

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1397

(SENATE AUTHORS: SAXHAUG and Bakk)

DATE	D-PG	OFFICIAL STATUS
03/05/2015	567	Introduction and first reading Referred to Finance

A bill for an act
relating to economic development; business subsidies; providing for payback
extensions; redirecting certain taconite deposits; amending Minnesota Statutes
2014, section 298.24, by adding a subdivision.

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

Section 1. Minnesota Statutes 2014, section 298.24, is amended by adding a
subdivision to read:

Subd. 5. TEDF; deposits redirected. (a) For concentrates produced by a plant
subject to the reimbursement agreement, the provisions of sections 298.227 and 298.28,
subdivision 9a, do not apply to the plant's production. For purposes of this subdivision,
"reimbursement agreement" means the agreement defined in section 2, paragraph (a).

(b) All amounts not deposited in the taconite economic development fund as a
result of paragraph (a) must be deposited in the Douglas J. Johnson economic protection
trust fund created under section 298.292. Any amounts deposited under this paragraph
are a credit against and reduce any repayment obligation of the private parties under the
reimbursement agreement.

(c) The provisions of this subdivision expire effective for concentrates produced
after October 15, 2022.

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

Sec. 2. EXTENDED REPAYMENT OBLIGATIONS FOR CERTAIN BUSINESS
SUBSIDIES.

(a) Notwithstanding Minnesota Statutes, section 116J.994, subdivisions 3, 4, 6, and 11, the commissioner shall extend to October 15, 2022, the completion date under the reimbursement agreement dated September 9, 2008, for grants awarded under:

(1) Laws 2006, chapter 282, article 11, section 2, subdivision 6, as amended by Laws 2008, chapter 179, section 69;

(2) Laws 2006, chapter 258, section 21, subdivision 14, as amended by Laws 2008, chapter 179, section 66, and Laws 2010, chapter 189, section 52;

(3) Laws 2007, chapter 135, article 1, section 3, subdivision 2, paragraph (y); and

(4) Laws 2008, chapter 179, section 21, subdivision 9, as amended by Laws 2010, chapter 189, section 57.

(b) For the purposes of this section, "agreement" means the reimbursement agreement under paragraph (a).

(c) The private parties to the agreements in paragraph (a) have the repayment obligations in this paragraph. By October 15, 2022:

(1) if the private parties have commenced and are actively engaged in construction of a steel plant and forecast that the project will provide full-time equivalent jobs with an aggregate annual payroll of at least \$25,000,000 when the plant is active and operational, then:

(i) the private parties to the agreement have no further repayment obligations under the agreement; and

(ii) any funds deposited under Minnesota Statutes, section 298.24, subdivision 5, paragraph (b), as a credit against and to reduce the repayment obligation of the private parties under the reimbursement agreement must be returned to the private parties;

(2) if the private parties have commenced and are actively engaged in construction of a facility to produce a value-added product other than steel and forecast that the project will provide full-time equivalent jobs with an aggregate annual payroll of at least \$25,000,000 when the facility is active and operational, then the private parties to the agreement must repay \$22,000,000; or

(3) if the private parties have not complied with clause (1) or (2), the private parties to the agreement must repay \$65,900,000, except that if the private parties purchase from the owners any of the property constructed or acquired with grant funds under the agreement, the purchase price agreed to between the private parties and the owner and paid by or on behalf of the private parties shall reduce the amount payable under this clause.

(d) Repayment amounts required under paragraph (c) are reduced by the amount of revenue collected and deposited under Minnesota Statutes, section 298.24, subdivision 5.

- 3.1 (e) Amounts repaid under this section and Minnesota Statutes, section 298.24,
3.2 subdivision 5, must be deposited in the trust fund created under Minnesota Statutes,
3.3 sections 298.291 to 298.294.
- 3.4 (f) The commissioner must amend the agreement in accordance with this section.
- 3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.