298.225 APPROPRIATION.

Subdivision 1. **Guaranteed distribution.** (a) Except as provided under paragraphs (c) to (f), the distribution of the taconite production tax as provided in section 298.28, subdivisions 3 to 5, 6, paragraphs (b) and (c), 7, and 8, shall equal the lesser of the following amounts:

(1) the amount distributed pursuant to this section and section 298.28, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced proportionately at the rate of two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons; or

(2)(i) for the distributions made pursuant to section 298.28, subdivisions 4, paragraphs (b) and (c), and 6, paragraph (c), 31.2 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production;

(ii) for the distributions made pursuant to section 298.28, subdivision 5, paragraphs (b) and (d), 75 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production provided that the aid guarantee for distributions under section 298.28, subdivision 5, paragraph (b), shall be reduced by five cents per taxable ton for production years 2014 and thereafter.

(b) The distribution of the taconite production tax as provided in section 298.28, subdivision 2, shall equal the following amount:

(1) if the production for the year prior to the distribution year is at least 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production; or

(2) if the production for the year prior to the distribution year is less than 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production, reduced proportionately at the rate of two percent for each 1,000,000 tons or part of 1,000,000 tons by which the production is less than 42,000,000 tons.

(c) The distribution of the taconite production tax under section 298.28, subdivision 3, paragraph (a), must equal the amount distributed under section 298.28, with respect to 1983 production.

(d) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distribution of the taconite production tax under section 298.28, subdivision 4, paragraph (b), clause (1), must equal the amount distributed under section 298.28, with respect to 2023 production.

(e) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax under section 298.28, subdivision 4, paragraph (b), clause (2), items (i) to (v), must equal the amounts distributed under section 298.28, with respect to 2023 production, and the distributions of the taconite production tax to each school district under section 298.28, subdivision 4, paragraph (b), clause (2), item (vi), subitems (A) and (B), must equal $150,000.

(f) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax to each school district under section 298.28, subdivision 4, paragraph (d), clause (3), items (i) and (ii), must equal $100,000.

(g) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distribution of the taconite production tax under section 298.28, subdivision 11, paragraph (d), must equal 75 percent of the amount that each school district received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

(h) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax to each of the city of Orr and the city of Winton under section 298.282, subdivision 1, paragraph (a), must equal $25,000, and the distributions of the taconite production tax to each of the city of Cook and the city of Two Harbors under section 298.282, subdivision 1, paragraph (a), must equal $75,000.

Subd. 2. **Funding guaranteed distribution level.** (a) The money necessary for funding the difference between the initial distribution made pursuant to section 298.28 and the amount guaranteed in subdivision 1, paragraphs (a) to (c), 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.

(b) The money necessary for funding the difference between the initial distribution made pursuant to section 298.28 and the amount guaranteed in subdivision 1, paragraphs (d) to (h), is appropriated from the initial current year distribution to the Douglas J. Johnson economic protection trust pursuant to section 298.28. If the initial distribution to the Douglas J. Johnson economic protection trust is 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 Douglas J. Johnson economic protection trust fund as directed by the commissioner of revenue.

(c) 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: *1977 c 423 art 10 s 23; 1Sp1981 c 1 art 10 s 13; 1982 c 523 art 30 s 1; 2Sp1982 c 2 s 1; 1984 c 502 art 7 s 13; 1985 c 300 s 22; 1Sp1985 c 14 art 10 s 14; 1986 c 441 s 10; 1Sp1986 c 3 art 2 s 37; 1998 c 389 art 10 s 8; 1Sp2001 c 5 art 6 s 20; 2002 c 377 art 8 s 5; 2003 c 127 art 11 s 12; 2014 c 150 art 6 s 9; 1Sp2019 c 6 art 11 s 9; 2026 c 128 art 5 s 1*

NOTE: The amendment to this section by Laws 2026, chapter 128, article 5, section 1, is effective for distributions in the year after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under Minnesota Statutes, section 298.24, and thereafter. The commissioner of revenue must certify to the commissioner of Iron Range resources and rehabilitation when production begins. The commissioner of revenue must notify the revisor of statutes within 30 days of the certification. Laws 2026, chapter 128, article 5, section 13.