

CHAPTER 1156—H. F. No. 3083

[Coded in Part]

An act relating to taxation; providing for the taxation of taconite, and iron sulphides; reducing the taxation of certain homestead property; establishing a taconite property tax relief fund; appropriating money; amending Minnesota Statutes 1967, Sections 298.24, and 298.28.

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

Section 1. Minnesota Statutes 1967, Section 298.24, is amended to read:

298.24 Taxation; taconite and iron sulphides. *Subdivision 1.* There is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of ~~five~~ *11.5* cents per gross ton of merchantable iron ore 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.

Subd. 2. If the index of Wholesale Prices for All Commodities prepared for the Joint Economic Committee by the Council of Economic Advisers and distributed by the Superintendent of Documents, Government Printing Office, as of January of any year shall be above 110, using the average for the years 1957–1959 as the base of 100, the amount of the tax prescribed by subdivision 1 for such year shall be increased by one-tenth of one cent per gross ton for each point increase in said index above 110. For all purposes of this computation, a fractional point increase shall be disregarded if less than one-half point and treated as one full point, if one-half point or more.

Subd. 3. A credit in the amount of two cents per gross ton of merchantable iron ore concentrate produced shall be allowed against the tax imposed by subdivision 1, with respect to the production of iron ore concentrate from taconite plants which, together with the lands upon which they are located and lands used in connection with the mining, quarrying and concentration of taconite and buildings, machinery, equipment and other fixtures used in the production of taconite, and notwithstanding the provisions of section 298.25, have heretofore by law been made subject to direct taxes for the payment of principal and interest on bonds issued by a school district, city or village; provided however, that the total amount of credit allowable hereunder with respect to production from any plant heretofore subjected to such direct taxes shall not exceed the amount of the direct

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taxes levied against such plant and payable after January 1, 1969, and until said bonds and the indebtedness secured thereby have been paid in full; and provided further that no credit shall be allowed hereunder after December 31, 1978. Any credit provided for herein shall reduce the credit authorized under Laws 1965, Chapter 735.

Sec. 2. Minnesota Statutes 1967, Section 298.28, is amended to read:

298.28 Division of proceeds. *Subdivision 1.* The proceeds of the tax collected under section 298.24 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 taconite was mined or quarried were located in the following *manner and proportions*: ~~22~~ *11-1/2* percent thereof to the city, village or town; ~~50~~ *27* percent thereof to the school district; ~~22~~ *11-1/2* percent thereof to the county; ~~six~~ *three* percent thereof to the state *and 47 percent thereof to the taconite property tax relief account in the apportionment fund in the state treasury.* If the mining, *quarrying*, 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~~ *and* towns among such subdivisions *as provided above*, 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 tax court 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, Sections 275.11 or 275.12, provided, in computing the deduction from permissible levies of cities or villages by reason hereof effect shall be given to the cost of living adjustment allowed by section 275.11, subdivision 2, regardless of whether or not more than ~~50~~ *25* percent of the assessed valuation consists of iron ore. On or before October 10 of each calendar year

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each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of taxation and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or village which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in such next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of taxation. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing, pursuant to Minnesota Statutes, Sections 275.11 or 275.12, the permissible tax levy of such city, village or school district in the year in which such estimate is made, and payable in the next ensuing calendar year. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 294.25, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of taxation pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of taxation, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.11 or 275.12 has been made, if the taxes distributable to any such city, village or school district are greater than the amount estimated to be paid to any such city, village or school district in such year, the excess of such distribution shall be held in a special fund by the city, village or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies

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under sections 275.11 or 275.12 of such city, village or school district payable in such year. If the amounts distributable to any such city, village or school district, after final determination by the commissioner of taxation under section 298.28 are less than the amounts indicated by such estimates, such city, village or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.11 or 275.12 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby appropriated to such taxing districts as are stated herein *and to the taconite property tax relief account in the apportionment fund in the state treasury*, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer.

Subd. 2. In distributing the proceeds of the tax collected under section 298.24, the commissioner of taxation shall deduct the amount of any credits authorized under subdivision 3 of section 298.24, against the tax imposed under subdivision 1 of said section, from the amount which would otherwise have been distributed to the taconite property tax relief account in the apportionment fund in the state treasury under subdivision 1 of this section.

Subd. 3. Nothing in this section shall be deemed to apply to the distribution of taxes under Minnesota Statutes, Section 298.64.

Sec. 3. [6.43] Taconite property tax relief fund; creation; function. *A taconite property tax relief account in the apportionment fund in the state treasury is hereby created in the state treasury by the state auditor. All funds made available from any sources to be deposited in the state treasury to the credit of such account shall be deposited therein. All moneys to be paid from such account pursuant to the provisions of this act or any other law are hereby appropriated annually from said account for the purpose for which payment is to be made.*

Sec. 4. [273.134] Taconite and iron ore areas; tax relief area; definitions. *For purposes of this section and section 5, "municipality" means a city, village or town, and the applicable assessment date is the date as of which property is listed and assessed for the tax in question.*

For the purposes of section 5, "tax relief area" means the geographic area contained, as of the effective date of this act, within the boundaries of a municipality which meets all of the following qualifications:

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(1) *it is a municipality in which the assessed valuation of unmined iron ore on May 1, 1941, was not less than 40 percent of the assessed valuation of all real property;*

(2) *it is a municipality in which, as of the applicable assessment date, the assessed valuation of unmined iron ore is not more than 40 percent of the assessed valuation of all real property; and*

(3) *it is a municipality in which, as of the applicable assessment date, there is no taconite concentrating plant.*

Sec. 5. [273.135] Homestead property tax relief. *Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area on class 3b property not exceeding 80 acres, on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the adjusted market value of the property, for all purposes except the payment of principal or interest on bonded indebtedness, shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained in subdivision 3.*

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be:

(a) *27 percent of the amount of such tax, if the assessed valuation of unmined iron ore within the tax relief area where the property is taxable constitutes ten percent, or less, of the assessed valuation of all real property within such area;*

(b) *22 percent of the amount of such tax, if the assessed valuation of unmined iron ore within the tax relief area where the property is taxable constitutes more than ten percent but not over 20 percent of the assessed valuation of all real property within such area;*

(c) *17 percent of the amount of such tax, if the assessed valuation of unmined iron ore within the tax relief area where the property is taxable constitutes more than 20 percent but not over 40 percent of the assessed valuation of all real property within such area.*

Subd. 3. The amount of the reduction in property taxes authorized in subdivision 1 and prescribed in subdivision 2 shall, in no event, exceed \$190. The amount of the reduction in taxes prescribed in subdivision 2 with respect to taxes levied in the year 1968, payable in 1969 and subsequent years shall, in no event, exceed an amount determined by applying the applicable percentage reduction as of the applicable assessment date to the amount of taxes levied and assessed against the property in the year 1968. With respect to property which in 1968 was not assessed within the classes specified in subdivision 1

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but which is thereafter so classified, the amount of the reduction for the applicable assessment date shall be determined by applying the applicable percentage specified in subdivision 2 to an amount equal to the amount of the taxes which would have been levied and assessed against such property had it been so classified in 1968.

Subd. 4. Not later than December 31 of each year, commencing in 1969, each county auditor having jurisdiction over one or more tax relief areas shall certify to the state auditor his estimate of the total amount of the reduction, determined under subdivision 2 and subdivision 3, in taxes payable the next succeeding year with respect to all tax relief areas in his county. Determination of the percentage of reduction in property taxes applicable to each tax relief area in accordance with subdivision 2 shall be made by the county auditor and shall be based upon the average of the ratio of the assessed valuation of iron ore to the assessed valuation of all real property in the tax relief area for the year in which the determination is made and for the two calendar years immediately preceding the same.

Subd. 5. If it appears from the reports required to be filed with the commissioner of taxation on or before October 10 of each calendar year by producers of taconite and iron sulphides under Minnesota Statutes, Section 298.28, that the balance in the taconite tax relief account in the apportionment fund in the state treasury on June 1 of the next succeeding year will be less than the total amount of the reduction in property taxes payable in that year in all tax relief areas as certified by the county auditors, the amount of the estimated reductions in property taxes shall be reduced proportionately to the extent necessary to make the total amount of all such reductions equal to the estimated balance in the account as of June 1. The state auditor shall notify the respective county auditors not later than January 31 of any proportionate reduction which will be necessary in order to comply with this subdivision.

Subd. 6. For the purposes of this section, the amount of property tax to be paid shall be determined before the allowance of any reduction prescribed by Minnesota Statutes, Section 273.13, and the reduction prescribed by this section shall be in addition to that prescribed by section 273.13.

Sec. 6. [273.136] Taconite property tax relief fund; replacement of revenue. *Subdivision 1. Payment from the taconite property tax relief account shall be made as provided herein for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in section 5.*

Subd. 2. Each county auditor having jurisdiction over one or

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more tax relief areas shall certify, not later than May 1 of each year commencing in 1970, to the state auditor the amount of the reduction for such year resulting from section 5 in his county.

Subd. 3. The state auditor shall pay out of the taconite property tax relief account to each county treasurer one half of the amount certified under subdivision 2 not later than June 15 and the remaining half not later than November 15 of each year commencing in 1970.

Subd. 4. The county treasurer shall distribute the funds received by him under subdivision 3 as if they had been collected as a part of the property tax reduced by section 5.

Sec. 7. [273.137] Property tax statements. *Each property tax statement mailed pursuant to Minnesota Statutes, Section 276.04, to a taxpayer whose real property tax is reduced pursuant to this act shall contain a statement of the amount of such reduction in dollars and shall identify the reduction as being "taconite tax relief."*

Sec. 8. Nonseverability. *The provisions of this act are not severable. If any one or more of them is found to be unconstitutional and void, the remaining provisions shall also be void.*

Sec. 9. Effective date. *Sections 1 and 2 apply to taxes paid for 1969 and subsequent years. Section 5 applies to taxes levied in 1969 and subsequent years.*

Approved May 31, 1969.

CHAPTER 1157—H. F. No. 897

An act relating to the aging; amending Minnesota Statutes 1967, Section 256.01, Subdivision 7.

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

Section 1. Minnesota Statutes 1967, Section 256.01, Subdivision 7, is amended to read:

Subd. 7. Public welfare; consultant on aging. *The commissioner of public welfare may appoint ~~and fix the salary of~~ a special consultant on aging in the ~~unclassified~~ *classified* service. Within the limits of appropriations available therefor, the commissioner may appoint such other employees in the classified service as he deems necessary to carry out the purposes of Laws 1961, Chapter 466. Such*

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