

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 5435

(SENATE AUTHORS: HAUSCHILD)

DATE
04/15/2024

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13897 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to taxation; minerals; modifying minerals taxes, property taxes, and related
- 1.3 provisions; providing for transfers and distributions of proceeds; providing for
- 1.4 issuance of revenue bonds; amending Minnesota Statutes 2022, sections 273.135,
- 1.5 subdivision 2; 275.065, by adding a subdivision; 276.04, by adding a subdivision;
- 1.6 298.28, subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; Minnesota
- 1.7 Statutes 2023 Supplement, sections 298.018, subdivision 1; 298.28, subdivision
- 1.8 16.
- 1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.10 Section 1. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:
- 1.11 Subd. 2. **Reduction amount.** The amount of the reduction authorized by subdivision 1
- 1.12 shall be:
- 1.13 (a) In the case of property located within a municipality as defined under section 273.134,
- 1.14 paragraph (a), 66 percent of the tax, provided that the reduction shall not exceed the
- 1.15 maximum amounts specified in paragraph (c).
- 1.16 (b) In the case of property located within the boundaries of a school district which
- 1.17 qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the
- 1.18 boundaries of a municipality which meets the qualifications prescribed in section 273.134,
- 1.19 paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the
- 1.20 maximum amounts specified in paragraph (c).
- 1.21 (c) The maximum reduction of the tax is ~~\$315.10~~ \$515 on property described in paragraph
- 1.22 (a) and ~~\$289.80 on property described in~~ paragraph (b).
- 1.23 EFFECTIVE DATE. This section is effective beginning with property taxes payable
- 1.24 in 2025.

Sec. 2. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to read:

Subd. 3c. **Notice of proposed taxes; property subject to chapter 276A.** In the case of property subject to the areawide tax under section 276A.06, subdivision 7, for both the current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes shown for each taxing jurisdiction must be based on the property's total net tax capacity multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to the tax amounts shown for each jurisdiction, the statement must include a line showing the "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may be a negative number. If the fiscal disparities adjustment for either the current year taxes or the proposed tax amount is a negative number, the percentage change must not be shown. In all other respects the statement must fulfill the requirements of subdivision 3.

EFFECTIVE DATE. This section is effective beginning with proposed notices for property taxes payable in 2025.

Sec. 3. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to read:

Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case of property subject to the areawide tax under section 276A.06, subdivision 7, for both the current year taxes and the previous year tax amounts, the net tax capacity portion of the tax shown for each taxing jurisdiction must be based on the property's total net tax capacity multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown for each jurisdiction, the statement must include a line showing the "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may be a negative number. In all other respects the statement must fulfill the requirements of subdivision 2.

EFFECTIVE DATE. This section is effective beginning with proposed notices for property taxes payable in 2025.

Sec. 4. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended to read:

Subdivision 1. **Within taconite assistance area.** (a) 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) except as provided under paragraph (b), 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, subdivisions 1 and 2, on the dates provided under this section;

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

(7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the purposes of section 298.22;

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

(9) seven percent to the taconite environmental protection fund; and

(10) ten percent to the commissioner of Iron Range resources and rehabilitation for capital improvements to Giants Ridge Recreation Area.

(b) If the materials or energy resources are mined, extracted, or concentrated in School District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township must each receive ten percent of the amount.

(c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is distributed under this subdivision, ten percent of the total proceeds distributed in each year must first be distributed pursuant to this paragraph. The remaining 90 percent of the total proceeds distributed in each of those years must be distributed as outlined in paragraph (a). Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent. Of the amount available under this paragraph, the city of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies only to tax paid by a person engaged in the business of mining within the area described in section 273.1341, clauses (1) and (2).

EFFECTIVE DATE. This section is effective beginning with the 2025 distribution.

Sec. 5. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

Subd. 8. **Range Association of Municipalities and Schools.** ~~.30~~ 0.40 cent per taxable ton shall be paid to the Range Association of Municipalities and Schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the

purpose of promoting the general welfare and economic development of the cities, towns, and school districts within the Iron Range area of northeast Minnesota.

EFFECTIVE DATE. This section is effective beginning with the 2024 distribution.

Sec. 6. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended to read:

Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund under this section, ~~\$3,500,000~~ the following amounts shall be transferred to the Iron Range school consolidation and cooperatively operated school account under subdivision 7a: for distribution year 2024, \$6,250,000; for distribution year 2025 through distribution year 2029, \$6,500,000; for distribution year 2030 through distribution year 2034, \$5,500,00; for distribution year 2035 and distribution year 2036, \$5,000,000; and for distribution year 2037 through distribution year 2041, \$3,500,000. Any remaining amount of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund shall be transferred to the Iron Range resources and rehabilitation account under subdivision 7. The transfers under this subdivision must be made within ten days of the August payment.

EFFECTIVE DATE. This section is effective beginning with the 2024 distribution.

Sec. 7. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount deposited with the county as provided in section 298.28, subdivision 3, must be distributed as provided by this section among: (1) the municipalities located within a taconite assistance area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2) a township that contains a state park consisting primarily of an underground iron ore mine; (3) a city located within five miles of that state park; and (4) Breitung Township in St. Louis County, each being referred to in this section as a qualifying municipality. The distribution to Breitung Township under this subdivision shall be ~~\$15,000~~ \$25,000 annually.

(b) The amount deposited in the state general fund as provided in section 298.018, subdivision 1, must be distributed in the same manner as provided under paragraph (a), except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the dates provided under section 298.018, subdivision 1a.

EFFECTIVE DATE. This section is effective beginning with the 2024 distribution.

Sec. 8. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

Subd. 2. **Use of money.** (a) 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, including bonds authorized by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

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

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

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized

in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner, after consultation with the advisory board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

(b) Money from the trust fund shall be expended only in ~~or for the benefit of~~ the taconite assistance area defined in section 273.1341.

(c) Money devoted to the trust fund under this section shall not be expended, appropriated, or transferred from the trust fund for any purpose except as provided in this section.

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

Sec. 9. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;
BONDS AUTHORIZED IN 2024.**

Subdivision 1. Issuance; purpose. (a) Notwithstanding any provision of Minnesota Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and rehabilitation shall, in 2024, issue revenue bonds in a principal amount of up to \$49,000,000 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs of issuance and to make distributions pursuant this section. The commissioner of Iron Range resources and rehabilitation must distribute these transferred funds as outlined in this section. In order to receive a distribution, a recipient must submit to the commissioner a plan of how the distribution will be spent and the commissioner must ensure that the plan matches the intended use outlined in this section. The plan must be submitted in a form and manner determined by the commissioner. The uses listed are not subject to review or recommendation by the Iron Range Resources and Rehabilitation Board. By December 31, 2025, each recipient must report to the commissioner how the distribution received under this section was spent. If a recipient's plan is submitted and approved, the commissioner must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this section do not constitute public debt as that term is defined in article XI, section 4 of the Minnesota Constitution, and as such are not subject to its provisions.

(b) Funds under this section are available for four years from the date the bonds are issued. Any unexpended funds after that date cancel to the taconite environmental fund under Minnesota Statutes, section 298.28, subdivision 9b.

Subd. 2. Appropriation. (a) There is annually appropriated from the distribution of the taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,

prior to the calculation of any amount remaining, an amount sufficient to pay when due the principal and interest on the bonds issued pursuant to subdivision 1.

(b) If in any year the amount available under paragraph (a) is insufficient to pay principal and interest due on the bonds in that year, an additional amount is appropriated from the Douglas J. Johnson economic protection trust fund to make up the deficiency.

(c) The appropriation under this subdivision terminates upon payment or maturity of the last of the bonds issued under this section.

Subd. 3. **Grants.** (a) The commissioner of Iron Range resources and rehabilitation must distribute funds available for distribution under subdivision 1 for the following uses:

(1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a playground;

(2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

(3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and construction of a new fire and training hall and related equipment;

(4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur Country ATV in the city of Orr;

(5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to construct, furnish, and equip a solid waste transfer station in the county;

(6) \$1,200,000 to the Northland Learning Center for construction costs;

(7) \$2,720,000 to the city of Chisholm, of which \$520,000 must be used for the renovation of the Chisholm Ice Arena facility and parking and the remaining amount must be used for the public safety works;

(8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

(9) \$360,000 to the city of Biwabik for housing infrastructure;

(10) \$3,000,000 to the city of Tower for water management infrastructure projects;

(11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct publicly owned infrastructure including sewers, water systems, utility extensions, street construction, wastewater treatment, stormwater management systems, sidewalks, and compliance with the Americans with Disabilities Act;

- 9.1 (12) \$2,275,000 to St. Louis County for the development of the Canyon Integrated Solid
9.2 Waste Management Campus;
- 9.3 (13) \$4,000,000 to the city of Eveleth to design, engineer, and construct public utilities
9.4 in its business park and construction of the Hat Trick Avenue slip ramp;
- 9.5 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and
9.6 a community center;
- 9.7 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must
9.8 be used for septic system upgrades at South Ridge School and \$200,000 must be used for
9.9 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School
9.10 in Tower;
- 9.11 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and
9.12 Trail restoration;
- 9.13 (17) \$720,000 to the Central Iron Range Sanitary Sewer District for infrastructure
9.14 projects;
- 9.15 (18) \$5,240,000 to the Minnesota Discovery Center to design, construct, renovate,
9.16 furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with
9.17 the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of
9.18 Chisholm, and for historical research funding;
- 9.19 (19) \$4,200,000 to the commissioner of Iron Range resources and rehabilitation for the
9.20 design, engineering, and upgrades or replacement of chair lifts and for the design,
9.21 engineering, demolition, and construction of a nordic and welcome center at the Giants
9.22 Ridge Recreation Area;
- 9.23 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;
- 9.24 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;
- 9.25 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial
9.26 drivers' licenses and trades training to the region along with educational training and academic
9.27 support to remote populations;
- 9.28 (23) \$200,000 to Save Our Ship, Inc. for renovation costs;
- 9.29 (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;
- 9.30 (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the
9.31 building of a triplex that is compliant with the Americans with Disabilities Act;

- 10.1 (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;
- 10.2 (27) \$500,000 to the Great Expectations School Foundation in Cook County for school
10.3 facilities construction;
- 10.4 (28) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,
10.5 purchase land, and develop the Sportsman Training and Development Center;
- 10.6 (29) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and
10.7 hydrology study of the lakes, for regulatory and community outreach, and for preparing
10.8 recommendations to the commissioner of natural resources related to bank stabilization and
10.9 maintenance;
- 10.10 (30) \$300,000 to the Northern Lights Music Festival to support programs, of this amount
10.11 \$100,000 is available each year in calendar years 2025, 2026, and 2027;
- 10.12 (31) \$250,000 to Cherry Township for recreational facilities upgrades and lights;
- 10.13 (32) \$350,000 to the East Range Developmental Achievement Center for building
10.14 renovations;
- 10.15 (33) \$500,000 to the Northland Foundation for grants or loans to (i) businesses or resorts
10.16 that were economically damaged by floods that occurred in 2022 or 2023 and which are
10.17 eligible under article 5 of the Canadian border counties economic relief program, or (ii)
10.18 outfitters in the border region who experienced either more than a 50 percent reduction in
10.19 Boundary Waters Canoe Area Wilderness permits obtained by their customers between
10.20 2019 and 2021, or a 50 percent reduction between 2019 and 2021 in trips across the fee-based
10.21 mechanical portages into the Boundary Waters Canoe Area Wilderness or Quetico Provincial
10.22 Park. Businesses may be awarded a maximum grant under this clause of up to \$50,000,
10.23 must be located within the taconite assistance area, as defined under Minnesota Statutes,
10.24 section 273.1341, and must not have received a grant under the Canadian border counties
10.25 economic relief program. The Northland Foundation may retain up to four percent of the
10.26 amount under this clause for administration;
- 10.27 (34) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson
10.28 Community Center;
- 10.29 (35) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility
10.30 upgrades and programs;
- 10.31 (36) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;

- 11.1 (37) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility
11.2 and its displays in Tower;
- 11.3 (38) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;
- 11.4 (39) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;
- 11.5 (40) \$3,775,000 to the commissioner of Iron Range resources and rehabilitation to create
11.6 a mountain bike system in northern St. Louis County;
- 11.7 (41) \$150,000 to the Lake Superior School District to support an emergency preparedness
11.8 career introduction program; and
- 11.9 (42) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).
- 11.10 (b) Of the amount under paragraph (a), clause (42), grants of \$25,000 to be used for trail
11.11 grooming costs or equipment must be made available to the following entities:
- 11.12 (1) Alborn Dirt Devils ATV Club;
- 11.13 (2) Wild Country ATV Club;
- 11.14 (3) Ely Igloo Snowmobile Club;
- 11.15 (4) CC Riders Snowmobile Club;
- 11.16 (5) PathBlazers Snowmobile Club;
- 11.17 (6) Cook Timberwolves Snowmobile Club;
- 11.18 (7) Crane Lake Voyageurs Club;
- 11.19 (8) Pequaywan Area Trail Blazers Snowmobile Club;
- 11.20 (9) Eveleth Trail Hawks Snowmobile Club;
- 11.21 (10) Ranger Snowmobile/ATV Club;
- 11.22 (11) Silver Trail Riders Snowmobile and ATV Club;
- 11.23 (12) Voyageur Snowmobile Club;
- 11.24 (13) Mesabi Sno Voyageurs;
- 11.25 (14) Quad Cities ATV Club;
- 11.26 (15) Prospector ATV Club;
- 11.27 (16) Northern Traxx ATV Club;
- 11.28 (17) Finland Snowmobile and ATV Club;

12.1 (18) Babbitt ATV and Snowmobile Club;

12.2 (19) Cook County ATV Club; and

12.3 (20) Vermilion Penguins Snowmobile Club.

12.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
12.5 applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.

12.6 Sec. 10. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**
12.7 **BONDS AUTHORIZED IN 2025.**

12.8 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota
12.9 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
12.10 rehabilitation shall, in 2025, issue revenue bonds in a principal amount of up to \$30,500,000
12.11 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may
12.12 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs
12.13 of issuance and to make distributions pursuant to this section. The commissioner of Iron
12.14 Range resources and rehabilitation must distribute these transferred funds as outlined in
12.15 this section. In order to receive a distribution, a recipient must submit to the commissioner
12.16 a plan of how the distribution will be spent and the commissioner must ensure that the plan
12.17 matches the intended use outlined in this section. The plan must be submitted in a form and
12.18 manner determined by the commissioner. The uses listed are not subject to review or
12.19 recommendation by the Iron Range Resources and Rehabilitation Board. By December 31,
12.20 2026, each recipient must report to the commissioner how the distribution received under
12.21 this section was spent. If a recipient's plan is submitted and approved, the commissioner
12.22 must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this
12.23 section do not constitute public debt as that term is defined in Article XI, section 4 of the
12.24 Minnesota Constitution, and as such are not subject to its provisions.

12.25 (b) Funds under this section are available for four years from the date the bonds are
12.26 issued. Any unexpended funds after that date cancel to the taconite environmental fund
12.27 under Minnesota Statutes, section 298.28, subdivision 9b.

12.28 Subd. 2. **Appropriation.** (a) There is annually appropriated from the distribution of the
12.29 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,
12.30 prior to the calculation of any amount remaining, an amount sufficient to pay when due the
12.31 principal and interest on the bonds issued pursuant to subdivision 1.

(b) If in any year the amount available under paragraph (a) is insufficient to pay principal and interest due on the bonds in that year, an additional amount is appropriated from the Douglas J. Johnson economic protection trust fund to make up the deficiency.

(c) The appropriation under this subdivision terminates upon payment or maturity of the last of the bonds issued under this section.

Subd. 3. **Grants.** The commissioner of Iron Range resources and rehabilitation must distribute funds available for distribution under subdivision 1 for the following uses:

(1) \$5,000,000 to the Minnesota Discovery Center to design, construct, renovate, furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research funding;

(2) \$5,800,000 to the commissioner of Iron Range resources and rehabilitation for the design, engineering, and upgrades or replacement of chair lifts and for the design, engineering, demolition, and construction of a nordic and welcome center at the Giants Ridge Recreation Area;

(3) \$600,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

(4) \$700,000 to the city of Eveleth to design, engineer, and construct public utilities in the city of Eveleth's business park and construction of the Hat Trick Avenue slip ramp;

(5) \$1,200,000 to Independent School District No. 2909, Rock Ridge, for demolition of the James Madison Elementary School in Virginia;

(6) \$500,000 to the city of Buhl for infrastructure projects;

(7) \$2,300,000 to St. Louis and Lake Counties Regional Railroad Authority to design, engineer, acquire right-of-way, and construct the Mesabi Trail Spur from Aurora to Hoyt Lakes;

(8) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not limited to Enterprise Drive North East infrastructure development, water main and other infrastructure in the city, waste water plant improvements to comply with new permits, supervisory control and data acquisition on lift stations, and recreation projects;

(9) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct publicly owned infrastructure including sewers, water systems, utility extensions, street construction, wastewater treatment, stormwater management systems, sidewalks, and compliance with the Americans with Disabilities Act;

(10) \$5,000,000 to Independent School District No. 696, Ely, for planning, design, engineering, demolition, and construction related to the district's athletic complex;

(11) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning Center on the campus in the city of Mountain Iron;

(12) \$1,000,000 for the city of Biwabik for a public safety facility;

(13) \$1,820,000 to Hibbing Public Utilities for water infrastructure projects; and

(14) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes.

EFFECTIVE DATE. This section is effective the day following final enactment and applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.

Sec. 11. TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC DEVELOPMENT FUND.

Of the funds distributed to the taconite economic development fund under Minnesota Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to \$300,000 shall be transferred from the taconite economic development fund to the city of Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made within ten days of the August 2024 payment. If less than \$300,000 is distributed to the taconite economic development fund in 2024, distributions to the fund in future years must be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount transferred equals \$300,000.

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