

treasurer, upon certificate of the commissioner of taxation to the general fund of the state and to the various taxing districts in which the lands from which the taconite was mined or quarried were located in the following proportions: 22 percent thereof to the city, village, or town; 50 percent thereof to the school district; 22 percent thereof to the county; six percent thereof to the state. If the mining and concentration, or different steps in *either thereof* are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities, villages or towns among such subdivisions, and the part going to school districts among such districts, and the part going to counties among such counties, upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, 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 such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the board of tax appeals at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner. The amount so distributed shall be divided among the various funds of the state, or of the taxing districts in the same proportion as the general ad valorem tax thereof. If in any year the state shall not spread any general ad valorem tax levy against real property, the state's proportion of the tax shall be paid into the general revenue fund. *The amount distributed to any city, village or school district under the provisions hereof shall not be included in computing the permissible levies of such city, village or school district under Minnesota Statutes 1953, Sections 275.11 or 275.12, so long as such levies are based upon a population not exceeding the population used as the basis for spreading the tax levy in the year 1954. In the event that as the result of taking any census the population basis for computing the limit of levies under said sections is increased above the population used as a basis for spreading the tax levy in the year 1954, or in the event that the basis of either section 275.11 or 275.12 is changed to a basis other than population, the amount of tax distributed pursuant hereto shall be included in computing the permissible levies under either of said sections.*

Approved April 22, 1955.

CHAPTER 729—H. F. No. 1775

An act relating to the taxation of taconite and iron sulphides; amending Minnesota Statutes 1953, Section 298.25.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Minnesota Statutes 1953, Section 298.25, is amended to read :

298.25 Tax is additional. Such tax shall be in addition to the occupation tax imposed upon the business of mining and producing iron ore and in addition to the royalty tax imposed upon royalties received for permission to mine and produce iron ore. Except as herein otherwise provided, it shall be in lieu of all other taxes upon such taconite and iron sulphides, or the lands in which they are contained, or upon the mining or quarrying thereof, or the production of concentrate therefrom, or upon the concentrate produced, or upon the machinery, equipment, tools, supplies and buildings used in such mining, quarrying or production. *If electric or steam power for the mining, transportation or concentration of such taconite or the concentrates produced therefrom is generated in plants principally devoted to the generation of power for such purposes, the plants in which such power is generated and all machinery, equipment, tools, supplies, transmission and distribution lines used in the generation and distribution of such power, shall be considered to be machinery, equipment, tools, supplies and buildings used in the mining, quarrying or production of taconite and taconite concentrates within the meaning of this section. If part of the power generated in such a plant is used for purposes other than the mining or concentration of taconite or the transportation or loading of taconite or the concentrates thereof, a proportionate share of the value of such generating facilities, equal to the proportion that the power used for such other purpose bears to the whole amount of power generated therein, shall be subject to the general property tax in the same manner as other property; provided, power generated in such a plant and exchanged for an equivalent amount of power which is used for the mining, transportation or concentration of such taconite or concentrates produced therefrom, shall be considered as used for such purposes within the meaning of this section.* Nothing herein shall prevent the assessment and taxation of the surface of such lands at the value thereof without regard to the taconite or iron sulphides therein, nor the assessment and taxation of merchantable iron ore or other minerals, or iron-bearing materials other than taconite or iron sulphides in such lands in the manner provided by law, nor the assessment and taxation of facilities used in producing sulphur or sulphur products from iron sulphide concentrates, or in refining such sulphur products, under the general property tax laws. *Nothing herein shall except from general taxation or from taxation as provided by other laws any*

property used for residential or townsite purposes, including utility services thereto.

Approved April 22, 1955.

CHAPTER 730—H. F. No. 1776

[Coded]

An act relating to the taxation of taconite railroads and the distribution of the proceeds of such taxes; and providing penalties for the violation thereof.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. [294.21] **Taconite railroad company.** For the purposes of this act a taconite railroad company is any company owning or operating, other than as a common carrier, a railway principally used for the transportation of taconite concentrates from the plant at which such taconite concentrates are produced in shipping form to a point of consumption or port for shipment beyond the state.

Sec. 2. [294.22] **Gross earnings tax.** Every company owning or operating any taconite railroad shall pay annually into the state treasury a sum of money equal to five percent of the gross earnings derived from the operation of such taconite railway within the state. The gross earnings of such a taconite railroad company from the transportation of taconite concentrates from the Mesabi Range to ports on Lake Superior, for all purposes hereof, shall be a sum of money equal to the amount which would be charged under established tariffs of common carriers for the transportation of an equal tonnage of iron ore from Mesabi Range points to ports at the head of Lake Superior, including the established charges for loading such ore on boats. For all purposes of Minnesota Statutes 1953, Chapter 298 the amount of the gross earnings as so calculated shall be treated as the cost of transportation of such concentrates between such points. If such a taconite railroad company transports coal or any other commodity, except taconite concentrates, its gross earnings shall include an amount equal to the established tariffs of common carriers for the transportation of the same quantities of similar commodities for corresponding distances, not, however, including any such charges for any such commodities used or intended to be used in the construction, operation or maintenance of such railroad.

Sec. 3. [294.23] **Companies liable for tax.** If a company producing concentrates from taconite shall transport the taconite in the course of the concentrating process and be-