

## CHAPTER 298

### MINERALS TAXES

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#### 298.018 DISTRIBUTION OF PROCEEDS.

Subdivision 1. **Within the taconite assistance area.** The proceeds of the tax paid under sections 298.015 to 298.017 on minerals and energy resources mined or extracted within the taconite assistance area defined in section 273.1341, shall be allocated as follows:

- (1) five percent to the city or town within which the minerals or energy resources are mined or extracted;
- (2) ten percent to the taconite municipal aid account to be distributed as provided in section 298.282;
- (3) ten percent to the school district within which the minerals or energy resources are mined or extracted;
- (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) 20 percent to the county within which the minerals or energy resources are mined or extracted;
- (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;
- (7) five percent to the Iron Range Resources and Rehabilitation Board for the purposes of section 298.22;
- (8) five percent to the Douglas J. Johnson economic protection trust fund; and
- (9) five percent to the taconite environmental protection fund.

The proceeds of the tax shall be distributed on July 15 each year.

Subd. 2. **Outside the taconite assistance area.** The proceeds of the tax paid under sections 298.015 to 298.017 on minerals and energy resources mined or extracted outside of the taconite assistance area defined in section 273.1341, shall be deposited in the general fund.

**History:** 2003 c 127 art 11 s 12; 1Sp2003 c 21 art 11 s 14,15

#### 298.22 IRON RANGE RESOURCES AND REHABILITATION.

*[For text of subd 1, see M.S.2002]*

Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby created the Iron Range Resources and Rehabilitation Board, consisting of 13 members, five of

whom are state senators appointed by the Subcommittee on Committees of the Rules Committee of the senate, and five of whom are representatives, appointed by the speaker of the house of representatives. The remaining members shall be appointed one each by the senate majority leader, the speaker of the house of representatives, and the governor and must be nonlegislators who reside in a taconite assistance area as defined in section 273.1341. The members shall be appointed in January of every odd-numbered year, except that the initial nonlegislator members shall be appointed by July 1, 1999, and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a taconite assistance area as defined in section 273.1341. All expenditures and projects made by the commissioner of Iron Range resources and rehabilitation shall be consistent with the priorities established in subdivision 8 and shall first be submitted to the Iron Range Resources and Rehabilitation Board for approval by a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even-numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section.

*[For text of subs. 3 to 7, see M.S.2002]*

**Subd. 8. Spending priority.** In making or approving any expenditures on programs or projects, the commissioner and the board shall give the highest priority to programs and projects that target relief to those areas of the taconite assistance area as defined in section 273.1341, that have the largest percentages of job losses and population losses directly attributable to the economic downturn in the taconite industry since the 1980s. The commissioner and the board shall compare the 1980 population and employment figures with the 2000 population and employment figures, and shall specifically consider the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company, in making or approving expenditures consistent with this subdivision, as well as the areas of residence of persons who suffered job loss for which relief is to be targeted under this subdivision. This subdivision supersedes any other conflicting provisions of law and does not preclude the commissioner and the board from making expenditures for programs and projects in other areas.

*[For text of subd. 9, see M.S.2002]*

**History:** 1Sp2003 c 21 art 11 s 16,17

## **298.2211 FINANCING ACTIVITIES.**

**Subdivision 1. Purpose; grant of authority.** In order to accomplish the legislative purposes specified in sections 469.142 to 469.165 and chapter 462C, within the taconite assistance area as defined in section 273.1341, the commissioner of Iron Range Resources and Rehabilitation may exercise the following powers: (1) all powers conferred upon a rural development financing authority under sections 469.142 to 469.149; (2) all powers conferred upon a city under chapter 462C; (3) all powers conferred upon a municipality or a redevelopment agency under sections 469.152 to 469.165; (4) all powers provided by sections 469.142 to 469.151 to further any of the purposes and objectives of chapter 462C and sections 469.152 to 469.165; (5) apply for, borrow, receive, and expend grant and loan money made available from federal sources and from federally funded programs; and (6) all powers conferred upon a municipality or an authority under sections 469.174 to 469.177, 469.178, except subdivision 2 thereof, and 469.179, subject to compliance with the provisions of section 469.175, subdivisions 1, 2, and 3; provided that any tax increments derived by the commissioner from the exercise of this authority may be used only to finance or pay premiums or fees for insurance, letters of credit, or other contracts guaranteeing the payment when due of

net rentals under a project lease or the payment of principal and interest due on or repurchase of bonds issued to finance a project or program, to accumulate and maintain reserves securing the payment when due on bonds issued to finance a project or program, or to provide an interest rate reduction program pursuant to section 469.012, subdivision 7. Tax increments and earnings thereon remaining in any bond reserve account after payment or discharge of any bonds secured thereby shall be used within one year thereafter in furtherance of this section or returned to the county auditor of the county in which the tax increment financing district is located. If returned to the county auditor, the county auditor shall immediately allocate the amount among all government units which would have shared therein had the amount been received as part of the other ad valorem taxes on property in the district most recently paid, in the same proportions as other taxes were distributed, and shall immediately distribute it to the government units in accordance with the allocation.

**Subd. 2. Area of operation.** Projects undertaken, developed, or financed pursuant to this section shall be located within the taconite assistance area defined in section 273.1341.

*[For text of subds 3 to 6, see M.S.2002]*

**History:** 2003 c 127 art 11 s 6; 1Sp2003 c 21 art 11 s 18,19

## 298.2213 NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.

*[For text of subds 1 and 2, see M.S.2002]*

**Subd. 3. Use of money.** The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must 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 must be no less than the lesser of eight percent or the rate of interest that is 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.

Money appropriated in this section must be expended only in or for the benefit of the taconite assistance area defined in section 273.1341, and as otherwise provided in this section.

*[For text of subds 4 to 6, see M.S.2002]*

**History:** 1Sp2003 c 21 art 11 s 20

## 298.2214 IRON RANGE HIGHER EDUCATION.

**Subdivision 1. Creation of committee; purpose.** A committee is created to advise the commissioner of Iron Range resources and rehabilitation on providing higher education programs in the taconite assistance area defined in section 273.1341. The committee is subject to section 15.059.

*[For text of subd 2, see M.S.2002]*

**Subd. 3. Advisory function.** The committee shall advise the commissioner regarding development of a contract with the state university system. The contract would require the system to provide courses within the taconite assistance area defined in section 273.1341.

*[For text of subds 4 and 5, see M.S.2002]*

**History:** 1Sp2003 c 21 art 11 s 21,22

## 298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.

**Subdivision 1. Creation; purposes.** A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those

areas of northeast Minnesota located within the taconite assistance area defined in section 273.1341, that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

- (a) to initiate investigations into matters the Iron Range Resources and Rehabilitation Board determines are in need of study and which will determine the environmental problems requiring remedial action;
- (b) reclamation, restoration, or reforestation of minelands not otherwise provided for by state law;
- (c) local economic development projects including construction of sewer and water systems, and other public works located within the taconite assistance area defined in section 273.1341;
- (d) monitoring of mineral industry related health problems among mining employees.

*[For text of subds 2 and 3, see M.S.2002]*

**History:** 1Sp2003 c 21 art 11 s 23

## **298.225 APPROPRIATION.**

*[For text of subd 1, see M.S.2002]*

Subd. 2. The money necessary for funding the difference between the initial distribution made pursuant to section 298.28 and the amount guaranteed in subdivision 1 is appropriated in equal proportions from the initial current year distributions to the taconite environmental protection fund and to the Douglas J. Johnson economic protection trust pursuant to section 298.28. If the initial distributions to the taconite environmental protection fund and the Douglas J. Johnson economic protection trust are insufficient to fund the difference, the commissioner of Iron Range Resources and Rehabilitation shall make the payments of any remaining difference from the corpus of the taconite environmental protection fund and the corpus of the Douglas J. Johnson economic protection trust fund in equal proportions as directed by the commissioner of revenue.

If a taconite producer ceases beneficiation operations permanently and is required by a special law to make bond payments for a school district, the Douglas J. Johnson economic protection trust fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. The commissioner of Iron Range Resources and Rehabilitation shall make these school bond payments from the corpus of the Douglas J. Johnson economic protection trust fund in the amounts certified by the commissioner of revenue.

**History:** 2003 c 127 art 11 s 12

## **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the Iron Range Resources and Rehabilitation Board in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for acquisition of equipment

and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure to be used for the same purpose of at least 50 percent of the distribution based on 14.7 cents per ton beginning with distributions in 2002. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

**History:** 2003 c 127 art 11 s 12

## **298.24 TAX ON TACONITE AND IRON SULPHIDES.**

*[For text of subs 1 and 2, see M.S.2002]*

Subd. 3. [Repealed, 2003 c 127 art 11 s 13]

## **298.27 COLLECTION AND PAYMENT OF TAX.**

The taxes provided by section 298.24 shall be paid directly to each eligible county and the Iron Range Resources and Rehabilitation Board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 15. Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner. The report shall be filed by each producer on or before February 1. A remittance equal to 50 percent of the total tax required to be paid hereunder shall be paid on or before February 24. A remittance equal to the remaining total tax required to be paid hereunder shall be paid on or before August 24. On or before February 25 and August 25, the county auditor shall make distribution of the payments previously received by the county in the manner provided by section 298.28. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules 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 and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon, find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

A person having a liability of \$120,000 or more during a calendar year must remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

**History:** 2003 c 127 art 11 s 7

## 298.28 DIVISION AND DISTRIBUTION OF PROCEEDS.

*[For text of subs 1 to 3, see M.S.2002]*

**Subd. 4. School districts.** (a) 17.15 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c), except as otherwise provided in paragraph (f).

(b) 3.43 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 13.72 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts which qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a qualifying municipality as defined by section 273.134, paragraph (a), 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.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values after reduction for any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy reduction under section 126C.48, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) Any school district described in paragraph (c) where a levy increase pursuant to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 126C.13 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of Iron Range Resources and Rehabilitation who shall deposit the same in the taconite environmental protection

fund and the Douglas J. Johnson economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve the lesser of the amount received under this paragraph or \$25 times the number of pupil units served in the district. It may use the money for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(f) Effective for the distribution in 2003 only, five percent of the distributions to school districts under paragraphs (b), (c), and (e); subdivision 6, paragraph (c); subdivision 11; and section 298.225, shall be distributed to the general fund. The remainder less any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), shall be distributed to the Douglas J. Johnson economic protection trust fund created in section 298.292. Fifty percent of the amount distributed to the Douglas J. Johnson economic protection trust fund shall be made available for expenditure under section 298.293 as governed by section 298.296. Effective in 2003 only, 100 percent of the distributions to school districts under section 477A.15 less any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), shall be distributed to the general fund.

*[For text of subs 5 and 6, see M.S.2002]*

**Subd. 7. Iron Range Resources and Rehabilitation Board.** For the 1998 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range Resources and Rehabilitation Board for the purposes of section 298.22. That amount shall be increased in 1999 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341. No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor.

*[For text of subd 8, see M.S.2002]*

**Subd. 9. Douglas J. Johnson economic protection trust fund.** In 1999, 3.35 cents per taxable ton shall be paid to the Douglas J. Johnson economic protection trust fund.

*[For text of subs 9a to 10, see M.S.2002]*

**Subd. 11. Remainder.** (a) The proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in subdivisions 2 to 10a, as certified by the commissioner of revenue, and paragraphs (b), (c), (d), and (e) have been made, together with interest earned on all money distributed under this section prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(b) There shall be distributed to each city, town, and county the amount that it received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(c) There shall be distributed to the Iron Range Resources and Rehabilitation Board the amounts it received in 1977 under section 298.22. The amount distributed

under this paragraph shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341.

(d) There shall be distributed to each school district 62 percent of the amount that it received under section 294.26 in calendar year 1977.

(e) In 2003 only, \$100,000 must be distributed to a township located in a taconite tax relief area as defined in section 273.134, paragraph (a), that received \$119,259 of homestead and agricultural credit aid and \$182,014 in local government aid in 2001.

*[For text of subs 11a and 12, see M.S.2002]*

**Subd. 13. Deduction for credits; payment.** In determining the distributions and payments of the proceeds of the tax collected under section 298.24, the commissioner of revenue shall deduct the amount of any credits authorized under section 298.24, subdivision 3, against the tax imposed under subdivision 1 of said section, from the amount which would otherwise have been paid to the Iron Range Resources and Rehabilitation Board for credit to the Douglas J. Johnson economic protection trust fund.

**Subd. 15. Distribution of delayed payments.** Notwithstanding any other provision of this section or any other law, if payment of taxes collected under section 298.24 is delayed past the due date because the taxpayer is a debtor in a pending bankruptcy proceeding, the amount paid shall be distributed as follows when received:

(1) 50 percent to St. Louis County acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136;

(2) 25 percent to the Douglas J. Johnson economic protection trust fund; and

(3) 25 percent to the taconite environmental protection fund.

**History:** 2003 c 127 art 11 s 8,12; 1Sp2003 c 9 art 5 s 30; 1Sp2003 c 21 art 11 s 24,25

## 298.292 POLICY.

**Subdivision 1. Purposes.** The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The Douglas J. Johnson economic protection trust fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the Douglas J. Johnson economic protection trust fund for the following purposes:

(1) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;

(2) projects and programs to encourage diversification of the economy and to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism; and

(3) projects and programs for which technological and economic feasibility have been demonstrated.

**Subd. 2. Use of money.** 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;

(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; and

(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.

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

**History:** 2003 c 127 art 11 s 9,12; 1Sp2003 c 21 art 11 s 26

#### **298.293 EXPENDING FUNDS.**

The funds provided by section 298.28, subdivision 11, relating to the Douglas J. Johnson economic protection trust fund, except money expended pursuant to Laws 1982, Second Special Session, chapter 2, sections 8 to 14, shall be expended only in an amount that does not exceed the sum of the net interest, dividends, and earnings arising from the investment of the trust for the preceding 12 calendar months from the date of the authorization plus, for fiscal year 1983, \$10,000,000 from the corpus of the fund. The funds may be spent only in or for the benefit of the taconite assistance area as defined in section 273.1341. If during any year the taconite property tax account under sections 273.134 to 273.136 does not contain sufficient funds to pay the property tax relief specified in Laws 1977, chapter 423, article X, section 4, there is appropriated from this trust fund to the relief account sufficient funds to pay the relief specified in Laws 1977, chapter 423, article X, section 4.

**History:** 1Sp2003 c 21 art 11 s 12,27

#### **298.296 OPERATION OF FUND.**

*[For text of subds 1 to 3, see M.S.2002]*

Subd. 4. **Temporary loan authority.** (a) The board may recommend that up to \$7,500,000 from the corpus of the trust may be used for loans, loan guarantees, grants, or equity investments as provided in this subdivision. The money would be available for loans for construction and equipping of facilities constituting (1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject to the net proceeds tax imposed under section 298.015. A loan or loan guarantee under this paragraph may not exceed \$5,000,000 for any facility.

(b) Additionally, the board must reserve the first \$2,000,000 of the net interest, dividends, and earnings arising from the investment of the trust after June 30, 1996, to be used for grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a). This amount must be reserved until it is used as described in this subdivision.

(c) Additionally, the board may recommend that up to \$5,500,000 from the corpus of the trust may be used for additional grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a).

(d) The board may require that it receive an equity percentage in any project to which it contributes under this section.

**History:** 2003 c 127 art 11 s 10

#### **298.2961 PRODUCER GRANTS.**

Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J. Johnson economic protection trust fund to a special account in the taconite area environmental protection fund for grants to producers on a project-by-project basis as provided in this section.

(b) The proceeds of the tax designated under section 298.28, subdivision 9b, are appropriated for grants to producers on a project-by-project basis as provided in this section.

*[For text of subd 2, see M.S.2002]*

Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the taconite environmental fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section.

(b) Any portion of the taconite environmental fund that is not released by the commissioner within three years of its deposit in the taconite environmental fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds must be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

**History:** 2003 c 127 art 11 s 11,12

#### **298.298 LONG-RANGE PLAN.**

Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature by January 1, 1984 a long-range plan for the use of the northeast Minnesota economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. The Iron Range Resources and Rehabilitation Board shall, before November 15 of each even numbered year, prepare a report to the governor and legislature updating and revising this long-range plan and reporting on the Iron Range Resources and Rehabilitation Board's progress on those matters assigned to it by law. After January 1, 1984, no project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.

**History:** 1Sp2003 c 21 art 11 s 28

#### **298.39 DISTRIBUTION OF PROCEEDS.**

The proceeds of the tax collected under section 298.35 shall be distributed by the commissioner of finance, upon certificate of the commissioner of revenue to the general fund of the state and to the various taxing districts in which the lands from which the semitaconite was mined or quarried were located in the following proportions: 22 percent thereof to the city 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 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 semitaconite, 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. The commissioner's 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 fund. On or before October 10 of each calendar year each producer of semitaconite subject to taxation under section 298.35, hereinafter called "taxpayer," shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district or city 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 revenue. 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 on deeming it improper, notice of such correction being given by the commissioner 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 the permissible tax levy of such city 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 298.36, as the amount of tax payable under section 298.35, 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 revenue 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 298.35, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, 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 chapter 123A, 123B, or 126C has been made, if the taxes distributable to any such city or school district are greater than the amount estimated to be paid to any such city or school district in such year, the excess of such distribution shall be held in a special fund by the city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under chapter 123A, 123B, or 126C of such city or school district payable in such year. If the amounts distributable to any such city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such city 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 chapters 123A, 123B, and 126C 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, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer.

**History:** 2003 c 112 art 2 s 50

**298.396 DISTRIBUTION OF PROCEEDS.**

The proceeds of the tax collected under section 298.393 shall be distributed by the commissioner of finance, upon certificate of the commissioner to the general fund of the state and to the various taxing districts in which the agglomerating facility is located in the following proportions: 22 percent thereof to the city or town; 50 percent thereof to the school district; 22 percent thereof to the county; 6 percent thereof to the state. If the agglomerating facility is located in more than one tax district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities or towns among such subdivisions, and the part going to school districts among such districts, and the part going to counties among such counties, giving due consideration to the relative extent of the facilities located in each such taxing district. The commissioner's 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 to be distributed among the several taxing districts of the state shall be divided by such districts among the funds of such districts in the same proportion as the general ad valorem tax thereof.

**History:** 2003 c 112 art 2 s 50

**298.48 MINERAL RIGHTS; EXPLORATION DATA; FILING REQUIREMENTS; PENALTIES.**

*[For text of subds 1 to 3, see M.S.2002]*

Subd. 4. **Confidential nature of information.** The data filed pursuant to subdivision 1 shall be considered confidential for three years from the date it is filed with the commissioner. Nothing herein contained shall be construed to prohibit the commissioner from disclosing information or publishing statistics so classified as not to disclose the identity of particular data.

Notwithstanding the other provisions of this subdivision, the commissioner may furnish any information supplied under this section to the commissioner of natural resources, the commissioner of employment and economic development, or a county assessor. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

**History:** 1Sp2003 c 4 s 1

**298.75 AGGREGATE MATERIAL REMOVAL; PRODUCTION TAX.**

Subdivision 1. **Definitions.** Except as may otherwise be provided, the following words, when used in this section, shall have the meanings herein ascribed to them.

(1) "Aggregate material" shall mean nonmetallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, crushed rock, limestone, granite, and borrow, but only if the borrow is transported on a public road, street, or highway. Aggregate material shall not include dimension stone and dimension granite. Aggregate material must be measured or weighed after it has been extracted from the pit, quarry, or deposit.

(2) "Person" shall mean any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(3) "Operator" shall mean any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(4) "Extraction site" shall mean a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

(5) "Importer" shall mean any person who buys aggregate material produced from a county not listed in paragraph (6) or another state and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

(6) "County" shall mean the counties of Pope, Stearns, Benton, Sherburne, Carver, Scott, Dakota, Le Sueur, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahanomen, Clay, Becker, Carlton, St. Louis, Rock, Murray, Wilkin, Big Stone, Sibley, Hennepin, Washington, Chisago, and Ramsey. County also means any other county whose board has voted after a public hearing to impose the tax under this section and has notified the commissioner of revenue of the imposition of the tax.

(7) "Borrow" shall mean granular borrow, consisting of durable particles of gravel and sand, crushed quarry or mine rock, crushed gravel or stone, or any combination thereof, the ratio of the portion passing the (#200) sieve divided by the portion passing the (1 inch) sieve may not exceed 20 percent by mass.

*[For text of subds 2 to 8, see M.S.2002]*

**History:** 2003 c 127 art 14 s 11