

298.22 IRON RANGE RESOURCES AND REHABILITATION.

Subdivision 1. **The Office of Commissioner of Iron Range Resources and Rehabilitation.** (a) The Office of the Commissioner of Iron Range Resources and Rehabilitation is created as an agency in the executive branch of state government. The governor shall appoint the commissioner of Iron Range resources and rehabilitation under section 15.06.

(b) The commissioner may hold other positions or appointments that are not incompatible with duties as commissioner of Iron Range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of staff and other assistance as may be necessary, must be paid out of the amounts appropriated by section 298.28 or otherwise made available by law to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner may utilize contracting options available under section 471.345 when the commissioner determines it is in the best interest of the agency. The agency is not subject to sections 16E.016 and 16C.05.

(c) When the commissioner determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use of natural resources in the future and any resulting decrease in employment, the commissioner may use whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 that are determined to be necessary and proper in the development of the remaining resources of the county and in the vocational training and rehabilitation of its residents, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Subd. 1a. **Iron Range Resources and Rehabilitation Board.** The Iron Range Resources and Rehabilitation Board consists of the state senators and representatives elected from state senatorial or legislative districts in which one-third or more of the residents reside in a taconite assistance area as defined in section 273.1341. One additional state senator shall also be appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration. All expenditures and projects made by the commissioner shall first be submitted to the board for approval. The expenses of the board shall be paid by the state from the funds raised pursuant to this section. Members of the board may be reimbursed for expenses in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the interims between legislative sessions in the manner provided in section 3.099, subdivision 1.

The members shall be appointed in January of every odd-numbered year, and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as original members were chosen.

Subd. 2. [Repealed, 2013 c 3 s 27]

Subd. 3. **Commissioner may acquire property.** Whenever the commissioner of Iron Range resources and rehabilitation has made determinations required by subdivision 1 and has determined that distress and unemployment exists or may exist in the future in any county by reason of the removal of the natural resources or a possible limited use thereof in the future and the decrease in employment resulting therefrom and deems that the acquirement of real estate or personal property is necessary and proper in the development of the remaining resources, the commissioner may acquire such property or interests therein by gift, purchase, or lease. The commissioner may purchase insurance to protect any property acquired from loss or damage by fire, or to protect the commissioner from any liability the commissioner may incur by reason of ownership of the property, or both. If after such property is acquired it is necessary in the judgment of the commissioner

to acquire a right-of-way for access to projects operated on property acquired by gift, purchase, or lease, said right-of-way may be acquired by condemnation in the manner provided by law. If the owner or operator of an iron mine or related production or beneficiation facilities discontinues the operation of the mine or facilities for any reason, the commissioner may acquire any or all of the mine lands and related facilities by gift, purchase, lease, or condemnation in the manner provided in chapter 117.

Subd. 4. Commissioner may accept grants and conveyances. Whenever property has been granted and conveyed to the state of Minnesota in accordance with an agreement made by the commissioner of Iron Range resources and rehabilitation and the commissioner of administration for the necessary and proper development of the remaining resources of any distressed county, such grants, and conveyances or leases are hereby accepted in accordance with the terms and conditions thereof.

Subd. 5. Commissioner may lease property. In order to carry out the terms and provisions of this section, the commissioner of Iron Range resources and rehabilitation and the commissioner of administration may lease any property acquired hereunder for a term not to exceed 20 years upon such terms as they may determine, provided that such property shall not be leased to any person in such a manner as to constitute a direct contribution of working capital to a business enterprise. Such lease may provide that in the event the property is ever sold by the state to such lessee, the lessee may obtain a credit on the purchase price covering the rentals paid under the lease or any renewals thereof and that said real estate can be conveyed by the commissioner of Iron Range resources and rehabilitation and the commissioner of administration and the said commissioners are hereby authorized to make such conveyances.

Subd. 5a. Forest trust. The commissioner, upon approval by the board, may purchase forest lands in the taconite assistance area defined in under section 273.1341 with funds specifically authorized for the purchase. The acquired forest lands must be held in trust for the benefit of the citizens of the taconite assistance area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and developed for recreation and economic development purposes. The commissioner, upon approval by the board, may sell forest lands purchased under this subdivision if the board finds that the sale advances the purposes of the trust. Proceeds derived from the management or sale of the lands and from the sale of timber or removal of gravel or other minerals from these forest lands shall be deposited into an Iron Range Miners' Memorial Forest account that is established within the state financial accounts. Funds may be expended from the account upon approval by the board, to purchase, manage, administer, convey interests in, and improve the forest lands. With approval by the board, money in the Iron Range Miners' Memorial Forest account may be transferred into the corpus of the Douglas J. Johnson economic protection trust fund established under sections 298.291 to 298.294. The property acquired under the authority granted by this subdivision and income derived from the property or the operation or management of the property are exempt from taxation by the state or its political subdivisions while held by the forest trust.

Subd. 6. Private entity participation. The board may acquire an equity interest in any project for which it provides funding. The commissioner may establish, participate in the management of, and dispose of the assets of charitable foundations, nonprofit limited liability companies, and nonprofit corporations associated with any project for which it provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6.

Subd. 7. Project area development authority. (a) In addition to the other powers granted in this section and other law and notwithstanding any limitations contained in subdivision 5, the commissioner, for purposes of fostering economic development and tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area, may spend any money made available to the agency under section 298.28 to acquire real or personal property or interests therein by gift, purchase, or lease and may convey by lease, sale, or

other means of conveyance or commitment any or all property interests owned or administered by the commissioner within such areas.

(b) In furtherance of development of the Giants Ridge Recreation Area or the Ironworld Discovery Center area, the commissioner may establish and participate in charitable foundations, nonprofit limited liability companies, and nonprofit corporations, including a corporation within the meaning of section 317A.011, subdivision 6.

(c) The term "Giants Ridge Recreation Area" refers to an economic development project area established by the commissioner in furtherance of the powers delegated in this section within St. Louis County in the following portions of the town of White and the city of Biwabik:

Township 59 North, Range 15 West, Sections 7, 8, 17-20 and 29-32;

Township 59 North, Range 16 West, Sections 12, 13, 24, 25, and 36;

Township 58 North, Range 16 West, Section 1; and

Township 58 North, Range 15 West, Sections 5 and 6.

(d) "Ironworld Discovery Center Area" means an economic development and tourism promotion project area established by the commissioner in furtherance of the powers delegated in this section within St. Louis County in the south portion of the town of Balkan.

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. The commissioner may lease, for a term not exceeding 50 years and upon the terms determined by the commissioner and approved by the board, surface and mineral interests owned or acquired by the state of Minnesota acting by and through the office of the commissioner of Iron Range resources and rehabilitation within those portions of the taconite assistance area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes. The payments and royalties from these leases must be deposited into the fund established in section 298.292. 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.

Subd. 9. **Economic development and trade promotion.** In the promotion of tourism, trade, and economic development, the commissioner may expend money made available to the agency under section 298.28 in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. An expenditure for food, lodging, or travel is not governed by the travel rules of the commissioner of management and budget.

Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by the board.

Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation shall annually prepare a budget for operational expenditures, programs, and projects, and submit it to the Iron Range Resources and Rehabilitation Board. After the budget is approved by the board and the governor, the commissioner may spend money in accordance with the approved budget.

Subd. 12. [Repealed, 2012 c 290 s 72]

History: 1941 c 544 s 4; 1943 c 590 s 4; 1949 c 739 s 22; 1951 c 713 s 31; 1957 c 882 s 1; Ex1959 c 49 s 1; 1969 c 399 s 43,49; 1969 c 1129 art 8 s 9; art 10 s 2; 1971 c 25 s 59; 1973 c 613 s 1; 1974 c 406 s 67; 1975 c 271 s 6; 1977 c 305 s 34; 1977 c 423 art 10 s 8,9; 1980 c 607 art 7 s 3; 1983 c 301 s 183; 1986 c 444; 1Sp1986 c 3 art 2 s 49; 1987 c 404 s 162; 1988 c 719 art 19 s 16; 1995 c 224 s 92; 1996 c 452 s 34; 1997 c 200 art 1 s 71; 2Sp1997 c 3 s 14; 1998 c 351 s 4; 1998 c 389 art 10 s 5; 1999 c 223 art 2 s 42,43; 1999 c 243 art 5 s 33; 2001 c 149 s 1; 1Sp2001 c 5 art 6 s 14,15; 2002 c 380 art 2 s 15,16; 1Sp2003 c 21 art 11 s 16,17; 2004 c 150 s 1; 2004 c 289 s 1; 1Sp2005 c 1 art 4 s 88; 2006 c 281 art 4 s 14-16; 2008 c 154 art 8 s 3; 2008 c 204 s 42; 2008 c 366 art 10 s 2-4; 2009 c 78 art 7 s 4-10; 2009 c 101 art 2 s 109; 2013 c 3 s 6-10; 2013 c 85 art 5 s 34