

years. Of the amounts appropriated, at least \$72,500 shall be made available for scholarships in each of the fiscal years.

Approved July 2, 1959.

---

EXTRA SESSION  
CHAPTER 81—H. F. No. 26

[Coded]

*An act relating to the taxation of semi-taconite, semi-taconite deposits and semi-taconite beneficiation facilities as defined herein, the mining, quarrying and beneficiation thereof, providing methods of collecting and distributing such tax, and penalties for the violation thereof.*

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

Section 1. [298.34] **Semi-taconite, taxation; definitions.** *Subdivision 1. For the purposes of this act, "semi-taconite" is defined as altered iron formation, altered taconite, ferruginous chert or ferruginous slate which has been oxidized and partially leached and in which the iron oxide is so finely disseminated that substantially all of the iron-bearing particles of merchantable grade are smaller than 20 mesh and which is not merchantable as iron ore in its natural state, and which cannot be made merchantable by simple methods of beneficiation involving only crushing, screening, washing, jigging, heavy media separation, spirals, cyclones, drying or any combination thereof.*

*Subd. 2. For the purposes of this act, a "semi-taconite deposit" is a deposit of altered iron formation, altered taconite, composites of iron-bearing and other minerals that exist either in mass as altered iron formation, or as intermingled masses of altered iron formation and other iron-bearing materials, from which, and in accordance with good mining practice, the concentrates or equivalent must be produced in an operation involving the beneficiation of the semi-taconite. Such deposits include stockpiles of semi-taconite. They also include rejects or tailings that in themselves are of semi-taconite type (as defined in subdivision 1), produced from mining or beneficiation operations. Not included is any separable portion of merchantable iron-bearing material if this separable portion is of such size and so situated that in accordance with good practice it can be mined and shipped. Also not included is any separable portion of iron-bearing material that can be made*

merchantable by simple methods of beneficiation (as defined in subdivision 1), if this separable portion is of such size and so situated that in accordance with good practice it can be mined, beneficiated, and shipped in a separate commercial operation.

Subd. 3. For the purposes of this act, a semi-taconite facility is: (a) a beneficiating plant or a section or part thereof used solely in the process of beneficiating semi-taconite, including buildings, machinery, tools, equipment and supplies used in connection therewith; (b) machinery, tools, equipment and supplies used solely in the mining of semi-taconite or semi-taconite deposit; (c) in the case of a part or section of a mining or beneficiating facility or buildings, machinery, tools, equipment or supplies used to a substantial extent, but not solely, in the mining or beneficiating of semi-taconite or a semi-taconite deposit, such proportionate part of the valuation of the part of the facility or the buildings, machinery, tools, equipment or supplies that the use for mining or beneficiation of semi-taconite or semi-taconite deposit bears to the whole use thereof shall be considered a semi-taconite mining or beneficiation facility, and the remaining proportionate part shall remain subject to taxation in the same manner as other property, such proportion to be determined, and redetermined from time to time, by the commissioner of taxation upon application of the assessing officer or the owner of such facility.

Subd. 4. The term "taconite" is used herein as defined in Minnesota Statutes 1957, Section 298.23.

Sec. 2. [298.35] Imposition of tax; amount. There is hereby imposed upon semi-taconite and semi-taconite deposits, and upon the mining and quarrying thereof, and upon the production of concentrate or equivalent therefrom, and upon the concentrate or equivalent so produced, a tax of (a) in the case of concentrates agglomerated or sintered in Minnesota or to be agglomerated or sintered in Minnesota, five cents per gross ton of merchantable concentrate as produced therefrom, plus one-tenth of one cent per gross ton for each one percent that the iron content of such product exceeds 55 percent, when dried at 212 degrees Fahrenheit, or (b) in the case of all other concentrates or equivalent ten cents per gross ton of merchantable concentrate or equivalent as produced therefrom, plus one-tenth of one cent per gross ton for each one-half percent that the iron content of such product exceeds 55 percent, when dried at 212 degrees Fahrenheit. If any part of the ore materials from a semi-taconite deposit, beneficiated in connection with or incidental to the beneficiation of semi-taconite therefrom, is made merchantable by simple methods

*of beneficiation referred to in section 1, the tax hereunder upon the portion of merchantable concentrates so beneficiated shall be at the rate of ten cents per gross ton plus one-tenth of one cent per gross ton for each one-half of one percent that the iron content of such product exceeds 55 percent, when dried at 212 degrees Fahrenheit.*

**Sec. 3. [298.36] Nature of tax.** *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 semi-taconite and semi-taconite deposits, or the lands in which contained, or upon the mining or quarrying thereof, or the production of concentrates therefrom, or upon the concentrate produced, or upon semi-taconite mining and beneficiation facilities used in connection therewith, or upon the lands occupied by such semi-taconite mining or beneficiation facilities. If electric or steam power for the mining, transportation or concentration of such semi-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 semi-taconite and semi-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 semi-taconite or the transportation or loading of semi-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 semi-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 reserve land containing semi-taconite and not occupied by such facilities or used solely in connection therewith at the value thereof without regard to the semi-taconite therein, nor the assessment and taxation of merchantable iron ore or other minerals, or iron-bearing materials other than semi-taconite 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.

**Sec. 4. [298.37] Assessment at mill rate.** *In any year in which at least 1,000 tons of iron ore concentrate is not produced from any 40-acre tract or governmental lot containing semi-taconite, a tax may be assessed upon the semi-taconite therein at the mill rate prevailing in the taxing district and spread against the assessed value of the semi-taconite; such assessed value shall not exceed the greater of: (a) the assessed value specifically assigned to the semi-taconite material in said land in the assessment for the year 1958, or, (b) an amount sufficient to yield a tax of \$1 per acre less the amount of any tax assessed against such land under the authority of Minnesota Statutes 1957, Section 298.26.*

**Sec. 5. [298.38] Payment and collection; applicability of occupation tax provisions.** *The tax provided in section 2 shall be collected and paid in the same manner and at the same time as provided by law for the payment of the occupation tax. Reports shall be made and hearings held upon the determination of the tax at the same times and in the same manner as provided by law for the occupation tax. The commissioner of taxation shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such regulations may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment, determination, and collection of the occupation tax, including all provisions for penalties and for appeals from or review of the orders of the commissioner of taxation relative thereto, are hereby made applicable to the tax imposed by section 2, except insofar as inconsistent herewith.*

**Sec. 6. [298.39] Distribution of proceeds.** *The proceeds of the tax collected under section 2 shall be distributed by the state 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 semi-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 semi-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 be included in computing the permissible levies of such city, village or school district under Minnesota Statutes 1957, Sections 275.11 or 275.12, but shall not be included in computing mill rate limitations, including cost of living adjustments thereof, so long as the levies do not exceed the limitations provided by said sections 275.11 or 275.12.*

Approved July 2, 1959.

---

EXTRA SESSION  
CHAPTER 82—S. F. No. 42

[Not Coded]

*An act providing for interim commissions and committees of the legislature and the respective branches thereof, prescribing their membership, powers, duties, and jurisdiction, appropriating money therefor, and permitting certain state officers and agencies to act in connection therewith.*

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

Section 1. Subdivision 1. Commissions of the legislature to study, investigate, and consider governmental and