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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3347

04/09/2014 Authored by Anzelc, Melin, Radinovich and Dill
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

1.1 relating to taxation; minerals; making clarifying changes; removing obsolete,
1.2 redundant, and unnecessary laws administered by the Office of the Commissioner
1.3 of Iron Range resources and rehabilitation; modifying funds; appropriating
1.4 money; amending Minnesota Statutes 2012, sections 273.1341; 298.22, as
1.5 amended; 298.2211, as amended; 298.2212; 298.28, subdivisions 7, 11; 298.292,
1.6 as amended; 298.293; 298.297; Minnesota Statutes 2013 Supplement, sections
1.7 298.221; 298.227; 298.28, subdivision 9d; 298.294; 298.296, subdivisions 1, 2;
1.8 repealing Minnesota Statutes 2012, sections 298.2213, subdivisions 1, 2, 3, 5, 6;
1.9 298.222; 298.223, subdivision 3; 298.296, subdivision 4; 298.2961, subdivisions
1.10 1, 3, 6, 7; 298.298; Minnesota Statutes 2013 Supplement, sections 298.22,
1.11 subdivision 8; 298.2213, subdivision 4; 298.223, subdivisions 1, 2; 298.2961,
1.12 subdivisions 2, 4, 5.
1.13

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

1.15 Section 1. Minnesota Statutes 2012, section 273.1341, is amended to read:

1.16 273.1341 ~~TACONITE ASSISTANCE AREA~~ IRON RANGE RESOURCES
1.17 AND REHABILITATION BOARD SERVICE AREA.

1.18 A "~~taconite assistance area~~" "Iron Range Resources and Rehabilitation Board service
1.19 area" means the geographic area that falls within the boundaries of a school district that
1.20 contains:

- 1.21 (1) a municipality in which the assessed valuation of unmined iron ore on May 1,
1.22 1941, was not less than 40 percent of the assessed valuation of all real property; or
1.23 (2) a municipality in which on January 1, 1977, or the applicable assessment date,
1.24 there is a taconite concentrating plant or where taconite is mined or quarried or where
1.25 there is located an electric generating plant which qualifies as a taconite facility.

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

2.1 Sec. 2. Minnesota Statutes 2012, section 298.22, as amended by Laws 2013, chapter 3,  
2.2 sections 6 to 10 and 27, and chapter 85, article 5, section 34, is amended to read:

2.3 **298.22 IRON RANGE RESOURCES AND REHABILITATION.**

2.4 Subdivision 1. **The Office of the Commissioner of Iron Range resources**  
2.5 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and  
2.6 rehabilitation is created as an agency in the executive branch of state government. The  
2.7 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
2.8 section 15.06.

2.9 (b) The commissioner may hold other positions or appointments that are not  
2.10 incompatible with duties as commissioner ~~of Iron Range resources and rehabilitation~~. The  
2.11 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
2.12 including the payment of staff and other assistance as may be necessary, must be paid  
2.13 out of the amounts appropriated by section 298.28 or otherwise made available by law  
2.14 to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner  
2.15 may utilize contracting options available under section 471.345 when the commissioner  
2.16 determines it is in the best interest of the agency. The agency is not subject to sections  
2.17 16E.016 and 16C.05.

2.18 (c) When the commissioner determines that ~~distress and unemployment exists or~~  
2.19 ~~may exist~~ economic conditions in the future in any county by reason all or a portion of  
2.20 ~~the removal of natural resources or a possibly limited use of natural resources in the~~  
2.21 ~~future and any resulting decrease in employment~~ Iron Range Resources and Rehabilitation  
2.22 Board service area, as defined in section 273.1341, might be improved by agency action,  
2.23 the commissioner may use ~~whatever amounts of the appropriation made~~ any available  
2.24 resources to the commissioner of revenue in section 298.28 undertake projects or  
2.25 programs that are determined to be necessary and proper will aid in the development of  
2.26 the remaining resources of the county and in the vocational training and rehabilitation of  
2.27 its residents, except that the amount needed to cover cost overruns awarded to a contractor  
2.28 by an arbitrator in relation to a contract awarded by the commissioner or in effect after  
2.29 July 1, 1985, is appropriated from the general fund. For the purposes of this section,  
2.30 "development of remaining resources" includes, but is not limited to, the promotion of  
2.31 tourism. economy. Special priority for projects and programs shall be given to parts of the  
2.32 Service Area most affected by economic downturns in mining or other major industries.

2.33 (d) Notwithstanding any law to the contrary, any money in any account that is under  
2.34 control of the commissioner on January 1, 2014, shall remain with the agency and be  
2.35 used for economic development purposes.

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

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

3.16 Subd. 3. **Commissioner may acquire property.** Whenever the commissioner of  
 3.17 Iron Range resources and rehabilitation has made determinations required by subdivision  
 3.18 1 and has determined that ~~distress and unemployment exists or may exist in the future~~  
 3.19 ~~in any county by reason of the removal of the natural resources or a possible limited use~~  
 3.20 ~~thereof in the future and the decrease in employment resulting therefrom and deems that~~  
 3.21 economic conditions might be improved through the acquirement of real estate or personal  
 3.22 property ~~is necessary and proper in the development of the remaining resources,~~ the  
 3.23 commissioner may acquire such property or interests therein by gift, purchase, or lease.  
 3.24 The commissioner may purchase insurance to protect any property acquired from loss or  
 3.25 damage by fire, or to protect the commissioner from any liability the commissioner may  
 3.26 incur by reason of ownership of the property, or both. If after such property is acquired it  
 3.27 is necessary in the judgment of the commissioner to acquire a right-of-way for access to  
 3.28 projects operated on property acquired by gift, purchase, or lease, said right-of-way may  
 3.29 be acquired by condemnation in the manner provided by law. If the owner or operator of  
 3.30 an iron mine or related production or beneficiation facilities discontinues the operation  
 3.31 of the mine or facilities for any reason, the commissioner may acquire any or all of the  
 3.32 mine lands and related facilities by gift, purchase, lease, or condemnation in the manner  
 3.33 provided in chapter 117.

3.34 Subd. 4. **Commissioner may accept grants and conveyances.** Whenever property  
 3.35 has been granted and conveyed to the state of Minnesota in accordance with an agreement  
 3.36 made by the commissioner of Iron Range resources and rehabilitation ~~and the commissioner~~

4.1 ~~of administration for the necessary and proper development of the remaining resources of~~  
 4.2 ~~any distressed county~~ economic development purposes, such grants; and conveyances or  
 4.3 leases are hereby accepted in accordance with the terms and conditions thereof.

4.4 Subd. 5. **Commissioner may lease property.** In order to carry out the terms and  
 4.5 provisions of this section, the commissioner ~~of Iron Range resources and rehabilitation~~  
 4.6 ~~and the commissioner of administration~~ may lease any property acquired hereunder for  
 4.7 a term not to exceed 20 years upon such terms as they may determine, provided that  
 4.8 such property shall not be leased to any person in such a manner as to constitute a direct  
 4.9 contribution of working capital to a business enterprise. Such lease may provide that in the  
 4.10 event the property is ever sold by the state to such lessee, the lessee may obtain a credit  
 4.11 on the purchase price covering the rentals paid under the lease or any renewals thereof  
 4.12 and that said real estate can be conveyed by the commissioner ~~of Iron Range resources~~  
 4.13 ~~and rehabilitation and the commissioner of administration and the said commissioners~~  
 4.14 ~~are hereby authorized to make such conveyances.~~ The commissioner may lease, upon the  
 4.15 terms determined by the commissioner and approved by the board, surface and mineral  
 4.16 interests owned or acquired by the state of Minnesota acting by and through the Office of  
 4.17 the Commissioner of Iron Range resources and rehabilitation. The payments and royalties  
 4.18 from the leases shall be retained for the benefit of the agency.

4.19 Subd. 5a. **Forest trust.** The commissioner, upon approval by the board,  
 4.20 may purchase forest lands in the ~~taconite assistance area~~ Iron Range Resources and  
 4.21 Rehabilitation Board service area defined in ~~under~~ section 273.1341 with funds specifically  
 4.22 authorized for the purchase. The acquired forest lands must be held in trust for the benefit  
 4.23 of the citizens of the ~~taconite assistance area~~ Iron Range Resources and Rehabilitation  
 4.24 Board service area as the Iron Range Miners' Memorial Forest. The forest trust lands shall  
 4.25 be managed and developed for recreation and economic development purposes. The  
 4.26 commissioner, upon approval by the board, may sell forest lands purchased under this  
 4.27 subdivision if the board finds that the sale advances the purposes of the trust. ~~Proceeds~~  
 4.28 ~~derived from the management or sale of the lands and from the sale of timber or removal~~  
 4.29 ~~of gravel or other minerals from these forest lands shall be deposited into an Iron Range~~  
 4.30 ~~Miners' Memorial Forest account that is established within the state financial accounts.~~  
 4.31 ~~Funds may be expended from the account upon approval by the board, to purchase, manage,~~  
 4.32 ~~administer, convey interests in, and improve the forest lands. With approval by the board,~~  
 4.33 ~~money in the Iron Range Miners' Memorial Forest account may be transferred into the~~  
 4.34 ~~corpus of the Douglas J. Johnson economic protection trust fund established under sections~~  
 4.35 ~~298.291 to 298.294.~~ The property acquired under the authority granted by this subdivision

5.1 and income derived from the property or the operation or management of the property are  
5.2 exempt from taxation by the state or its political subdivisions while held by the forest trust.

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

5.9 Subd. 7. **Project area development authority.** (a) In addition to the other powers  
5.10 granted in this section and other law and notwithstanding any limitations contained in  
5.11 subdivision 5, the commissioner, for purposes of fostering economic development and  
5.12 tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area,  
5.13 may spend any money made available to the agency under section 298.28 to acquire real  
5.14 or personal property or interests therein by gift, purchase, or lease and may convey by  
5.15 lease, sale, or other means of conveyance or commitment any or all property interests  
5.16 owned or administered by the commissioner within such areas.

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

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

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

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

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

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

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

5.32 Subd. 8. **Spending priority.** In making or approving any expenditures on programs  
5.33 or projects, the commissioner and the board shall give the highest priority to programs  
5.34 and projects that target relief to those areas of the taconite assistance area as defined in  
5.35 section 273.1341, that have the largest percentages of job losses and population losses  
5.36 directly attributable to the economic downturn in the taconite industry since the 1980s.

6.1 The commissioner and the board shall compare the 1980 population and employment  
 6.2 figures with the 2000 population and employment figures, and shall specifically consider  
 6.3 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,  
 6.4 in making or approving expenditures consistent with this subdivision, as well as the areas  
 6.5 of residence of persons who suffered job loss for which relief is to be targeted under this  
 6.6 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the  
 6.7 terms determined by the commissioner and approved by the board, surface and mineral  
 6.8 interests owned or acquired by the state of Minnesota acting by and through the office of  
 6.9 the commissioner of Iron Range resources and rehabilitation within those portions of the  
 6.10 taconite assistance area affected by the closure of the LTV Steel Mining Company facility  
 6.11 near Hoyt Lakes. The payments and royalties from these leases must be deposited into the  
 6.12 fund established in section 298.292. This subdivision supersedes any other conflicting  
 6.13 provisions of law and does not preclude the commissioner and the board from making  
 6.14 expenditures for programs and projects in other areas.

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

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

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

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

6.30 Sec. 3. Minnesota Statutes 2012, section 298.22, is amended by adding a subdivision  
 6.31 to read:

6.32 Subd. 13. **Iron Range Resources and Rehabilitation Board fund** (a) A fund  
 6.33 called the Iron Range Resources and Rehabilitation Board fund, or IRRRB fund, is created  
 6.34 for the purpose of promoting the economic development of northeast Minnesota. The  
 6.35 IRRRB fund shall be used for the following purposes:

7.1 (1) economic development projects and public works projects located within the  
 7.2 Iron Range Resources and Rehabilitation Board service area that are approved by the Iron  
 7.3 Range Resources and Rehabilitation Board; and

7.4 (2) for any other purpose that supports the mission of the board.

7.5 (b) The IRRRB fund shall be administered by the commissioner of the Iron Range  
 7.6 Resources and Rehabilitation Board.

7.7 (c) The fund established by this subdivision shall be invested pursuant to law and  
 7.8 the net interest and dividends arising from the investment shall be included and become  
 7.9 part of the fund.

7.10 (d) There is annually appropriated to the commissioner from the allocations under  
 7.11 section 298.28, subdivisions 7 and 11, the amount necessary to carry out approved projects  
 7.12 and programs and the administration of this section.

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

7.14 Sec. 4. Minnesota Statutes 2013 Supplement, section 298.221, is amended to read:

7.15 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

7.16 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota  
 7.17 pursuant to the terms of any contract entered into by the state under authority of section  
 7.18 298.22 and any fees which may, in the discretion of the commissioner of Iron Range  
 7.19 resources and rehabilitation, be charged in connection with any project pursuant to that  
 7.20 section as amended, shall be deposited in the state treasury to the credit of the ~~Iron Range~~  
 7.21 ~~Resources and Rehabilitation Board account~~ IRRRB fund in the special revenue fund and  
 7.22 are hereby appropriated for the purposes of section 298.22.

7.23 (b) Notwithstanding section 16A.013, merchandise may be accepted by the  
 7.24 commissioner of the ~~Iron Range Resources and Rehabilitation Board~~ for payment of  
 7.25 advertising contracts if the commissioner determines that the merchandise can be used  
 7.26 for special event prizes or mementos at facilities operated by the board. Nothing in this  
 7.27 paragraph authorizes the commissioner or a member of the board to receive merchandise  
 7.28 for personal use.

7.29 (c) All fees charged by the commissioner in connection with public use of the  
 7.30 ~~state-owned~~ public-owned ski and golf facilities at the Giants Ridge Recreation Area  
 7.31 and all other revenues derived by the commissioner from the operation or lease of those  
 7.32 facilities and from the lease, sale, or other disposition of undeveloped lands at the Giants  
 7.33 Ridge Recreation Area must be deposited into an ~~Iron Range Resources and Rehabilitation~~  
 7.34 ~~Board account that is created within the state enterprise fund~~ the IRRRB fund. All funds

8.1 deposited in the ~~enterprise fund account~~ IRRRB fund are appropriated to the commissioner  
8.2 to be expended, subject to approval by the board, as follows:

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

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

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

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

8.9 Sec. 5. Minnesota Statutes 2012, section 298.2211, as amended by Laws 2013, chapter  
8.10 3, section 12, is amended to read:

8.11 **298.2211 FINANCING ACTIVITIES.**

8.12 ~~Subdivision 1. Purpose; grant of authority.~~ (a) In order to accomplish the  
8.13 legislative purposes specified in sections 469.142 to 469.165 and chapter 462C, within  
8.14 the ~~taconite assistance area~~ Iron Range Resources and Rehabilitation Board service  
8.15 area as defined in section 273.1341, the commissioner of Iron Range resources and  
8.16 rehabilitation may exercise the following powers: (1) all powers conferred upon a rural  
8.17 development financing authority under sections 469.142 to 469.149; (2) all powers  
8.18 conferred upon a city under chapter 462C; (3) all powers conferred upon a municipality  
8.19 or a redevelopment agency under sections 469.152 to 469.165; (4) all powers provided  
8.20 by sections 469.142 to 469.151 to further any of the purposes and objectives of chapter  
8.21 462C and sections 469.152 to 469.165; (5) apply for, borrow, receive, and expend grant  
8.22 and loan money made available from federal sources and from federally funded programs;  
8.23 and (6) all powers conferred upon a municipality or an authority under sections 469.174  
8.24 to 469.177, 469.178, except subdivision 2 thereof, and 469.179, subject to compliance  
8.25 with the provisions of section 469.175, subdivisions 1, 2, and 3; provided that any tax  
8.26 increments derived by the commissioner from the exercise of this authority may be used  
8.27 only to finance or pay premiums or fees for insurance, letters of credit, or other contracts  
8.28 guaranteeing the payment when due of net rentals under a project lease or the payment of  
8.29 principal and interest due on or repurchase of bonds issued to finance a project or program,  
8.30 to accumulate and maintain reserves securing the payment when due on bonds issued to  
8.31 finance a project or program, or to provide an interest rate reduction program pursuant to  
8.32 section 469.012, subdivision 7. Tax increments and earnings thereon remaining in any  
8.33 bond reserve account after payment or discharge of any bonds secured thereby shall be  
8.34 used within one year thereafter in furtherance of this section or returned to the county



9.1 auditor of the county in which the tax increment financing district is located. If returned  
9.2 to the county auditor, the county auditor shall immediately allocate the amount among  
9.3 all government units which would have shared therein had the amount been received as  
9.4 part of the other ad valorem taxes on property in the district most recently paid, in the  
9.5 same proportions as other taxes were distributed, and shall immediately distribute it to  
9.6 the government units in accordance with the allocation.

9.7 ~~Subd. 2. **Area of operation.**~~ (b) Projects undertaken, developed, or financed  
9.8 pursuant to this section shall be located within the ~~taconite assistance area~~ Iron Range  
9.9 Resources and Rehabilitation Board service area defined in section 273.1341.

9.10 ~~Subd. 3. **Project approval.**~~ (c) All projects authorized by this section shall be  
9.11 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board for  
9.12 approval by the board. Prior to the commencement of a project involving the exercise by  
9.13 the commissioner of any authority of sections 469.174 to 469.179, the governing body  
9.14 of each municipality in which any part of the project is located and the county board of  
9.15 any county containing portions of the project not located in an incorporated area shall by  
9.16 majority vote approve or disapprove the project. ~~Any project approved by the board and~~  
9.17 ~~the applicable governing bodies, if any, together with detailed information concerning the~~  
9.18 ~~project, its costs, the sources of its funding, and the amount of any bonded indebtedness to~~  
9.19 ~~be incurred in connection with the project, shall be transmitted to the governor, who shall~~  
9.20 ~~approve, disapprove, or return the proposal for additional consideration within 30 days of~~  
9.21 ~~receipt. No project authorized under this section shall be undertaken, and no obligations~~  
9.22 ~~shall be issued and no tax increments shall be expended for a project authorized under this~~  
9.23 ~~section until the project has been approved by the governor.~~

9.24 ~~Subd. 4. **Obligations not state debt.**~~ (d) Bonds and other obligations issued by the  
9.25 commissioner pursuant to this section, along with all related documents, are not general  
9.26 obligations of the state of Minnesota and are not subject to sections 16C.03, subdivision 4,  
9.27 and 16C.05. The full faith and credit and taxing powers of the state are not and may not be  
9.28 pledged for the payment of these bonds or other obligations, and no person has the right  
9.29 to compel the levy of any state tax for their payment or to compel the appropriation of  
9.30 any moneys of the state for their payment except as specifically provided herein. These  
9.31 bonds and obligations shall be payable solely from the property and moneys derived by  
9.32 the commissioner pursuant to the authority granted in this section that the commissioner  
9.33 pledges to their payment. The legislature intends not to appropriate money from the general  
9.34 fund to pay for these bonds or other obligations. All these bonds or other obligations must  
9.35 contain the provisions of this subdivision or words to the same effect on their face.

10.1 ~~Subd. 5. Appropriation of moneys.~~ (e) There is appropriated to the commissioner  
 10.2 for the purpose of carrying out any project or program undertaken pursuant to this section,  
 10.3 all property and moneys derived by the commissioner through the exercise of the powers  
 10.4 conferred by this section. The commissioner may pledge all the property or moneys  
 10.5 for the security or payment of bonds or other obligations issued or entered into by the  
 10.6 commissioner for this purpose.

10.7 ~~Subd. 6. Fee setting.~~ (f) Fees for admission to or use of facilities operated by the  
 10.8 Iron Range Resources and Rehabilitation Board that have been established according to  
 10.9 prevailing market conditions and to recover operating costs need not be set by rule.

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

10.11 Sec. 6. Minnesota Statutes 2012, section 298.2212, is amended to read:

10.12 **298.2212 INVESTMENT OF FUNDS.**

10.13 All funds credited to the ~~Iron Range Resources and Rehabilitation Board account in~~  
 10.14 ~~the special revenue fund~~ IRRRB fund for the purposes of section 298.22 must be invested  
 10.15 pursuant to law. The net interest and dividends from the investments are included and  
 10.16 become part of the funds available for purposes of section 298.22.

10.17 Sec. 7. Minnesota Statutes 2013 Supplement, section 298.227, is amended to read:

10.18 **298.227 TACONITE ECONOMIC DEVELOPMENT MINING**  
 10.19 **REINVESTMENT FUND.**

10.20 (a) An amount equal to that distributed pursuant to each taconite producer's taxable  
 10.21 production and qualifying sales under section 298.28, subdivision 9a, shall be held by  
 10.22 the Iron Range Resources and Rehabilitation Board in a separate ~~taconite economic~~  
 10.23 ~~development~~ mining reinvestment fund for each taconite and direct reduced ore producer.  
 10.24 The fund established by this section shall be invested pursuant to law and the net interest  
 10.25 and dividends arising from the investment shall be included and become part of the fund.  
 10.26 Money from the fund for each producer shall be released by the commissioner after review  
 10.27 by a joint committee consisting of an equal number of representatives of the salaried  
 10.28 employees and the nonsalaried production and maintenance employees of that producer.  
 10.29 The District 11 director of the United States Steelworkers of America, on advice of each  
 10.30 local employee president, shall select the employee members. In nonorganized operations,  
 10.31 the employee committee shall be elected by the nonsalaried production and maintenance  
 10.32 employees. The review must be completed no later than six months after the producer  
 10.33 presents a proposal for expenditure of the funds to the committee. The funds held pursuant

11.1 to this section may be released only for projects supporting workforce development and  
 11.2 associated public facility improvement, or for acquisition of plant and stationary mining  
 11.3 equipment and facilities for the producer or for research and development in Minnesota  
 11.4 on new mining, or taconite, iron, or steel production technology, but only if the producer  
 11.5 provides a matching expenditure equal to the amount of the distribution to be used for  
 11.6 the same purpose beginning with distributions in 2014. ~~Effective for proposals for~~  
 11.7 ~~expenditures of money from the fund beginning May 26, 2007, the commissioner may not~~  
 11.8 ~~release the funds before the next scheduled meeting of the board.~~ Projects recommended  
 11.9 by the commissioner shall be subject to the board for approval. If a proposed expenditure  
 11.10 is not approved by the board, the funds must be deposited in the ~~Taconite Environmental~~  
 11.11 ~~Protection Fund~~ IRRRB fund under sections ~~298.222~~ 298.22 to 298.225. If a producer  
 11.12 uses money which has been released from the fund prior to May 26, 2007 to procure  
 11.13 haulage trucks, mobile equipment, or mining shovels, and the producer removes the piece  
 11.14 of equipment from the taconite tax relief area defined in section ~~273.134~~ within ten years  
 11.15 from the date of receipt of the money from the fund, a portion of the money granted  
 11.16 from the fund must be repaid to the taconite economic development fund. The portion  
 11.17 of the money to be repaid is 100 percent of the grant if the equipment is removed from  
 11.18 the taconite tax relief area within 12 months after receipt of the money from the fund,  
 11.19 declining by ten percent for each of the subsequent nine years during which the equipment  
 11.20 remains within the taconite tax relief area. If a taconite production facility is sold after  
 11.21 operations at the facility had ceased, any money remaining in the fund for the former  
 11.22 producer may be released to the purchaser of the facility on the terms otherwise applicable  
 11.23 to the former producer under this section. If a producer fails to provide matching funds  
 11.24 for a proposed expenditure within six months after the commissioner approves release  
 11.25 of the funds, the funds are available for release to another producer in proportion to the  
 11.26 distribution provided and under the conditions of this section. Any portion of the fund  
 11.27 which is not released by the commissioner within one year of its deposit in the fund shall  
 11.28 be divided between the taconite environmental protection fund created in section ~~298.223~~  
 11.29 298.22 and the Douglas J. Johnson economic protection trust fund created in section  
 11.30 298.292 for placement in their respective special accounts. Two-thirds of the unreleased  
 11.31 funds shall be distributed to the ~~taconite environmental protection fund~~ IRRRB fund and  
 11.32 one-third to the Douglas J. Johnson economic protection trust fund.

11.33 (b)(i) ~~Notwithstanding the requirements of paragraph (a), setting the amount of~~  
 11.34 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~  
 11.35 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed~~  
 11.36 ~~under paragraph (a), may be used for a loan or grant for the cost of providing for a~~

12.1 value-added wood product facility located in the taconite tax relief area and in a county  
 12.2 that contains a city of the first class. This amount must be deducted from the distribution  
 12.3 under paragraph (a) for which a matching expenditure by the producer is not required. The  
 12.4 granting of the loan or grant is subject to approval by the board. If the money is provided  
 12.5 as a loan, interest must be payable on the loan at the rate prescribed in section 298.2213,  
 12.6 subdivision 3. (ii) Repayments of the loan and interest, if any, must be deposited in the  
 12.7 taconite environment protection fund under sections 298.222 to 298.225. If a loan or  
 12.8 grant is not made under this paragraph by July 1, 2012, the amount that had been made  
 12.9 available for the loan under this paragraph must be transferred to the taconite environment  
 12.10 protection fund under sections 298.222 to 298.225. (iii) Money distributed in 2008 to the  
 12.11 fund established under this section that exceeds ten cents per ton is available to qualifying  
 12.12 producers under paragraph (a) on a pro rata basis.

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

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

12.22 Sec. 8. Minnesota Statutes 2012, section 298.28, subdivision 7, is amended to read:

12.23 Subd. 7. **Iron Range Resources and Rehabilitation Board.** For the 1998  
 12.24 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range Resources and  
 12.25 Rehabilitation Board for the purposes of section 298.22. That amount shall be increased  
 12.26 in 1999 and subsequent years in the same proportion as the increase in the implicit price  
 12.27 deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to  
 12.28 this subdivision shall be expended within or for the benefit of the taconite assistance area  
 12.29 Iron Range Resources and Rehabilitation Board service area defined in section 273.1341.  
 12.30 No part of the fund provided in this subdivision may be used to provide loans for the  
 12.31 operation of private business unless the loan is approved by the governor.

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

13.1 Sec. 9. Minnesota Statutes 2013 Supplement, section 298.28, subdivision 9d, is  
 13.2 amended to read:

13.3 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must  
 13.4 be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in  
 13.5 an Iron Range higher education account that is hereby created, to be used for higher  
 13.6 education programs conducted at educational institutions in the ~~taconite assistance area~~  
 13.7 Iron Range Resources and Rehabilitation Board service area defined in section 273.1341.  
 13.8 The Iron Range Higher Education committee under section 298.2214, and the Iron Range  
 13.9 Resources and Rehabilitation Board must approve all expenditures from the account.

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

13.11 Sec. 10. Minnesota Statutes 2012, section 298.28, subdivision 11, is amended to read:

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

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

13.28 (c) There shall be distributed to the Iron Range Resources and Rehabilitation Board  
 13.29 the amounts it received in 1977 under section 298.22. The amount distributed under this  
 13.30 paragraph shall be expended within or for the benefit of the ~~taconite assistance area~~ Iron  
 13.31 Range Resources and Rehabilitation Board service area defined in section 273.1341.

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

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

14.1 Sec. 11. Minnesota Statutes 2012, section 298.292, as amended by Laws 2013, chapter  
14.2 3, section 19, is amended to read:

14.3 **298.292 POLICY.**

14.4 Subdivision 1. **Purposes.** The legislature is cognizant of the severe economic  
14.5 dislocations and widespread unemployment that result when a single industry on which  
14.6 an area is largely dependent, experiences a drastic reduction in activity. The Douglas J.  
14.7 Johnson economic protection trust fund is hereby created to be devoted to economic  
14.8 rehabilitation and diversification of ~~industrial enterprises where these conditions ensue~~  
14.9 ~~as the result of the decline of such a single industry~~ the Iron Range Resources and  
14.10 Rehabilitation Board service area. Priority shall be given to using the Douglas J. Johnson  
14.11 economic protection trust fund for the following purposes:

14.12 (1) projects and programs that are designed to create and maintain productive,  
14.13 permanent, skilled employment, including employment in technologically innovative  
14.14 businesses; and

14.15 (2) projects and programs to encourage diversification of the economy and to  
14.16 promote the development of minerals, alternative energy sources utilizing indigenous  
14.17 fuels, forestry, small business, and tourism; and

14.18 ~~(3) projects and programs for which technological and economic feasibility have~~  
14.19 ~~been demonstrated.~~

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

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

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

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

14.35 ~~(4)~~ (3) to invest in a venture capital fund or enterprise that will provide capital  
14.36 to other entities that are engaging in, or that will engage in, projects or programs that

15.1 have the purposes set forth in subdivision 1. ~~No investments may be made in a venture~~  
 15.2 ~~capital fund or enterprise unless at least two other unrelated investors make investments~~  
 15.3 ~~of at least \$500,000 in the venture capital fund or enterprise, and the investment by the~~  
 15.4 ~~Douglas J. Johnson economic protection trust fund may not exceed the amount of the~~  
 15.5 ~~largest investment by an unrelated investor in the venture capital fund or enterprise. For~~  
 15.6 ~~purposes of this subdivision, an "unrelated investor" is a person or entity that is not related~~  
 15.7 ~~to the entity in which the investment is made or to any individual who owns more than 40~~  
 15.8 ~~percent of the value of the entity, in any of the following relationships: spouse, parent,~~  
 15.9 ~~child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of~~  
 15.10 ~~the value of all interests in it. For purposes of determining the limitations under this~~  
 15.11 ~~clause, the amount of investments made by an investor other than the Douglas J. Johnson~~  
 15.12 ~~economic protection trust fund is the sum of all investments made in the venture capital~~  
 15.13 ~~fund or enterprise during the period beginning one year before the date of the investment~~  
 15.14 ~~by the Douglas J. Johnson economic protection trust fund; and~~

15.15 ~~(5) (4) to purchase forest land in the taconite assistance area Iron Range Resources~~  
 15.16 ~~and Rehabilitation Board service area defined in section 273.1341 to be held and managed~~  
 15.17 ~~as a public trust for the benefit of the area for the purposes authorized in section 298.22,~~  
 15.18 ~~subdivision 5a. Property purchased under this section may be sold by the commissioner~~  
 15.19 ~~upon approval by the board. The net proceeds must be deposited in the trust fund for the~~  
 15.20 ~~purposes and uses of this section.~~

15.21 ~~Money from the trust fund shall be expended only in or for the benefit of the taconite~~  
 15.22 ~~assistance area the Iron Range Resources and Rehabilitation Board service area defined in~~  
 15.23 ~~section 273.1341.~~

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

15.25 Sec. 12. Minnesota Statutes 2012, section 298.293, is amended to read:

15.26 **298.293 EXPENDING FUNDS.**

15.27 The funds provided by section 298.28, subdivision 11, relating to the Douglas J.  
 15.28 Johnson economic protection trust fund, ~~except money expended pursuant to Laws 1982,~~  
 15.29 ~~Second Special Session, chapter 2, sections 8 to 14, shall be expended only in an amount~~  
 15.30 ~~that does not exceed the sum of the net interest, dividends, and earnings arising from~~  
 15.31 ~~the investment of the trust for the preceding 12 calendar months from the date of the~~  
 15.32 ~~authorization plus, for fiscal year 1983, \$10,000,000 from the corpus of the fund. The~~  
 15.33 ~~funds may be spent only in or for the benefit of the taconite assistance area the Iron Range~~  
 15.34 ~~Resources and Rehabilitation Board service area as defined in section 273.1341. If during~~

16.1 any year the taconite property tax account under sections 273.134 to 273.136 does not  
 16.2 contain sufficient funds to pay the property tax relief specified in Laws 1977, chapter  
 16.3 423, article X, section 4, there is appropriated from this trust fund to the relief account  
 16.4 sufficient funds to pay the relief specified in Laws 1977, chapter 423, article X, section 4.

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

16.6 Sec. 13. Minnesota Statutes 2013 Supplement, section 298.294, is amended to read:

16.7 **298.294 INVESTMENT OF FUND.**

16.8 (a) The trust fund established by section 298.292 shall be invested pursuant to law  
 16.9 by the State Board of Investment and the net interest, dividends, and other earnings arising  
 16.10 from the investments shall be transferred, ~~except as provided in paragraph (b),~~ on the first  
 16.11 day of each month to the trust and shall be included and become part of the trust fund.  
 16.12 ~~The amounts transferred, including the interest, dividends, and other earnings earned~~  
 16.13 ~~prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year~~  
 16.14 ~~1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the~~  
 16.15 ~~commissioner of Iron Range resources and rehabilitation for deposit in a separate account~~  
 16.16 ~~for expenditure for the purposes set forth in section 298.292 IRRRB fund.~~ Amounts  
 16.17 appropriated pursuant to this section shall not cancel but shall remain available unless  
 16.18 expended.

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

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

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

16.31 Sec. 14. Minnesota Statutes 2013 Supplement, section 298.296, subdivision 1, is  
 16.32 amended to read:



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

17.6 ~~(a) the project will materially assist, directly or indirectly, the creation of additional~~  
 17.7 ~~long-term employment opportunities;~~

17.8 ~~(b) the prospective benefits of the expenditure exceed the anticipated costs; and~~

17.9 ~~(c) in the case of assistance to private enterprise, the project will serve a sound~~  
 17.10 ~~business purpose.~~

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

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

17.18 Sec. 15. Minnesota Statutes 2013 Supplement, section 298.296, subdivision 2, is  
 17.19 amended to read:

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

17.29 ~~(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the~~  
 17.30 ~~corpus of the trust may be made available for use as provided in subdivision 4, and up to~~  
 17.31 ~~\$10,000,000 from the corpus of the trust may be made available for use as provided in~~  
 17.32 ~~section 298.2961.~~

17.33 ~~(c) Additionally, an (a) An amount equal to or less than 20 percent of the value of~~  
 17.34 ~~the corpus of the trust on May 18, 2002, not including the funds authorized in paragraph~~  
 17.35 ~~(b), plus the amounts made available under section 298.28, subdivision 4, and Laws 2002,~~

18.1 ~~chapter 377, article 8, section 17,~~ may be expended on projects. Funds may be expended  
 18.2 for projects under this paragraph only if the project:

18.3 (1) is for the purposes established under section 298.292, subdivision 1, clause  
 18.4 (1) or (2); and

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

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

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

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

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

18.19 ~~(g)~~ (d) Additionally, notwithstanding section 298.293, upon the approval of the  
 18.20 board, money from the corpus of the trust may be expended to purchase forest lands  
 18.21 within the ~~taconite assistance area~~ Iron Range Resources and Rehabilitation Board service  
 18.22 area defined in section 273.1341, as provided in sections 298.22, subdivision 5a, and  
 18.23 298.292, subdivision 2, clause (5).

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

18.25 Sec. 16. Minnesota Statutes 2012, section 298.297, is amended to read:

18.26 **298.297 ADVISORY COMMITTEES.**

18.27 Before submission of a an economic development project using IRRRB fund or  
 18.28 Douglas J. Johnson economic protection trust fund money to the board, the commissioner  
 18.29 of Iron Range resources and rehabilitation shall appoint a technical advisory committee  
 18.30 consisting of one or more persons who are knowledgeable in areas related to the objectives  
 18.31 of the proposal. Members of the committees shall be compensated as provided in section  
 18.32 15.059, subdivision 3. The board shall not act on a proposal until it has received the  
 18.33 evaluation and recommendations of the technical advisory committee or until 15 days

19.1 have elapsed since the proposal was transmitted to the advisory committee, whichever  
19.2 occurs first. Notwithstanding section 15.059, the committees do not expire.

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

19.4 Sec. 17. **REVISOR'S INSTRUCTION.**

19.5 The revisor of statutes shall renumber the provisions of Minnesota Statutes listed  
19.6 in column A to the references listed in column B. The revisor shall also make necessary  
19.7 cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with  
19.8 renumbering.

	<u>Column A</u>	<u>Column B</u>
19.10	<u>298.22, subd. 9</u>	<u>298.22, subd. 6</u>
19.11	<u>298.22, subd. 1a</u>	<u>298.22, subd. 8</u>
19.12	<u>298.22, subd. 6</u>	<u>298.22, subd. 9</u>
19.13	<u>298.22, subd. 13</u>	<u>298.22, subd. 10</u>
19.14	<u>298.22, subd. 7</u>	<u>298.22, subd. 13</u>
19.15	<u>298.22, subd. 10</u>	<u>298.22, subd. 14</u>
19.16	<u>298.22, subd. 5a</u>	<u>298.22, subd. 15</u>
19.17	<u>298.2211</u>	<u>298.22, subd. 7</u>

19.18 Sec. 18. **REPEALER.**

19.19 (a) Minnesota Statutes 2012, sections 298.2213, subdivisions 1, 2, 3, 5, and 6;  
19.20 298.222; 298.223, subdivision 3; 298.296, subdivision 4; 298.2961, subdivisions 1, 3, 6,  
19.21 and 7; and 298.298, are repealed.

19.22 (b) Minnesota Statutes 2013 Supplement, sections 298.22, subdivision 8; 298.2213,  
19.23 subdivision 4; 298.223, subdivisions 1 and 2; and 298.2961, subdivisions 2, 4, and 5, are  
19.24 repealed.

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

**298.22 IRON RANGE RESOURCES AND REHABILITATION.**

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

**298.2213 NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.**

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

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

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

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

Subd. 3. **Use of money.** The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must 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 must be no less than the lesser of eight percent or the rate of interest that is 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.

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

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

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

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

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

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

Subd. 5. **Advisory committees.** Before submission to the board of a proposal for a project for expenditure of money appropriated under this section, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of at least seven persons who are knowledgeable in areas related to the objectives of the proposal. If the

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project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project. Members of the committees must be compensated as provided in section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee. Notwithstanding section 15.059, the committees do not expire.

Subd. 6. **Use of repayments and earnings.** Principal and interest received in repayment of loans made under this section must be deposited in the state treasury and are appropriated to the board for the purposes of this section.

**298.222 CITATION.**

Sections 298.222 to 298.226 and Laws 1977, chapter 423, article 10, section 22 shall be known as the Taconite Environmental Protection Fund Act of 1977.

**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:

(1) to initiate investigations into matters the Iron Range Resources and Rehabilitation Board 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, 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;

(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;

(xii) .6460 cent per ton to the town of Balkan for community center repairs;

(xiii) .9044 cent per ton to the city of Babbitt for city garage construction;

(xiv) .5168 cent per ton to the city of Cook for public infrastructure projects;

(xv) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;

(xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;

(xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;

(xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;

(xix) .3230 cent per ton to Lake County for trail construction;

(xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand Marais;

(xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure improvements;

(xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;

(xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer improvements along Gayley Avenue;

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(xxiv) .3876 cent per ton to the city of Marble for construction of a city administration facility;

(xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the community center;

(xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure upgrades;

(xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades along Depot Street;

(xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter improvements;

(xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer infrastructure upgrades at Pokegema Golf Course and Park Place;

(xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades for 1st Avenue from River Road to 3rd Street SE; and

(xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing at Highway 2 and County Road 62.

Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary.

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

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

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

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

**298.296 OPERATION OF FUND.**

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

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

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

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

**298.2961 PRODUCER GRANTS.**

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

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

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

(1) environmentally unique reclamation projects; or

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

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

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

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

(b) Any portion of the taconite environmental fund that is not released by the commissioner within three years of its deposit in the taconite environmental fund 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 for placement in their respective special accounts. Two-thirds of the unreleased funds must be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

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

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

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

(d) Distributions received in calendar year 2007 must be paid to the city of Tower to 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;

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- (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 Olcott 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;
- (7) 0.159 cent per ton must be paid to the city of Bovey for residential and commercial claims for water damage due to water and flood-related damage caused by the Canisteo Pit;
- (8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and child care center;
- (9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer upgrades;
- (10) 0.637 cent per ton must be paid to the city of Marble for the city hall and library project;
- (11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of water and sewer services for Lakewood Housing;
- (12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at the Children's Museum;
- (13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil corrections. This amount must be matched by local sources;
- (14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;
- (15) 0.048 cent per ton must be paid to the city of Aitkin for signage;
- (16) 0.159 cent per ton must be paid to Aitkin County for a trail;
- (17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road railroad crossing;
- (18) 0.088 cent per ton must be paid to the town of Clinton for expansion and striping of the community center parking lot;
- (19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;



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- (20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure improvements, milling, and overlay for Summit Street between Alaska Avenue and Highway 135;
- (21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main replacements and improvements in the Northeast Lower Alley area;
- (22) 0.637 cent per ton must be paid to the town of White for replacement of the Stepetz Road culvert;
- (23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon Street and associated infrastructure;
- (24) 0.796 cent per ton must be paid to the city of Mountain Iron for site improvements at the Park Ridge development;
- (25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure and site preparation for its renewable and sustainable energy park;
- (26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer improvements;
- (27) 0.796 cent per ton must be paid to the city of Aurora for alley and road rebuilding for the Summit Addition;
- (28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility improvements;
- (29) 0.318 cent per ton must be paid to the city of Grand Marais for water and sewer infrastructure improvements;
- (30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer improvements;
- (31) 0.716 cent per ton must be paid to the city of Cook for street and bridge improvements and land purchase, provided that if the city sells or otherwise disposes of any of the land purchased with the money provided under this clause within a period of ten years after it was purchased, the city must transfer a portion of the proceeds of the sale equal to the amount of the purchase price paid from the money provided under this clause to the commissioner of Iron Range Resources and Rehabilitation for deposit in the taconite environmental protection fund to be used for the purposes of the fund under section 298.223;
- (32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer improvements;
- (33) 0.318 cent per ton must be paid to the city of Tower for water and sewer improvements;
- (34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer improvements;
- (35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer improvements;
- (36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure improvements;
- (37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure improvements;
- (38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;
- (39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project infrastructure improvements;
- (40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety improvements at the athletic facility;
- (41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street improvements;
- (42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for infrastructure related to a housing development;
- (43) 0.159 cent per ton must be paid to Balkan Township for building improvements;
- (44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to a nonprofit for a signage kiosk;
- (45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer lines and adjacent development near County State-Aid Highway 24; and
- (46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic wall infrastructure around the athletic complex.

**298.298 LONG-RANGE PLAN.**

Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature

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by December 31, 2006, a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. No project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.