the respective operations performed in each taxing district;

(2) ten percent to the taconite municipal aid account to be distributed as provided in section 298.282;

(3) ten percent to the school district within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one school district, distribution among the school districts must be based on the apportionment formula prescribed in clause (1);

(4) 20 percent to a group of school districts comprised of those school districts wherein the mineral or energy resource was mined or extracted or in which there is a qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions;

(5) 20 percent to the county within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one county, distribution among the counties must be based on the apportionment formula prescribed in clause (1), provided that any county receiving distributions under this clause shall pay one percent of its proceeds to the Range Association of Municipalities and Schools;

(6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;

(7) five percent to the commissioner of Iron Range resources and rehabilitation Board for the purposes of section 298.22;

(8) three percent to the Douglas J. Johnson economic protection trust fund; and

(9) seven percent to the taconite environmental protection fund.

The proceeds of the tax shall be distributed on July 15 each year.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 5. Minnesota Statutes 2014, section 298.17, is amended to read:

298.17 OCCUPATION TAXES TO BE APPORTIONED.

(a) All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of

the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university.

(b) Of the money apportioned to the general fund by this section: (1) there is annually appropriated and credited to the mining environmental and regulatory account in the special revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Money in the mining environmental and regulatory account is appropriated annually to the commissioner of natural resources to fund agency staff to work on environmental issues and provide regulatory services for ferrous and nonferrous mining operations in this state. Payment to the mining environmental and regulatory account shall be made by July 1 annually. The commissioner of natural resources shall execute an interagency agreement with the Pollution Control Agency to assist with the provision of environmental regulatory services such as monitoring and permitting required for ferrous and nonferrous mining operations; (2) there is annually appropriated and credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund an amount equal to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund for transfer to the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a, an amount equal to that which would have been generated by a six cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

(c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (ii) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the commissioner of Iron Range resources and rehabilitation ~~Board~~ regarding the loans. Payment to the Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

(d) Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

5.1 **EFFECTIVE DATE.** This section is effective July 1, 2017.

5.2 Sec. 6. Minnesota Statutes 2014, section 298.22, is amended to read:

5.3 **298.22 IRON RANGE RESOURCES AND REHABILITATION.**

5.4 Subdivision 1. **The Office of the Commissioner of Iron Range resources**
5.5 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and
5.6 rehabilitation is created as an agency in the executive branch of state government. The
5.7 governor shall appoint the commissioner of Iron Range resources and rehabilitation under
5.8 section 15.06.

5.9 (b) The commissioner may hold other positions or appointments that are not
5.10 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The
5.11 commissioner may appoint a deputy commissioner. All expenses of the commissioner,
5.12 including the payment of staff and other assistance as may be necessary, must be paid
5.13 out of the amounts appropriated by ~~section 298.28~~ or otherwise made available by law
5.14 to the commissioner. ~~Notwithstanding chapters 16A, 16B, and 16C, the commissioner~~
5.15 ~~may utilize contracting options available under section 471.345 when the commissioner~~
5.16 ~~determines it is in the best interest of the agency. The agency is not subject to sections~~
5.17 ~~16E.016 and 16C.05.~~

5.18 (c) When the commissioner determines that distress and unemployment exists or
5.19 may exist in the future in any county by reason of the removal of natural resources
5.20 or a possibly limited use of natural resources in the future and any resulting decrease
5.21 in employment, the commissioner may use, subject to legislative approval, whatever
5.22 amounts of the appropriation made to the commissioner of revenue in section 298.28 that
5.23 are determined to be necessary and proper in the development of the remaining resources
5.24 of the county and in the vocational training and rehabilitation of its residents, ~~except~~
5.25 ~~that the amount needed to cover cost overruns awarded to a contractor by an arbitrator~~
5.26 ~~in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is~~
5.27 ~~appropriated from the general fund.~~ For the purposes of this section, "development of
5.28 remaining resources" includes, but is not limited to, the promotion of tourism.

5.29 (d) Notwithstanding any other law to the contrary, for fiscal year 2018 and each
5.30 fiscal year thereafter, all expenditures by the commissioner must be approved by the
5.31 legislature in the manner provided for in paragraph (e).

5.32 (e) The commissioner shall annually submit a budget proposal to the
5.33 Legislative-Citizen Commission on Iron Range resources and rehabilitation. The
5.34 commission must review and make recommendations on the commissioner's budget

proposal as provided in subdivisions 1c and 1d. This paragraph applies to transfers and expenditures from the following funds or accounts:

(1) the taconite area environmental protection fund under section 298.223, including grants under section 298.2961;

(2) the Douglas J. Johnson Economic Protection Trust Fund Act under sections 298.291 to 298.298, including grants under section 298.2961;

(3) the Iron Range resources and rehabilitation account in the special revenue fund;

(4) the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a, except as provided under paragraph (f);

(5) the Minnesota minerals 21st century fund match requirements under section 116J.424; and

(6) the Iron Range higher education account under section 298.28, subdivision 9d.

(f) Paragraph (e) does not apply to expenditures for:

(1) the commissioner's obligations under sections 298.221; 298.2211, subdivision 4; 298.225, subdivision 2; and 298.292, subdivision 2, clause (3);

(2) payments of amounts authorized under section 298.28, subdivisions 2; 3; 4; 5; 6; 7a, clause (4); and 9a; or

(3) other expenditures required to pay bonds or binding contracts entered into prior to the effective date of this section.

Subd. 1a. **Legislative-Citizen Commission on Iron Range resources and rehabilitation Board.** ~~The Iron Range Resources and Rehabilitation Board consists of the state senators and representatives elected from state senatorial or legislative districts in which one-third or more of the residents reside in a taconite assistance area as defined in section 273.1341. One additional state senator shall also be appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration. All expenditures and projects made by the commissioner shall first be submitted to the board for approval. The expenses of the board shall be paid by the state from the funds raised pursuant to this section. Members of the board may be reimbursed for expenses in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the interims between legislative sessions in the manner provided in section 3.099, subdivision 1.~~

~~The members shall be appointed in January of every odd-numbered year, and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as original members were chosen.~~

(a) A nine-member Legislative-Citizen Commission on Iron Range resources and rehabilitation is created in the legislative branch, consisting of:

(1) three members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and three members of the house of representatives appointed by the speaker of the house. At least one member from the senate and one member from the house of representatives must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission; and

(2) three citizens, one appointed by the governor, one appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1b, and must have:

(i) experience or expertise in economic and workforce development, community development, mining and mineral extraction, natural resources development, and any other issue determined by the governor in consultation with the legislature;

(ii) strong knowledge regarding issues on the Iron Range;

(iii) demonstrated ability to work in a collaborative environment; and

(iv) a primary residence located in the taconite assistance area as defined in section 273.1341.

(b) Members shall develop procedures to elect a chair that rotates between legislative and citizen members. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members shall serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

(d) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraph (c).

(e) Citizen members shall be initially appointed according to the following schedule of terms:

(1) one member appointed by the governor for a term ending the first Monday in January 2020;

(2) one member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2020; and

(3) one member appointed by the speaker of the house for a term ending the first Monday in January 2020.

(f) Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3.

(g) The governor's appointments are subject to the advice and consent of the senate.

Subd. 1b. **Citizen selection committee.** (a) The governor shall appoint an Iron Range Resources and Rehabilitation Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of Iron Range economic and workforce development, community development, mineral extraction, natural resources issues, and any other issue as determined by the governor in consultation with the legislature.

(b) The duties of the Iron Range Resources and Rehabilitation Citizen Selection Committee shall be to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor, senate, and house of representatives.

(c) Members are entitled to travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6.

Subd. 1c. **Legislative-Citizen Commission duties.** (a) The Legislative-Citizen Commission shall evaluate budget proposals submitted by the commissioner and make recommendations for legislation for appropriations for Iron Range economic and workforce development, community development, minerals and natural resources development, and any other issue as determined by the governor in consultation with the legislature and shall adopt a strategic plan as provided in subdivision 1e. Approval of the recommended legislation requires an affirmative vote of at least six members of the commission.

(b) The commission may adopt operating procedures to fulfill its duties under this chapter.

(c) The commission must submit its legislative recommendations to the legislature for inclusion in the biennial budget and supplemental budget approved by the legislature.

9.1 Subd. 1d. **Evaluation of proposed budgets.** The commission must evaluate budget
9.2 proposals and consider factors including but not limited to:

9.3 (1) the extent to which the proposed budget contributes to increasing the
9.4 effectiveness of promoting or managing Iron Range economic and workforce development,
9.5 community development, minerals and natural resources development, and any other issue
9.6 as determined by the governor in consultation with the legislature;

9.7 (2) whether, and the extent to which, an applicant could complete a project absent
9.8 funding from the commissioner;

9.9 (3) job creation or retention goals for the project, including but not limited to
9.10 wages and benefits, and whether the jobs created are full time, part time, temporary, or
9.11 permanent; and whether the stated job creation or retention goals in the proposal can be
9.12 adequately measured using methods established by the commissioner;

9.13 (4) how and to what extent the proposal is expected to impact the economic climate
9.14 of the Iron Range resources and rehabilitation services area;

9.15 (5) how the proposal would meet match requirements, if any; and

9.16 (6) whether the proposal meets the written objectives, priorities, and policies
9.17 established by the commissioner.

9.18 Subd. 1e. **Strategic plan required.** The commissioner, in consultation with the
9.19 Legislative-Citizen Commission, shall adopt a strategic plan for making expenditures
9.20 including identifying the priority areas for funding for the next six years. The strategic
9.21 plan must be reviewed every two years. The strategic plan must have clearly stated
9.22 short-term and long-term goals and strategies for expenditures, provide measurable
9.23 outcomes for expenditures, and determine areas of emphasis for funding.

9.24 Subd. 1f. **Emerging issues.** The Legislative-Citizen Commission may recommend
9.25 in its legislation the establishment of an emerging issues account to fund unexpected
9.26 emerging issues, but which still adheres to the strategic plan. Any expenditure from the
9.27 emerging issues account must be:

9.28 (1) directly related to an item or subject in the commissioner's budget as approved
9.29 by the legislature;

9.30 (2) reviewed and evaluated by the commission in the manner provided for under
9.31 subdivision 1d; and

9.32 (3) approved by a unanimous vote of the commission.

9.33 Subd. 1g. **Public meetings.** (a) Meetings of the Legislative-Citizen Commission,
9.34 committees or subcommittees of the commission, or technical advisory committees must
9.35 be open to the public and are subject to chapter 13D. The commission shall attempt to
9.36 meet throughout various regions of the state during each biennium. For purposes of this

subdivision, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the commission, a committee or subcommittee of the commission, or a technical advisory committee.

(b) For legislative members of the commission, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the commission, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Subd. 1h. **Legislative Coordinating Commission.** The Legislative Coordinating Commission shall hire an executive director of the Legislative-Citizen Commission on Iron Range resources and rehabilitation and other staff as requested by the commission.

Subd. 3. **Commissioner may acquire property.** Whenever the commissioner of Iron Range resources and rehabilitation has made determinations required by subdivision 1 and has determined that distress and unemployment exists or may exist in the future in any county by reason of the removal of the natural resources or a possible limited use thereof in the future and the decrease in employment resulting therefrom and deems that the acquirement of real estate or personal property is necessary and proper in the development of the remaining resources, the commissioner may acquire such property or interests therein by gift, purchase, or lease. The commissioner may purchase insurance to protect any property acquired from loss or damage by fire, or to protect the commissioner from any liability the commissioner may incur by reason of ownership of the property, or both. If after such property is acquired it is necessary in the judgment of the commissioner to acquire a right-of-way for access to projects operated on property acquired by gift, purchase, or lease, said right-of-way may be acquired by condemnation in the manner provided by law. If the owner or operator of an iron mine or related production or beneficiation facilities discontinues the operation of the mine or facilities for any reason, the commissioner may acquire any or all of the mine lands and related facilities by gift, purchase, lease, or condemnation in the manner provided in chapter 117.

Subd. 4. **Commissioner may accept grants and conveyances.** Whenever property has been granted and conveyed to the state of Minnesota in accordance with an agreement made by the commissioner of Iron Range resources and rehabilitation and the commissioner of administration for the necessary and proper development of the remaining resources of any distressed county, such grants, and conveyances or leases are hereby accepted in accordance with the terms and conditions thereof.

Subd. 5. **Commissioner may lease property.** In order to carry out the terms and provisions of this section, the commissioner of Iron Range resources and rehabilitation and the commissioner of administration may lease any property acquired hereunder for a term not to exceed 20 years upon such terms as they may determine, provided that

such property shall not be leased to any person in such a manner as to constitute a direct contribution of working capital to a business enterprise. Such lease may provide that in the event the property is ever sold by the state to such lessee, the lessee may obtain a credit on the purchase price covering the rentals paid under the lease or any renewals thereof and that said real estate can be conveyed by the commissioner of Iron Range resources and rehabilitation and the commissioner of administration and the said commissioners are hereby authorized to make such conveyances.

Subd. 5a. **Forest trust.** The commissioner, ~~upon approval by the board,~~ may purchase forest lands in the taconite assistance area defined in under section 273.1341 with funds specifically authorized for the purchase. The acquired forest lands must be held in trust for the benefit of the citizens of the taconite assistance area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and developed for recreation and economic development purposes. The commissioner, ~~upon approval by the board~~ subject to legislative approval, may sell forest lands purchased under this subdivision if the ~~board~~ commissioner finds that the sale advances the purposes of the trust. Proceeds derived from the management or sale of the lands and from the sale of timber or removal of gravel or other minerals from these forest lands shall be deposited into an Iron Range Miners' Memorial Forest account that is established within the state financial accounts. Funds may be expended from the account upon approval by the ~~board~~ legislature, to purchase, manage, administer, convey interests in, and improve the forest lands. With approval by the ~~board~~ legislature, money in the Iron Range Miners' Memorial Forest account may be transferred into the corpus of the Douglas J. Johnson economic protection trust fund established under sections 298.291 to 298.294. The property acquired under the authority granted by this subdivision and income derived from the property or the operation or management of the property are exempt from taxation by the state or its political subdivisions while held by the forest trust.

Subd. 6. **Private entity participation.** Subject to legislative approval, the ~~board~~ commissioner may acquire an equity interest in any project for which it provides funding. The commissioner may establish, participate in the management of, and dispose of the assets of charitable foundations, nonprofit limited liability companies, and nonprofit corporations associated with any project for which it provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6.

Subd. 7. **Project area development authority.** (a) In addition to the other powers granted in this section ~~and other law and notwithstanding any limitations contained in subdivision 5~~, the commissioner, for purposes of fostering economic development and

12.1 tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area,
12.2 and with legislative approval, may spend any money made available to the agency ~~under~~
12.3 ~~section 298.28~~ to acquire real or personal property or interests therein by gift, purchase, or
12.4 lease and may convey by lease, sale, or other means of conveyance or commitment any or
12.5 all property interests owned or administered by the commissioner within such areas.

12.6 (b) In furtherance of development of the Giants Ridge Recreation Area or the
12.7 Ironworld Discovery Center area, the commissioner may establish and participate in
12.8 charitable foundations, nonprofit limited liability companies, and nonprofit corporations,
12.9 including a corporation within the meaning of section 317A.011, subdivision 6.

12.10 (c) The term "Giants Ridge Recreation Area" refers to an economic development
12.11 project area established by the commissioner in furtherance of the powers delegated
12.12 in this section within St. Louis County in the following portions of the town of White
12.13 and the city of Biwabik:

12.14 Township 59 North, Range 15 West, Sections 7, 8, 17-20 and 29-32;

12.15 Township 59 North, Range 16 West, Sections 12, 13, 24, 25, and 36;

12.16 Township 58 North, Range 16 West, Section 1; and

12.17 Township 58 North, Range 15 West, Sections 5 and 6.

12.18 (d) "Ironworld Discovery Center Area" means an economic development and tourism
12.19 promotion project area established by the commissioner in furtherance of the powers
12.20 delegated in this section within St. Louis County in the south portion of the town of Balkan.

12.21 Subd. 8. **Spending priority.** ~~In making or approving any expenditures on programs~~
12.22 ~~or projects, the commissioner and the board shall give the highest priority to programs~~
12.23 ~~and projects that target relief to those areas of the taconite assistance area as defined in~~
12.24 ~~section 273.1341, that have the largest percentages of job losses and population losses~~
12.25 ~~directly attributable to the economic downturn in the taconite industry since the 1980s.~~
12.26 ~~The commissioner and the board shall compare the 1980 population and employment~~
12.27 ~~figures with the 2000 population and employment figures, and shall specifically consider~~
12.28 ~~the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,~~
12.29 ~~in making or approving expenditures consistent with this subdivision, as well as the areas~~
12.30 ~~of residence of persons who suffered job loss for which relief is to be targeted under this~~
12.31 ~~subdivision.~~ The commissioner may lease, for a term not exceeding 50 years and upon the
12.32 terms determined by the commissioner and approved by the board, surface and mineral
12.33 interests owned or acquired by the state of Minnesota acting by and through the office of
12.34 the commissioner of Iron Range resources and rehabilitation within those portions of the
12.35 taconite assistance area affected by the closure of the LTV Steel Mining Company facility
12.36 near Hoyt Lakes. The payments and royalties from these leases must be deposited into the

fund established in section 298.292. This subdivision supersedes any other conflicting provisions of law and does not preclude the commissioner ~~and the board~~ from making expenditures for programs and projects in other areas.

Subd. 9. **Economic development and trade promotion.** In the promotion of tourism, trade, and economic development, the commissioner, subject to legislative approval, may expend money made available to the agency ~~under section 298.28~~ in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. An expenditure for food, lodging, or travel is not governed by the travel rules of the commissioner of management and budget.

Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by the ~~board~~ legislature.

~~Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation shall annually prepare a budget for operational expenditures, programs, and projects, and submit it to the Iron Range Resources and Rehabilitation Board. After the budget is approved by the board and the governor, The commissioner may spend money in accordance with the approved budget.~~

Subd. 13. **Grants and loans; requirements.** (a) Prior to awarding any grants or approving loans from any fund or account from which the commissioner has the authority under law to expend money, the commissioner must evaluate applications based on criteria including, but not limited to:

(1) whether, and the extent to which, an applicant could complete a project absent funding from the commissioner;

(2) job creation or retention goals for the project, including but not limited to wages and benefits, and whether the jobs created are full time, part time, temporary, or permanent;

(3) whether the applicant's stated job creation or retention goals can be adequately measured using methods established by the commissioner;

(4) how and to what extent the project proposed by the applicant is expected to impact the economic climate of the Iron Range resources and rehabilitation services area;

(5) how the applicant would meet match requirements, if any; and

(6) whether the project for which a grant or loan application has been submitted meets the written objectives, priorities, and policies established by the commissioner.

(b) The commissioner, if appropriate, must include incentives in loan and grant award agreements to promote and assist grant recipients in achieving the stated job creation and retention objectives established by the commissioner.

14.1 (c) For all loans and grants awarded from funds under the commissioner's authority
14.2 pursuant to this chapter, the commissioner must:

14.3 (1) create and maintain a database for tracking loan and grant awards;

14.4 (2) create and maintain an objective mechanism for measuring job creation and
14.5 retention;

14.6 (3) verify achievement of job creation and retention goals by grant and loan recipients;

14.7 (4) monitor grant and loan awards to ensure that projects comply with applicable
14.8 Iron Range resources and rehabilitation policies; and

14.9 (5) verify that grant or loan recipients have met applicable matching fund
14.10 requirements.

14.11 Subd. 14. **Legislative approval.** For purposes of this section, "legislative approval"
14.12 means that the purchase, sale, expenditure, or any other action specified as subject to
14.13 legislative approval was specifically authorized by a law enacted after January 1, 2017.

14.14 **EFFECTIVE DATE.** The amendment adding language to subdivision 1a;
14.15 subdivisions 1b to 1h; and subdivision 13, are effective the day following final enactment.
14.16 All other changes are effective July 1, 2017.

14.17 Sec. 7. Minnesota Statutes 2014, section 298.221, is amended to read:

14.18 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

14.19 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota
14.20 pursuant to the terms of any contract entered into by the state under authority of section
14.21 298.22 and any fees which may, in the discretion of the commissioner of Iron Range
14.22 resources and rehabilitation, be charged in connection with any project pursuant to that
14.23 section as amended, shall be deposited in the state treasury to the credit of the Iron Range
14.24 resources and rehabilitation Board account in the special revenue fund and are hereby
14.25 appropriated for the purposes of section 298.22.

14.26 (b) Notwithstanding section 16A.013, merchandise may be accepted by the
14.27 commissioner of the Iron Range resources and rehabilitation Board for payment of
14.28 advertising contracts if the commissioner determines that the merchandise can be used
14.29 for special event prizes or mementos at facilities operated by the board. Nothing in this
14.30 paragraph authorizes the commissioner or a member of the board to receive merchandise
14.31 for personal use.

14.32 (c) All fees charged by the commissioner in connection with public use of the
14.33 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other
14.34 revenues derived by the commissioner from the operation or lease of those facilities

15.1 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge
15.2 Recreation Area must be deposited into an Iron Range resources and rehabilitation
15.3 ~~Board~~ account that is created within the state enterprise fund. All funds deposited in the
15.4 enterprise fund account are appropriated to the commissioner ~~to be expended, subject to~~
15.5 ~~approval by the board, and may only be used~~ as follows:

15.6 (1) to pay costs associated with the construction, equipping, operation, repair, or
15.7 improvement of the Giants Ridge Recreation Area facilities or lands; and

15.8 (2) to pay principal, interest and associated bond issuance, reserve, and servicing
15.9 costs associated with the financing of the facilities; and.

15.10 (3) ~~to pay the costs of any other project authorized under section 298.22.~~

15.11 **EFFECTIVE DATE.** This section is effective July 1, 2017.

15.12 Sec. 8. Minnesota Statutes 2014, section 298.2211, subdivision 3, is amended to read:

15.13 Subd. 3. **Project approval.** ~~All projects authorized by this section shall be submitted~~
15.14 ~~by the commissioner to the Iron Range Resources and Rehabilitation Board for approval~~
15.15 ~~by the board.~~ Prior to the commencement of a project involving the exercise by the
15.16 commissioner of any authority of sections 469.174 to 469.179, the governing body of each
15.17 municipality in which any part of the project is located and the county board of any county
15.18 containing portions of the project not located in an incorporated area shall by majority vote
15.19 approve or disapprove the project. Any project approved by the ~~board~~ commissioner and
15.20 the applicable governing bodies, if any, together with detailed information concerning the
15.21 project, its costs, the sources of its funding, and the amount of any bonded indebtedness to
15.22 be incurred in connection with the project, shall be transmitted to the governor, who shall
15.23 approve, disapprove, or return the proposal for additional consideration within 30 days of
15.24 receipt. No project authorized under this section shall be undertaken, and no obligations
15.25 shall be issued and no tax increments shall be expended for a project authorized under this
15.26 section until the project has been approved by the governor. Request for certification of
15.27 each district must be specifically authorized by enactment of a law.

15.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

15.29 Sec. 9. Minnesota Statutes 2014, section 298.2211, subdivision 6, is amended to read:

15.30 Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the
15.31 commissioner of Iron Range resources and rehabilitation ~~Board~~ that have been established
15.32 according to prevailing market conditions and to recover operating costs need not be
15.33 set by rule.

16.1 **EFFECTIVE DATE.** This section is effective July 1, 2017.

16.2 Sec. 10. Minnesota Statutes 2014, section 298.2213, is amended to read:

16.3 **298.2213 NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.**

16.4 Subdivision 1. ~~**Appropriation.** \$4,000,000 is appropriated from the general~~
16.5 ~~fund to the commissioner of Iron Range resources and rehabilitation. \$300,000 of this~~
16.6 ~~appropriation must be used in the same manner as money appropriated under section~~
16.7 ~~298.17.~~

16.8 Subd. 2. **Purpose of expenditures.** The Money appropriated in ~~for~~ this section may
16.9 be used for projects and programs for which technological and economic feasibility have
16.10 been demonstrated and that have the following purposes:

16.11 (1) creating and maintaining productive, permanent, skilled employment, including
16.12 employment in technologically innovative businesses; and

16.13 (2) encouraging diversification of the economy and promoting the development of
16.14 minerals, alternative energy sources utilizing indigenous fuels, forestry, small business,
16.15 and tourism.

16.16 Subd. 3. **Use of money.** The Money appropriated under ~~for~~ this section may be used
16.17 to provide loans, loan guarantees, interest buy-downs, and other forms of participation
16.18 with private sources of financing, provided that a loan to a private enterprise must be for a
16.19 principal amount not to exceed one-half of the cost of the project for which financing is
16.20 sought, and the rate of interest on a loan must be no less than the lesser of eight percent or
16.21 the rate of interest that is three percentage points less than a full faith and credit obligation of
16.22 the United States government of comparable maturity, at the time that the loan is approved.

16.23 Money appropriated in ~~for~~ this section must be expended only in or for the benefit
16.24 of the taconite assistance area defined in section 273.1341, and as otherwise provided
16.25 in this section.

16.26 Subd. 4. ~~**Project approval.** The board and commissioner shall by August 1 each~~
16.27 ~~year prepare a list of projects to be funded from the money appropriated in this section~~
16.28 ~~with necessary supporting information including descriptions of the projects, plans, and~~
16.29 ~~cost estimates. A project must not be approved by the board unless it finds that:~~

16.30 (1) ~~the project will materially assist, directly or indirectly, the creation of additional~~
16.31 ~~long-term employment opportunities;~~

16.32 (2) ~~the prospective benefits of the expenditure exceed the anticipated costs; and~~

16.33 (3) ~~in the case of assistance to private enterprise, the project will serve a sound~~
16.34 ~~business purpose.~~

17.1 Each project must be approved by the board and the commissioner of Iron Range
17.2 resources and rehabilitation. The list of projects must be submitted to the governor,
17.3 who shall, by November 15 of each year, approve, disapprove, or return for further
17.4 consideration, each project. The money for a project may be spent only upon approval of
17.5 the project by the governor. The board may submit supplemental projects for approval at
17.6 any time.

17.7 Subd. 5. **Advisory committees.** Before submission to the board commission of
17.8 a proposal for a project for expenditure of money appropriated under this section, the
17.9 commissioner of Iron Range resources and rehabilitation ~~shall~~ may appoint a technical
17.10 advisory committee consisting of at least seven persons who are knowledgeable in areas
17.11 related to the objectives of the proposal. If the project involves investment in a scientific
17.12 research proposal, at least four of the committee members must be knowledgeable in the
17.13 specific scientific research area relating to the project. Members of the committees must
17.14 be compensated as provided in section 15.059, subdivision 3. ~~The board shall not act on~~
17.15 ~~a proposal until it has received the evaluation and recommendations of the technical~~
17.16 ~~advisory committee.~~

17.17 Subd. 6. **Use of repayments and earnings.** Principal and interest received in
17.18 repayment of loans made under this section must be deposited in the northeast Minnesota
17.19 economic development fund in the state treasury ~~and are appropriated to the board for the~~
17.20 ~~purposes of this section.~~

17.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

17.22 Sec. 11. Minnesota Statutes 2014, section 298.2214, subdivision 2, is amended to read:

17.23 Subd. 2. **Iron Range Higher Education Committee; membership.** The members
17.24 of the committee shall consist of:

- 17.25 (1) one member appointed by the governor;
- 17.26 (2) one member appointed by the president of the University of Minnesota;
- 17.27 (3) four members of the Legislative-Citizen Commission on Iron Range resources
17.28 and rehabilitation ~~Board~~ appointed by the ~~chair~~ governor;
- 17.29 (4) the commissioner of Iron Range resources and rehabilitation; and
- 17.30 (5) the president of the Northeast Higher Education District or its successor.

17.31 **EFFECTIVE DATE.** This section is effective July 1, 2017.

17.32 Sec. 12. Minnesota Statutes 2014, section 298.223, is amended to read:

17.33 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within the taconite assistance area defined in section 273.1341, that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes, as provided by legislative appropriations:

(1) to initiate investigations into matters the ~~Iron Range Resources and Rehabilitation Board~~ commissioner determines are in need of study and which will determine the environmental problems requiring remedial action;

(2) reclamation, restoration, or reforestation of mine lands not otherwise provided for by state law;

(3) local economic development projects but only if those projects are approved by the ~~board~~ commissioner, and public works, including construction of sewer and water systems located within the taconite assistance area defined in section 273.1341;

(4) monitoring of mineral industry related health problems among mining employees; and

(5) local public works projects under section 298.227, paragraph (c); ~~and~~

~~(6) local public works projects as provided under this clause. The following amounts shall be distributed in 2009 based upon the taxable tonnage of production in 2008:~~

~~(i) .4651 cent per ton to the city of Aurora for street repair and renovation;~~

~~(ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure improvements to the south side industrial site;~~

~~(iii) .6460 cent per ton to the city of Buhl for street repair;~~

~~(iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;~~

~~(v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure upgrades;~~

~~(vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure upgrades;~~

~~(vii) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;~~

~~(viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility modifications for the miners' memorial;~~

~~(ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;~~

~~(x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;~~

~~(xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;~~

- 19.1 (xii) ~~.6460 cent per ton to the town of Balkan for community center repairs;~~
 19.2 (xiii) ~~.9044 cent per ton to the city of Babbitt for city garage construction;~~
 19.3 (xiv) ~~.5168 cent per ton to the city of Cook for public infrastructure projects;~~
 19.4 (xv) ~~.5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;~~
 19.5 (xvi) ~~.6460 cent per ton to the city of Tower for water infrastructure upgrades;~~
 19.6 (xvii) ~~.1292 cent per ton to the city of Orr for water infrastructure upgrades;~~
 19.7 (xviii) ~~.1292 cent per ton to the city of Silver Bay for emergency cleanup;~~
 19.8 (xix) ~~.3230 cent per ton to Lake County for trail construction;~~
 19.9 (xx) ~~.1292 cent per ton to Cook County for construction of tennis courts in Grand~~
 19.10 Marais;
 19.11 (xxi) ~~.3101 cent per ton to the city of Two Harbors for water infrastructure~~
 19.12 improvements;
 19.13 (xxii) ~~.1938 cent per ton for land acquisition for phase one of Cook Airport project;~~
 19.14 (xxiii) ~~1.0336 cents per ton to the city of Coleraine for water and sewer~~
 19.15 improvements along Gayley Avenue;
 19.16 (xxiv) ~~.3876 cent per ton to the city of Marble for construction of a city~~
 19.17 administration facility;
 19.18 (xxv) ~~.1292 cent per ton to the city of Calumet for repairs at city hall and the~~
 19.19 community center;
 19.20 (xxvi) ~~.6460 cent per ton to the city of Nashwauk for electrical infrastructure~~
 19.21 upgrades;
 19.22 (xxvii) ~~1.0336 cents per ton to the city of Keewatin for water and sewer upgrades~~
 19.23 along Depot Street;
 19.24 (xxviii) ~~.2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter~~
 19.25 improvements;
 19.26 (xxix) ~~1.1628 cents per ton to the city of Grand Rapids for water and sewer~~
 19.27 infrastructure upgrades at Pokegama Golf Course and Park Place;
 19.28 (xxx) ~~.1809 cent per ton to the city of Grand Rapids for water and sewer upgrades~~
 19.29 for 1st Avenue from River Road to 3rd Street SE; and
 19.30 (xxxi) ~~.9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing~~
 19.31 at Highway 2 and County Road 62.

19.32 Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall
 19.33 be administered by the commissioner of the Iron Range resources and rehabilitation
 19.34 Board. The commissioner shall by September 1 of each year submit to the board a list
 19.35 of projects to be funded from the taconite area environmental protection fund, with such

20.1 supporting information including description of the projects, plans, and cost estimates as
20.2 may be necessary.

20.3 (b) Each year no less than one-half of the amounts deposited into the taconite
20.4 environmental protection fund must be used for public works projects, including
20.5 construction of sewer and water systems, as specified under subdivision 1, clause (3).
20.6 The Iron Range Resources and Rehabilitation Board may waive the requirements of
20.7 this paragraph.

20.8 (c) Upon approval by the board, the list of projects approved under this subdivision
20.9 shall be submitted to the governor by November 1 of each year. By December 1 of each
20.10 year, the governor shall approve or disapprove, or return for further consideration, each
20.11 project. Funds for a project may be expended only upon approval of the project by the
20.12 board and the governor. The commissioner may submit supplemental projects to the
20.13 board and governor for approval at any time.

20.14 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron
20.15 Range resources and rehabilitation taconite area environmental protection funds necessary
20.16 to carry out approved projects and programs and the funds necessary for administration of
20.17 this section. Annual administrative costs, not including detailed engineering expenses for
20.18 the projects, shall not exceed five percent of the amount annually expended from the fund.

20.19 Funds for the purposes of this section are provided by section 298.28, subdivision
20.20 11, relating to the taconite area environmental protection fund.

20.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

20.22 Sec. 13. Minnesota Statutes 2014, section 298.227, is amended to read:

20.23 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

20.24 (a) An amount equal to that distributed pursuant to each taconite producer's taxable
20.25 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the
20.26 commissioner of Iron Range resources and rehabilitation Board in a separate taconite
20.27 economic development fund for each taconite and direct reduced ore producer. Money
20.28 from the fund for each producer shall be released by the commissioner after review
20.29 by a joint committee consisting of an equal number of representatives of the salaried
20.30 employees and the nonsalaried production and maintenance employees of that producer.
20.31 The District 11 director of the United States Steelworkers of America, on advice of each
20.32 local employee president, shall select the employee members. In nonorganized operations,
20.33 the employee committee shall be elected by the nonsalaried production and maintenance
20.34 employees. The review must be completed no later than six months after the producer

21.1 presents a proposal for expenditure of the funds to the committee. The funds held
21.2 pursuant to this section may be released only for workforce development and associated
21.3 public facility improvement, or for acquisition of plant and stationary mining equipment
21.4 and facilities for the producer or for research and development in Minnesota on new
21.5 mining, or taconite, iron, or steel production technology, but only if the producer provides
21.6 a matching expenditure equal to the amount of the distribution to be used for the same
21.7 purpose beginning with distributions in 2014. ~~Effective for proposals for expenditures~~
21.8 ~~of money from the fund beginning May 26, 2007, the commissioner may not release~~
21.9 ~~the funds before the next scheduled meeting of the board. If a proposed expenditure is~~
21.10 ~~not approved by the board, the funds must be deposited in the Taconite Environmental~~
21.11 ~~Protection Fund under sections 298.222 to 298.225. If a producer uses money which has~~
21.12 ~~been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile~~
21.13 ~~equipment, or mining shovels, and the producer removes the piece of equipment from the~~
21.14 ~~taconite tax relief area defined in section 273.134 within ten years from the date of receipt~~
21.15 ~~of the money from the fund, a portion of the money granted from the fund must be repaid~~
21.16 ~~to the taconite economic development fund. The portion of the money to be repaid is 100~~
21.17 ~~percent of the grant if the equipment is removed from the taconite tax relief area within 12~~
21.18 ~~months after receipt of the money from the fund, declining by ten percent for each of the~~
21.19 ~~subsequent nine years during which the equipment remains within the taconite tax relief~~
21.20 ~~area. If a taconite production facility is sold after operations at the facility had ceased, any~~
21.21 ~~money remaining in the fund for the former producer may be released to the purchaser of~~
21.22 ~~the facility on the terms otherwise applicable to the former producer under this section. If~~
21.23 ~~a producer fails to provide matching funds for a proposed expenditure within six months~~
21.24 ~~after the commissioner approves release of the funds, the funds are available for release to~~
21.25 ~~another producer in proportion to the distribution provided and under the conditions of~~
21.26 ~~this section. Any portion of the fund which is not released by the commissioner within~~
21.27 ~~one year of its deposit in the fund shall be divided between the taconite environmental~~
21.28 ~~protection fund created in section 298.223 and the Douglas J. Johnson economic protection~~
21.29 ~~trust fund created in section 298.292 for placement in their respective special accounts.~~
21.30 Two-thirds of the unreleased funds shall be distributed to the taconite environmental
21.31 protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

21.32 (b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of
21.33 distributions and the review process, an amount equal to ten cents per taxable ton of
21.34 production in 2007, for distribution in 2008 only, that would otherwise be distributed
21.35 under paragraph (a), may be used for a loan or grant for the cost of providing for a
21.36 value-added wood product facility located in the taconite tax relief area and in a county

that contains a city of the first class. This amount must be deducted from the distribution under paragraph (a) for which a matching expenditure by the producer is not required. ~~The granting of the loan or grant is subject to approval by the board.~~ If the money is provided as a loan, interest must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii) Repayments of the loan and interest, if any, must be deposited in the taconite environment protection fund under sections 298.222 to 298.225. ~~If a loan or grant is not made under this paragraph by July 1, 2012, the amount that had been made available for the loan under this paragraph must be transferred to the taconite environment protection fund under sections 298.222 to 298.225. (iii) Money distributed in 2008 to the fund established under this section that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a pro rata basis.~~

(c) Repayment or transfer of money to the taconite environmental protection fund under paragraph (b), item (ii), ~~must be allocated by the Iron Range resources and rehabilitation Board~~ expended for public works projects in house legislative districts in the same proportion as taxable tonnage of production in 2007 in each house legislative district, for distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution in 2008. ~~Notwithstanding any other law to the contrary, expenditures under this paragraph do not require approval by the governor.~~ For purposes of this paragraph, "house legislative districts" means the legislative districts in existence on May 15, 2009.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 14. Minnesota Statutes 2014, section 298.27, is amended to read:

298.27 COLLECTION AND PAYMENT OF TAX.

The taxes provided by section 298.24 shall be paid directly to each eligible county and the commissioner of Iron Range resources and rehabilitation Board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 15. Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner. The report shall be filed by each producer on or before February 1. A remittance equal to 50 percent of the total tax required to be paid hereunder shall be paid on or before February 24. A remittance equal to the remaining total tax required to be paid hereunder shall be paid on or before August 24. On or before February 25 and August 25, the county auditor shall make distribution of the payments previously received by the county in the manner provided by section 298.28. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures

established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

A person having a liability of \$120,000 or more during a calendar year must remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 15. Minnesota Statutes 2014, section 298.28, subdivision 7, is amended to read:

Subd. 7. **Iron Range resources and rehabilitation ~~Board~~ account.** For the 1998 distribution, 6.5 cents per taxable ton shall be paid to the commissioner for deposit in the Iron Range resources and rehabilitation ~~Board~~ account for the purposes of section 298.22. That amount shall be increased for distribution years 1999 through 2014 and for distribution in 2018 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount

24.1 distributed pursuant to this subdivision shall be expended within or for the benefit of the
24.2 taconite assistance area defined in section 273.1341. No part of the fund provided in this
24.3 subdivision may be used to provide loans for the operation of private business unless the
24.4 loan is approved by the governor.

24.5 **EFFECTIVE DATE.** This section is effective July 1, 2017.

24.6 Sec. 16. Minnesota Statutes 2014, section 298.28, subdivision 7a, is amended to read:

24.7 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**
24.8 **account.** The following amounts must be allocated to the commissioner of Iron Range
24.9 resources and rehabilitation ~~Board~~ to be deposited in the Iron Range school consolidation
24.10 and cooperatively operated school account that is hereby created:

24.11 (1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax
24.12 imposed under section 298.24; and (ii) for distributions beginning in 2024, five cents per
24.13 taxable ton of the tax imposed under section 298.24;

24.14 (2) the amount as determined under section 298.17, paragraph (b), clause (3);

24.15 (3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax
24.16 proceeds attributable to the increase in the implicit price deflator as provided in section
24.17 298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J.
24.18 Johnson economic protection trust fund;

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

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

24.28 (4) any other amount as provided by law.

24.29 Expenditures from this account shall be made only to provide disbursements to
24.30 assist school districts with the payment of bonds that were issued for qualified school
24.31 projects, or for any other school disbursement as approved by the commissioner of Iron
24.32 Range resources and rehabilitation ~~Board~~. For purposes of this section, "qualified school
24.33 projects" means school projects within the taconite assistance area as defined in section
24.34 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by
24.35 the commissioner of education pursuant to section 123B.71.

25.1 Beginning in fiscal year 2019, the disbursement to school districts for payments for
25.2 bonds issued under section 123A.482, subdivision 9, must be increased each year to
25.3 offset any reduction in debt service equalization aid that the school district qualifies for in
25.4 that year, under section 123B.53, subdivision 6, compared with the amount the school
25.5 district qualified for in fiscal year 2018.

25.6 ~~No expenditure under this section shall be made unless approved by seven members~~
25.7 ~~of the Iron Range Resources and Rehabilitation Board.~~

25.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.

25.9 Sec. 17. Minnesota Statutes 2014, section 298.28, subdivision 9c, is amended to read:

25.10 Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to
25.11 the city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the
25.12 Hockey Hall of Fame, provided that it continues to operate in that city, and provided that
25.13 the city of Eveleth certifies to the St. Louis County auditor that it has received donations
25.14 for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of
25.15 Fame ceases to operate in the city of Eveleth prior to receipt of the distribution in any
25.16 year, and the governing body of the city determines that it is unlikely to resume operation
25.17 there within a six-month period, the distribution under this subdivision shall be made to
25.18 the commissioner of Iron Range resources and rehabilitation Board.

25.19 **EFFECTIVE DATE.** This section is effective July 1, 2017.

25.20 Sec. 18. Minnesota Statutes 2014, section 298.28, subdivision 9d, is amended to read:

25.21 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton
25.22 ~~must be allocated to the Iron Range resources and rehabilitation Board to be deposited~~
25.23 ~~in an Iron Range higher education account that is hereby created, to be used for higher~~
25.24 ~~education programs conducted at educational institutions in the taconite assistance~~
25.25 ~~area defined in section 273.1341. The Iron Range Higher Education Committee under~~
25.26 ~~section 298.2214, and the Iron Range Resources and Rehabilitation Board must approve~~
25.27 review all expenditures from the account prior to submission by the commissioner of the
25.28 proposed expenditures to the Legislative-Citizen Commission on Iron Range Resources
25.29 and Rehabilitation.

25.30 **EFFECTIVE DATE.** This section is effective July 1, 2017.

25.31 Sec. 19. Minnesota Statutes 2014, section 298.28, subdivision 11, is amended to read:

Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in subdivisions 2 to 10a, as certified by the commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with interest earned on all money distributed under this section prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(b) There shall be distributed to each city, town, and county the amount that it received under Minnesota Statutes 1978, section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(c) There shall be distributed to the Iron Range resources and rehabilitation ~~Board~~ account the amounts it received in 1977 under section 298.22. The amount distributed under this paragraph shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341.

(d) There shall be distributed to each school district 62 percent of the amount that it received under Minnesota Statutes 1978, section 294.26 in calendar year 1977.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 20. Minnesota Statutes 2014, section 298.292, subdivision 2, is amended to read:

Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

27.1 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest
27.2 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,
27.3 or retrofitting heating facilities in connection with district heating systems or systems
27.4 utilizing alternative energy sources;

27.5 (4) to invest in a venture capital fund or enterprise that will provide capital to other
27.6 entities that are engaging in, or that will engage in, projects or programs that have the
27.7 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
27.8 or enterprise unless at least two other unrelated investors make investments of at least
27.9 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas
27.10 J. Johnson economic protection trust fund may not exceed the amount of the largest
27.11 investment by an unrelated investor in the venture capital fund or enterprise. For purposes
27.12 of this subdivision, an "unrelated investor" is a person or entity that is not related to
27.13 the entity in which the investment is made or to any individual who owns more than 40
27.14 percent of the value of the entity, in any of the following relationships: spouse, parent,
27.15 child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of
27.16 the value of all interests in it. For purposes of determining the limitations under this
27.17 clause, the amount of investments made by an investor other than the Douglas J. Johnson
27.18 economic protection trust fund is the sum of all investments made in the venture capital
27.19 fund or enterprise during the period beginning one year before the date of the investment
27.20 by the Douglas J. Johnson economic protection trust fund; and

27.21 (5) to purchase forest land in the taconite assistance area defined in section 273.1341
27.22 to be held and managed as a public trust for the benefit of the area for the purposes
27.23 authorized in section 298.22, subdivision 5a. Property purchased under this section may
27.24 be sold by the commissioner only upon approval by the board specific authorization
27.25 by law. The net proceeds must be deposited in the trust fund for the purposes and uses
27.26 of this section.

27.27 Money from the trust fund shall be expended only in or for the benefit of the taconite
27.28 assistance area defined in section 273.1341.

27.29 **EFFECTIVE DATE.** This section is effective July 1, 2017.

27.30 Sec. 21. Minnesota Statutes 2014, section 298.294, is amended to read:

27.31 **298.294 INVESTMENT OF FUND.**

27.32 (a) The trust fund established by section 298.292 shall be invested pursuant to law
27.33 by the State Board of Investment and the net interest, dividends, and other earnings arising
27.34 from the investments shall be transferred, except as provided in paragraph (b), on the first

day of each month to the trust and shall be included and become part of the trust fund. The amounts transferred, including the interest, dividends, and other earnings earned prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the commissioner of Iron Range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292. Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended.

(b) For fiscal years 2010 and 2011 only, \$1,500,000 of the net interest, dividends, and other earnings under paragraph (a) shall be transferred to a special account. Funds in the special account are available for loans or grants to businesses, with priority given to businesses with 25 or fewer employees. Funds may be used for wage subsidies for up to 52 weeks of up to \$5 per hour or other activities, including, but not limited to, short-term operating expenses and purchase of equipment and materials by businesses under financial duress, that will create additional jobs in the taconite assistance area under section 273.1341. Expenditures from the special account must be approved by the board.

(c) To qualify for a grant or loan, a business must be currently operating and have been operating for one year immediately prior to its application for a loan or grant, and its corporate headquarters must be located in the taconite assistance area.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 22. Minnesota Statutes 2014, section 298.296, is amended to read:

298.296 OPERATION OF FUND.

Subdivision 1. **Project approval list.** 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

29.1 ~~disapprove, or return for further consideration, each project. The money for a project may~~
 29.2 ~~be expended only upon approval of the project by the governor. The board may submit~~
 29.3 ~~supplemental projects for approval at any time.~~

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

29.13 (b) ~~Additionally, upon recommendation by the board,~~ Up to \$13,000,000 from the
 29.14 corpus of the trust may be made available for use as provided in subdivision 4, and up to
 29.15 \$10,000,000 from the corpus of the trust may be made available for use as provided in
 29.16 section 298.2961.

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

29.22 ~~(1) is for the purposes established under section 298.292, subdivision 1, clause~~
 29.23 ~~(1) or (2); and~~

29.24 ~~(2) is approved by two-thirds of all of the members of the board.~~

29.25 No money made available under this paragraph ~~or paragraph (d)~~ can be used for
 29.26 administrative or operating expenses of the commissioner of Iron Range resources and
 29.27 rehabilitation Board or expenses relating to any facilities owned or operated by the ~~board~~
 29.28 commissioner on May 18, 2002.

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

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

29.35 ~~(f)~~ (e) Principal and interest received in repayment of loans made pursuant to this
 29.36 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) (f) 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~~ commissioner 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~~ must be reserved 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~~ commissioner may require that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this section.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 23. Minnesota Statutes 2014, section 298.2961, is amended to read:

298.2961 PRODUCER GRANTS.

Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J. Johnson economic protection trust fund to a special account in the taconite area

31.1 environmental protection fund for grants to producers on a project-by-project basis as
31.2 provided in this section.

31.3 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, ~~are~~
31.4 ~~appropriated~~ may only be used for grants to producers on a project-by-project basis as
31.5 provided in this section.

31.6 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

31.7 (1) environmentally unique reclamation projects; or

31.8 (2) pit or plant repairs, expansions, or modernizations other than for a value added
31.9 iron products plant.

31.10 (b) ~~To be proposed by the board, a project must be approved by the board. The~~
31.11 ~~money for a project may be spent only upon~~ specific approval of the project by ~~the~~
31.12 ~~governor. The board may submit supplemental projects for approval at any time~~ law.

31.13 (c) The ~~board~~ commissioner may require that ~~it~~ the fund receive an equity percentage
31.14 in any project to which it contributes under this section.

31.15 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations
31.16 at the facility had ceased, any money remaining in the taconite environmental fund for the
31.17 former producer may be released to the purchaser of the facility on the terms otherwise
31.18 applicable to the former producer under this section.

31.19 (b) Any portion of the taconite environmental fund that is not released by the
31.20 commissioner within three years of its deposit in the taconite environmental fund shall be
31.21 divided between the taconite environmental protection fund created in section 298.223
31.22 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for
31.23 placement in their respective special accounts. Two-thirds of the unreleased funds must be
31.24 distributed to the taconite environmental protection fund and one-third to the Douglas J.
31.25 Johnson economic protection trust fund.

31.26 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions
31.27 under section 298.28, subdivision 9b, and to make grants or loans as provided in this
31.28 subdivision. Any grant or loan made under this subdivision must be specifically approved
31.29 ~~by the board, established under section 298.22~~ law.

31.30 (b) ~~Distributions received in calendar year 2005 are allocated to the city of Virginia~~
31.31 ~~for improvements and repairs to the city's steam heating system.~~

31.32 (c) ~~Distributions received in calendar year 2006 are allocated to a project of the~~
31.33 ~~public utilities commissions of the cities of Hibbing and Virginia to convert their electrical~~
31.34 ~~generating plants to the use of biomass products, such as wood.~~

31.35 (d) ~~Distributions received in calendar year 2007 must be paid to the city of Tower to~~
31.36 ~~be used for the East Two Rivers project in or near the city of Tower.~~

(e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution must be paid to St. Louis County for deposit in its county road and bridge fund to be used for relocation of St. Louis County Road 715, commonly referred to as Pike River Road. The remainder of the 2008 distribution must be paid to St. Louis County for a grant to the city of Virginia for connecting sewer and water lines to the St. Louis County maintenance garage on Highway 135, further extending the lines to interconnect with the city of Gilbert's sewer and water lines. All distributions received in 2009 and subsequent years are allocated for projects under section 298.223, subdivision 1.

Subd. 5. **Public works and local economic development fund.** For distributions in 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

(1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for construction of a combined wastewater facility and notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County shall also be distributed to the recipient;

(2) six cents per ton to the city of Eveleth to redesign and design and construct improvements to renovate its water treatment facility;

(3) one cent per ton for the East Range Joint Powers Board to acquire land for and to design a central wastewater collection and treatment system;

(4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;

(5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;

(6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;

(7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment and Economic Development;

(8) 0.4 cents per ton to the city of Keewatin for a new city well;

(9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous materials center;

(10) 0.9 cents per ton to Aitkin County Growth for an economic development project for peat harvesting;

(11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;

(12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive plan;

(13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;

~~(14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake Environmental Learning Center;~~

~~(15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;~~

~~(16) 0.5 cents per ton to the Economic Development Authority of the city of Grand Rapids for planning for the North Central Research and Technology Laboratory;~~

~~(17) 0.6 cents per ton to the city of Bovey for sewer and water extension;~~

~~(18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and~~

~~(19) ten cents per ton to the commissioner of Iron Range Resources and Rehabilitation for deposit in a Highway 1 Corridor Account established by the commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook, Ely, or Tower, for economic development projects approved by the board; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County or the commissioner shall also be distributed to the recipient.~~

~~Subd. 6. **Renewable energy.** For distributions in 2009 only, a special account is established in the taconite environmental protection fund to receive 15.5 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The funds are available for cooperative projects between the Iron Range Resources and Rehabilitation Board and local governments for renewable energy initiatives.~~

~~Subd. 7. **2010 distributions only.** For distributions in 2010 only, a special fund is established to receive the sum of the following amounts that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:~~

~~(1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide incentives for at least two dentists to establish dental practices in high-need areas of the taconite tax relief area;~~

~~(2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal heat at the Olecott Park Greenhouse/Virginia Commons project;~~

~~(3) 0.796 cent per ton must be paid to the city of Virginia for health and safety repairs at the Miners Memorial;~~

~~(4) 1.114 cents per ton must be paid to the city of Eveleth for the reconstruction of Highway 142/Grant and Park Avenues;~~

~~(5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for upgrades and capital improvements to the public arena in Coleraine;~~

~~(6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and pumphouse modifications;~~

- 34.1 ~~(7) 0.159 cent per ton must be paid to the city of Bovey for residential and commercial~~
 34.2 ~~claims for water damage due to water and flood-related damage caused by the Canisteo Pit;~~
- 34.3 ~~(8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and~~
 34.4 ~~child care center;~~
- 34.5 ~~(9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer~~
 34.6 ~~upgrades;~~
- 34.7 ~~(10) 0.637 cent per ton must be paid to the city of Marble for the city hall and~~
 34.8 ~~library project;~~
- 34.9 ~~(11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of~~
 34.10 ~~water and sewer services for Lakewood Housing;~~
- 34.11 ~~(12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at~~
 34.12 ~~the Children's Museum;~~
- 34.13 ~~(13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil~~
 34.14 ~~corrections. This amount must be matched by local sources;~~
- 34.15 ~~(14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;~~
- 34.16 ~~(15) 0.048 cent per ton must be paid to the city of Aitkin for signage;~~
- 34.17 ~~(16) 0.159 cent per ton must be paid to Aitkin County for a trail;~~
- 34.18 ~~(17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road~~
 34.19 ~~railroad crossing;~~
- 34.20 ~~(18) 0.088 cent per ton must be paid to the town of Clinton for expansion and~~
 34.21 ~~striping of the community center parking lot;~~
- 34.22 ~~(19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;~~
- 34.23 ~~(20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure~~
 34.24 ~~improvements, milling, and overlay for Summit Street between Alaska Avenue and~~
 34.25 ~~Highway 135;~~
- 34.26 ~~(21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main~~
 34.27 ~~replacements and improvements in the Northeast Lower Alley area;~~
- 34.28 ~~(22) 0.637 cent per ton must be paid to the town of White for replacement of the~~
 34.29 ~~Stepetz Road culvert;~~
- 34.30 ~~(23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon~~
 34.31 ~~Street and associated infrastructure;~~
- 34.32 ~~(24) 0.796 cent per ton must be paid to the city of Mountain Iron for site~~
 34.33 ~~improvements at the Park Ridge development;~~
- 34.34 ~~(25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure~~
 34.35 ~~and site preparation for its renewable and sustainable energy park;~~

35.1 ~~(26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer~~
35.2 ~~improvements;~~

35.3 ~~(27) 0.796 cent per ton must be paid to the city of Aurora for alley and road~~
35.4 ~~rebuilding for the Summit Addition;~~

35.5 ~~(28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility~~
35.6 ~~improvements;~~

35.7 ~~(29) 0.318 cent per ton must be paid to the city of Grand Marais for water and~~
35.8 ~~sewer infrastructure improvements;~~

35.9 ~~(30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer~~
35.10 ~~improvements;~~

35.11 ~~(31) 0.716 cent per ton must be paid to the city of Cook for street and bridge~~
35.12 ~~improvements and land purchase, provided that if the city sells or otherwise disposes of~~
35.13 ~~any of the land purchased with the money provided under this clause within a period of~~
35.14 ~~ten years after it was purchased, the city must transfer a portion of the proceeds of the~~
35.15 ~~sale equal to the amount of the purchase price paid from the money provided under this~~
35.16 ~~clause to the commissioner of Iron Range Resources and Rehabilitation for deposit in the~~
35.17 ~~taconite environmental protection fund to be used for the purposes of the fund under~~
35.18 ~~section 298.223;~~

35.19 ~~(32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer~~
35.20 ~~improvements;~~

35.21 ~~(33) 0.318 cent per ton must be paid to the city of Tower for water and sewer~~
35.22 ~~improvements;~~

35.23 ~~(34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer~~
35.24 ~~improvements;~~

35.25 ~~(35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer~~
35.26 ~~improvements;~~

35.27 ~~(36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure~~
35.28 ~~improvements;~~

35.29 ~~(37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure~~
35.30 ~~improvements;~~

35.31 ~~(38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;~~

35.32 ~~(39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project~~
35.33 ~~infrastructure improvements;~~

35.34 ~~(40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety~~
35.35 ~~improvements at the athletic facility;~~

36.1 ~~(41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street~~
36.2 ~~improvements;~~

36.3 ~~(42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for~~
36.4 ~~infrastructure related to a housing development;~~

36.5 ~~(43) 0.159 cent per ton must be paid to Balkan Township for building improvements;~~

36.6 ~~(44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to~~
36.7 ~~a nonprofit for a signage kiosk;~~

36.8 ~~(45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer~~
36.9 ~~lines and adjacent development near County State-Aid Highway 24; and~~

36.10 ~~(46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historie~~
36.11 ~~wall infrastructure around the athletic complex.~~

36.12 **EFFECTIVE DATE.** This section is effective July 1, 2017.

36.13 Sec. 24. Minnesota Statutes 2014, section 298.297, is amended to read:

36.14 **298.297 ADVISORY COMMITTEES.**

36.15 ~~Before submission of a project to the board,~~ The commissioner of Iron Range
36.16 resources and rehabilitation ~~shall~~ may appoint a technical advisory committee consisting
36.17 of one or more persons who are knowledgeable in areas related to the objectives of the
36.18 proposal. Members of the committees shall be compensated as provided in section 15.059,
36.19 subdivision 3. ~~The board shall not act on a proposal until it has received the evaluation~~
36.20 ~~and recommendations of the technical advisory committee or until 15 days have elapsed~~
36.21 ~~since the proposal was transmitted to the advisory committee, whichever occurs first.~~

36.22 **EFFECTIVE DATE.** This section is effective July 1, 2017.

36.23 Sec. 25. Minnesota Statutes 2014, section 298.298, is amended to read:

36.24 **298.298 LONG-RANGE PLAN.**

36.25 Consistent with the policy established in sections 298.291 to 298.298, the
36.26 commissioner of Iron Range resources and rehabilitation ~~Board~~ shall prepare and present
36.27 to the governor and the legislature by December 31, ~~2006~~ 2017, a long-range plan
36.28 for the use of the Douglas J. Johnson economic protection trust fund for the economic
36.29 development and diversification of the taconite assistance area defined in section 273.1341.
36.30 ~~No project shall be approved by the Iron Range Resources and Rehabilitation Board which~~
36.31 ~~is not consistent with the goals and objectives established in the long-range plan.~~

36.32 **EFFECTIVE DATE.** This section is effective July 1, 2017.

37.1 Sec. 26. Minnesota Statutes 2014, section 298.46, is amended to read:

37.2 **298.46 EXPLORATORY DRILLING FOR IRON ORE.**

37.3 Subdivision 1. **Public policy.** It is hereby declared to be in the public interest of this
37.4 state as a whole, and in particular with respect to counties or other political subdivisions,
37.5 to encourage the location of all deposits of iron ore hitherto unknown to such political
37.6 subdivisions, that may be susceptible of economic exploitation.

37.7 Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly
37.8 constituted authorities of a taxing district there are in existence reserves of unmined iron
37.9 ore located in such district, these authorities may petition the commissioner of Iron Range
37.10 resources and rehabilitation ~~Board~~ for authority to petition the county assessor to verify
37.11 the existence of such reserves and to ascertain the value thereof by drilling in a manner
37.12 consistent with established engineering and geological exploration methods, in order
37.13 that such taxing district may be able to forecast in a proper manner its future economic
37.14 and fiscal potentials.

37.15 Subd. 3. **Refusal to permit valuation; easement.** If the fee owner of the land on
37.16 which the unmined iron ore is believed to be located, or the owner of a mineral interest
37.17 therein, refuses to permit the county assessor to ascertain the value of unmined iron ore
37.18 believed to be located on such land, the county attorney, acting in the name of the county
37.19 may institute proceedings under chapter 117, for the express purpose of being granted an
37.20 easement which would permit the county assessor to verify whether or not such land does,
37.21 in fact, contain reserves of unmined iron ore.

37.22 Subd. 4. **Discharge of easement.** When the county assessor has verified the existence
37.23 of reserves of iron ore and has ascertained the value of such reserves, or in the alternative
37.24 has failed to locate any reserves susceptible of being economically exploited, the assessor
37.25 shall notify the county attorney, and the county attorney shall then, by appropriate means,
37.26 request the district court to discharge the easement secured for the purpose stated above.

37.27 Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or
37.28 drilling plus any damages to the property which may be assessed by the district court
37.29 shall be paid by the commissioner of Iron Range resources and rehabilitation ~~Board~~ from
37.30 amounts appropriated to that board under section 298.22. The commissioner of Iron
37.31 Range resources and rehabilitation ~~Board~~ shall be reimbursed for one-half of the amounts
37.32 thus expended. Such reimbursement shall be made by the taxing districts in the proportion
37.33 that each such taxing district's levy on the property involved bears to the total levy on such
37.34 property. Such reimbursement shall be made to the commissioner of Iron Range resources
37.35 and rehabilitation ~~Board~~ in the manner provided by section 298.221.

Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor is hereby authorized to reduce payments required to be made by the county to such taxing district under other provisions of law. Thereafter the auditor shall draw a warrant, which shall be deposited with the state treasury in accordance with section 298.221, to the credit of the commissioner of Iron Range resources and rehabilitation Board.

Subd. 7. **Area of application.** The provisions of this section shall not apply in the Boundary Waters Canoe Area.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 27. **INITIAL APPOINTMENTS.**

(a) Notwithstanding any law to the contrary, initial appointments of citizen members to the Legislative-Citizen Commission may be made immediately upon recommendation of the citizen selection committee.

(b) Notwithstanding any law to the contrary, the governor's authority to appoint initial members to the citizen selection committee under Minnesota Statutes, section 298.22, subdivision 1b, is effective the day following final enactment and is not subject to the open appointments process under Minnesota Statutes, section 15.0597.

(c) Notwithstanding any law to the contrary, initial appointments of legislative members to the Legislative-Citizen Commission may be made immediately for terms expiring the third Monday in January 2017.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 28. **GIANTS RIDGE STUDY; APPROPRIATION.**

The Management Analysis Division of Minnesota Management and Budget must study and make recommendations to the legislature by January 1, 2017, regarding the future of the Giants Ridge Recreation Area project. The study must include, but is not limited to, sale of the property, or transfer of the property to the Department of Natural Resources. \$..... in fiscal year 2016 is appropriated from the Iron Range resources and rehabilitation account to the commissioner of management and budget for the study under this section. This is a onetime appropriation and is available until June 30, 2017.

Sec. 29. **LEGISLATIVE COORDINATING COMMITTEE.**

39.1 \$420,000 in fiscal year 2017 is appropriated from the Iron Range resources and
39.2 rehabilitation account to the Legislative Coordinating Commission for the purposes of
39.3 Minnesota Statutes, section 298.22, subdivision 1h.

39.4 Sec. 30. **REVISOR'S INSTRUCTION.**

39.5 The revisor of statutes shall prepare a bill in conjunction with relevant state agencies
39.6 containing any additional conforming changes necessary to transfer duties consistent with
39.7 this act for introduction in the 2017 legislative session.

39.8 **EFFECTIVE DATE.** This section is effective July 1, 2016.