CHAPTER 298

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298.001 DEFINITIONS.

Subdivision 1. **Generally.** As used in this chapter, the terms defined in this section have the meanings given in this section.

Subd. 2. **City.** "City" includes any home rule charter city, statutory city, or any city however organized.

Subd. 3. **Person.** "Person" means individuals, fiduciaries, estates, trusts, partnerships, companies, joint stock companies, corporations, and all associations.

Subd. 3a. **Producer.** "Producer" means a person engaged in the business of mining or producing iron ore, taconite concentrate, or direct reduced ore in this state.

Subd. 4. **Taconite.** "Taconite" means ferruginous chert or ferruginous slate in the form of compact, siliceous rock, 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, drying, or any combination thereof.

Subd. 5. **Iron sulphides.** "Iron sulphides" means chemical combinations of iron and sulphur (mineralogically known as pyrrhotite, pyrites, or marcasite), in relatively impure condition, which are not merchantable as iron ore and which cannot be made merchantable by the simple methods of beneficiation above described.

Subd. 6. **Semitaconite.** "Semitaconite" means 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. 7. **Agglomerates.** "Agglomerates" means the merchantable iron ore aggregates which are produced by agglomeration.

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of revenue of the state of Minnesota, except that when used in sections 298.22 to 298.227 and 298.291 to 298.297, "commissioner" means the commissioner of Iron Range resources and rehabilitation.

Subd. 9. **Other iron-bearing material.** "Other iron-bearing material" means the material described in section 298.405.

Subd. 10. **Refining.** "Refining" means and is limited to refining:

(1) of ores, metals, or mineral products, the mining, extraction, or quarrying of which were subject to tax under section 298.015; and

(2) carried out by the entity, or an affiliated entity, that mined, extracted, or quarried the metal or mineral products.

Subd. 11. **Direct reduced ore.** "Direct reduced ore" means ore that results in a product that has an iron content of at least 75 percent.

Subd. 12. **Advisory board.** "Advisory board" means the Iron Range Resources and Rehabilitation Board, as established under section 298.22. The acronym "IRRRB" means the advisory board.

Subd. 13. **Merchantable iron ore concentrate.** "Merchantable iron ore concentrate" means iron-bearing material that has been treated in Minnesota by any means of beneficiation, separation, concentration, or refinement for the purpose of making it salable for its iron ore content.

History: *1998 c 389 art 10 s 4; 2006 c 259 art 12 s 1; 2008 c 366 art 10 s 1; 1Sp2011 c 7 art 7 s 3; 2017 c 40 art 1 s 106; 2017 c 94 art 7 s 21,22; 1Sp2021 c 14 art 11 s 20*

MINING

298.01 MINING OR PRODUCING ORES.

Subdivision 1. MS 1988 [Repealed, 1987 c 268 art 9 s 43]

Subd. 2. MS 1984 [Repealed, 1985 c 300 s 30]

Subd. 3. **Occupation tax; other ores.** Every person engaged in the business of mining, refining, or producing ores, metals, or minerals in this state, except iron ore or taconite concentrates, shall pay an occupation tax to the state of Minnesota as provided in this subdivision. For purposes of this subdivision, mining includes the application of hydrometallurgical processes. Hydrometallurgical processes are processes that extract the ores, metals, or minerals, by use of aqueous solutions that leach, concentrate, and recover the ore, metal, or mineral. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), 290.17, subdivision 4, and 290.191, subdivision 2, do not apply, and the occupation tax must be computed by applying to taxable income the rate of 2.45 percent.

The tax is in addition to all other taxes.

Subd. 3a. **Gross income.** (a) For purposes of determining a person's taxable income under subdivision 3, gross income is determined by the amount of gross proceeds from mining in this state under section 298.016 and includes any gain or loss recognized from the sale or disposition of assets used in the business in this state. If more than one ore, mineral, or metal referred to in section 298.016 is mined and processed at the same mine and plant, a gross income for each ore, mineral, or metal must be determined separately. The gross incomes may be combined on one occupation tax return to arrive at the gross income of all production.

(b) In applying section 290.191, subdivision 5, transfers of ores, metals, or minerals that are subject to tax under this chapter are deemed to be sales in this state.

Subd. 3b. **Deductions.** (a) For purposes of determining taxable income under subdivision 3, the deductions from gross income include only those expenses necessary to convert raw ores to marketable quality. Such expenses include costs associated with refinement but do not include expenses such as transportation, stockpiling, marketing, or marine insurance that are incurred after marketable ores are produced, unless the expenses are included in gross income. The allowable deductions from a mine or plant that mines and produces more than one mineral, metal, or energy resource must be determined separately for the purposes of computing the deduction in section 290.0133, subdivision 9. These deductions may be combined on one occupation tax return to arrive at the deduction from gross income for all production.

(b) The provisions of sections 290.0133, subdivisions 7 and 9, and 290.0134, subdivisions 7 and 9, are not used to determine taxable income.

Subd. 3c. MS 2004 [Repealed, 2006 c 259 art 12 s 17]

Subd. 3d. MS 2004 [Repealed, 2006 c 259 art 12 s 17]

Subd. 4. **Occupation tax; iron ore; taconite concentrates.** A person engaged in the business of mining or producing of iron ore, taconite concentrates or direct reduced ore in this state shall pay an occupation tax to the state of Minnesota. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), 290.17, subdivision 4, and 290.191, subdivision 2, do not apply, and the occupation tax shall be computed by applying to taxable income the rate of 2.45 percent.

The tax is in addition to all other taxes.

Subd. 4a. **Gross income.** (a) For purposes of determining a person's taxable income under subdivision 4, gross income is determined by the mine value of the ore mined in Minnesota and includes any gain or loss recognized from the sale or disposition of assets used in the business in this state.

(b) Mine value is the value, or selling price, of iron ore or taconite concentrates, f.o.b. mine. The mine value is calculated by multiplying the iron unit price for the period, as determined by the commissioner, by the tons produced and the weighted average analysis.

(c) In applying section 290.191, subdivision 5, transfers of iron ore and taconite concentrates are deemed to be sales in this state.

(d) If iron ore or taconite and a mineral, metal, or energy resource referred to in section 298.016 is mined and processed at the same mine and plant, a gross income for each mineral, metal, or energy resource must be determined separately from the mine value for the iron ore or taconite. The gross income may be combined on one occupation tax return to arrive at the gross income from all production.

Subd. 4b. **Deductions.** For purposes of determining taxable income under subdivision 4, the deductions from gross income include only those expenses necessary to convert raw iron ore or taconite concentrates to marketable quality. Such expenses include costs associated with beneficiation and refinement but do not include expenses such as transportation, stockpiling, marketing, or marine insurance that are incurred after marketable iron ore or taconite pellets are produced. The allowable deductions from a mine or plant that mines and produces iron ore or taconite and one or more mineral or metal referred to in section 298.016 must be determined separately for the purposes of computing the deduction in section 290.0133, subdivision 9. These deductions may be combined on one occupation tax return to arrive at the deduction from gross income for all production.

Subd. 4c. **Special deductions.** For purposes of determining taxable income under subdivision 4, the provisions of sections 290.0133, subdivisions 7 and 9, and 290.0134, subdivisions 7 and 9, are not used to determine taxable income.

Subd. 4d. MS 2004 [Repealed, 2006 c 259 art 12 s 17]

Subd. 4e. MS 2004 [Repealed, 2006 c 259 art 12 s 17]

Subd. 5. **If declared unconstitutional.** If the taxes imposed in subdivisions 3 and 4 are found unconstitutional by any court of last resort, then persons engaged in the business of mining or producing iron ore or other ores shall pay the occupation taxes imposed in Minnesota Statutes 1986, chapter 298.

Subd. 6. **Deductions applicable to mining both taconite and other ores; ratio applied.** If a person is engaged in the business of mining or producing both iron ores, taconite concentrates, or direct reduced ore, and other ores from the same mine or facility, that person must separately determine the mine value of (1) the iron ore, taconite concentrates, and direct reduced ore, and (2) the amount of gross proceeds from mining other ores in Minnesota. The ratio of mine value from iron ore, taconite concentrates, and direct

reduced ore to gross proceeds from mining other ores must be applied to deductions common to both processes to determine taxable income for tax paid pursuant to subdivisions 3 and 4.

History: *(2373, 2373-1) 1921 c 223 s 1; Ex1937 c 85 s 1; 1939 c 356 s 1; 1941 c 544 s 1; 1943 c 590 s 1,2; 1945 c 448 s 1; 1947 c 542 s 1; Ex1955 c 2 art 2 s 1; Ex1957 c 1 art 4 s 1; Ex1959 c 70 art 8 s 1; Ex1971 c 31 art 4 s 1; 1973 c 631 s 1,2; 1984 c 502 art 7 s 10; 1985 c 300 s 20; 1Sp1985 c 14 art 10 s 7; 1987 c 268 art 9 s 22-25; 1988 c 719 art 2 s 51,52; 1989 c 27 art 1 s 3-9; 1Sp1989 c 1 art 10 s 38,39; 1991 c 291 art 11 s 12-15; 1993 c 375 art 8 s 14; 1994 c 587 art 1 s 24; 1995 c 264 art 1 s 4; art 7 s 1; 1996 c 471 art 9 s 15; 1997 c 231 art 6 s 24; 1Sp2001 c 5 art 9 s 26,27; 2002 c 377 art 8 s 3,4; 1Sp2005 c 3 art 3 s 16,17; 2006 c 259 art 12 s 2-8; 1Sp2011 c 7 art 7 s 4,5; 2013 c 143 art 6 s 31; art 17 s 15; 2014 c 275 art 1 s 99,100; 2016 c 158 art 3 s 27-29; 1Sp2017 c 1 art 14 s 16; art 19 s 2,3*

298.011 MS 1969 [Repealed, Ex1971 c 31 art 4 s 5]

298.012 MS 1996 [Repealed, 1998 c 389 art 10 s 23]

298.015 GROSS PROCEEDS TAX ON MINING.

Subdivision 1. **Tax imposed.** A person engaged in the business of mining shall pay to the state of Minnesota for distribution as provided in section 298.018 a gross proceeds tax equal to 0.4 percent of the gross proceeds from mining in Minnesota. The tax applies to all ores, metals, and minerals mined, extracted, produced, or refined within the state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock, limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law.

Subd. 2. **Gross proceeds.** For purposes of this section, the term "gross proceeds" means the gross proceeds from mining, as defined in section 298.016.

Subd. 3. **Minimum payment.** (a) A person who has obtained all required permits to mine all ores and metals, except for sand, silica sand, gravel, building stone, crushed rock, limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron ore, and iron concentrates, is annually subject to the minimum payment under this subdivision, unless:

(1) the tax imposed on the person under subdivision 1 in a given year is greater than zero;

(2) the person demonstrates to the commissioner of revenue that it is legally prohibited from engaging in the business of mining under a permit it has obtained; or

(3) the mine is in the process of closure, as defined Minnesota Rules, part 6132.0100, subpart 6, and the commissioner of the natural resources determines that the person will no longer engage in mining at the mine.

(b) The annual minimum payment under this subdivision is (1) $2,000,000, multiplied by (2) the number of months in a calendar year the individual is subject to the minimum payment under this subdivision, as determined under paragraph (a), divided by 12.

History: *1987 c 268 art 9 s 26; 1990 c 604 art 10 s 15; 1991 c 291 art 11 s 16; 1Sp2011 c 7 art 7 s 6,7; 2023 c 64 art 6 s 4*

298.016 GROSS PROCEEDS.

Subdivision 1. **Computation; arm's-length transactions.** When a metal or mineral product is sold by the producer in an arm's-length transaction, the gross proceeds are equal to the proceeds from the sale of

the product. This subdivision applies to sales realized on all metal or mineral products produced from mining, including reduction, beneficiation, or any treatment used by a producer to obtain a metal or mineral product which is commercially marketable.

Subd. 2. **Other transactions.** When a metal or mineral product is used by the producer or disposed of in a non-arm's-length transaction, the gross proceeds must be determined using the alternative computation in subdivision 3. Transactions subject to this subdivision include, but are not limited to, shipments to a wholly owned smelter, transactions with associated or affiliated companies, and any other transactions which are not at arm's length.

Subd. 3. **Alternative computation.** (a) The commissioner of revenue shall determine the alternative computation of gross proceeds using the following procedure:

(1) Metal and mineral prices shall be determined by using the average annual market price as published in the Engineering and Mining Journal;

(2) For metals or mineral products with a monthly or weekly price quotation in the Engineering and Mining Journal, but for which no average annual price has been published, an arithmetic average of the monthly or weekly prices published in the Engineering and Mining Journal shall be used;

(3) If the price of a particular metal or mineral product is not published in the Engineering and Mining Journal, another recognized published price, as established by the commissioner of revenue will be used.

(b) The quantity of each particular metal or mineral product recovered and paid or credited for by the smelter will be multiplied by the average annual market price as determined in clause (a). Special smelter charges for particular metals will be allowed as a deduction from this price. The resulting amount will be the gross proceeds for calculating the tax in section 298.015.

Subd. 4. **Metal or mineral products; definition.** For the purposes of this section, "metal or mineral products" means all those ores, metals, and minerals subject to the tax provided in section 298.015.

History: *1987 c 268 art 9 s 27; 1Sp2011 c 7 art 7 s 8*

298.017 MS 2010 [Repealed, 1Sp2011 c 7 art 7 s 9]

298.018 DISTRIBUTION OF PROCEEDS.

Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the taconite assistance area defined in section 273.1341, shall be allocated as follows:

(1) except as provided under paragraph (b), five percent to the city or town within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction, 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 the respective operations performed in each taxing district;

(2) ten percent to the taconite municipal aid account to be distributed as provided in section 298.282, subdivisions 1 and 2, on the dates provided under this section;

(3) ten percent to the school district within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one school district, distribution among the school districts must be based on the apportionment formula prescribed in clause (1);

(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) ten percent to the county within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one county, distribution among the counties must be based on the apportionment formula prescribed in clause (1), provided that any county receiving distributions under this clause shall pay one percent of its proceeds to the Range Association of Municipalities and Schools;

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

(7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the purposes of section 298.22;

(8) three percent to the Douglas J. Johnson economic protection trust fund;

(9) seven percent to the taconite environmental protection fund; and

(10) ten percent to the commissioner of Iron Range resources and rehabilitation for capital improvements to Giants Ridge Recreation Area.

(b) If the materials or energy resources are mined, extracted, or concentrated in School District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township must each receive ten percent of the amount.

(c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is distributed under this subdivision, ten percent of the total proceeds distributed in each year must first be distributed pursuant to this paragraph. The remaining 90 percent of the total proceeds distributed in each of those years must be distributed as outlined in paragraph (a). Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent. Of the amount available under this paragraph, the city of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies only to tax paid by a person engaged in the business of mining within the area described in section 273.1341, clauses (1) and (2).

Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall be distributed on December 15 each year. Any payment of proceeds received after December 15 shall be distributed on the next gross proceeds tax distribution date.

Subd. 2. **Outside taconite assistance area.** The proceeds of the tax paid under sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted outside of the taconite assistance area defined in section 273.1341, shall be deposited in the general fund.

History: *1987 c 268 art 9 s 29; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1998 c 397 art 11 s 3; 1Sp2001 c 5 art 6 s 11,12; 2003 c 127 art 11 s 12; 1Sp2003 c 21 art 11 s 14,15; 2012 c 187 art 1 s 52; 2013 c 143 art 17 s 16; 2014 c 308 art 5 s 3; 2017 c 94 art 7 s 23; 1Sp2019 c 6 art 24 s 29,30; 2023 c 64 art 6 s 5,6; 2024 c 127 art 69 s 7*

298.02 MS 1988 [Repealed, 1987 c 268 art 9 s 43]

298.025 MS 1969 [Repealed, Ex1971 c 31 art 4 s 5]

298.026 MS 1988 [Repealed, 1987 c 268 art 9 s 43]

298.027 MS 1988 [Repealed, 1987 c 268 art 9 s 43]

298.028 MS 1988 [Repealed, 1987 c 268 art 9 s 43]

298.03 MS 1988 [Repealed, 1987 c 268 art 9 s 43]

298.031 MS 1988 [Repealed, 1987 c 268 art 9 s 43]

298.04 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.045 MS 1982 [Repealed, 1984 c 522 s 20]

298.046 MS 1982 [Repealed, 1984 c 522 s 20]

298.047 MS 1982 [Repealed, 1984 c 522 s 20]

298.048 MS 1982 [Repealed, 1984 c 522 s 20]

298.05 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.06 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.07 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.08 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.09 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.10 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.11 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.12 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.13 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.14 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.15 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.16 TAXES TO BE CREDITED TO GENERAL FUND.

All taxes imposed under sections 298.01 and 298.015 must be paid into the state treasury and credited to the general fund.

History: *(2386) 1921 c 223 s 14; 1969 c 399 s 49; 1991 c 291 art 11 s 17*

298.17 OCCUPATION TAXES TO BE APPORTIONED.

(a) All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university.

(b) Of the money apportioned to the general fund by this section: (1) there is annually appropriated and credited to the mining environmental and regulatory account in the special revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Money in the mining environmental and regulatory account is appropriated annually to the commissioner of natural resources to fund agency staff to work on environmental issues and provide regulatory services for ferrous and nonferrous mining operations in this state. Payment to the mining environmental and regulatory account shall be made by July 1 annually. The commissioner of natural resources shall execute an interagency agreement with the Pollution Control Agency to assist with the provision of environmental regulatory services such as monitoring and permitting required for ferrous and nonferrous mining operations; (2) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund an amount equal to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund for transfer to the Iron Range schools and community development account under section 298.28, subdivision 7a, an amount equal to that which would have been generated by a six cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (ii) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the commissioner of Iron Range resources and rehabilitation regarding the loans. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(d) Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

History: *(2391) 1923 c 402 s 1; 1961 c 561 s 9; 1969 c 399 s 42; 1976 c 2 s 172; 1980 c 607 art 7 s 2; 1984 c 524 s 1; 1991 c 199 art 1 s 65; 1996 c 471 art 13 s 14; 2000 c 484 art 1 s 1; 1Sp2001 c 5 art 6 s 13; 2013 c 143 art 11 s 2; 2014 c 150 art 6 s 8; 2017 c 94 art 7 s 24; 2024 c 127 art 69 s 8*

298.18 TAXES TO GO TO GENERAL FUND IF SECTION 298.17 INVALID.

If for any reason section 298.17 shall be held to be invalid, then all such taxes, when collected, shall be paid into the state treasury and credited to the general fund.

History: *(2392) 1923 c 402 s 2; 1969 c 399 s 49*

298.19 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.20 MS 1990 [Repealed, 1991 c 291 art 11 s 20]

298.21 MS 1996 [Repealed, 1998 c 389 art 10 s 23]

298.215 MS 2005 Supp [Repealed, 2005 c 156 art 2 s 34]

298.216 MS 2005 Supp [Repealed, 2005 c 156 art 2 s 34]

IRON RANGE RESOURCES AND REHABILITATION

298.22 IRON RANGE RESOURCES AND REHABILITATION.

Subdivision 1. **Department of Iron Range Resources and Rehabilitation.** (a) The Department 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. The commissioner may expend amounts appropriated to the commissioner for projects after consultation with the advisory board created under subdivision 1a.

(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. The commissioner has the authority to reimburse any nongovernmental manager operating state-owned facilities within the Giants Ridge Recreation Area for purchasing materials, supplies, equipment, or other items used in the operations at such facilities.

(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. 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.** (a) 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 advisory board. The advisory board shall recommend approval

or disapproval or modification of the expenditures and projects. The expenses of the advisory board shall be paid by the state from the funds raised pursuant to this section. Members of the advisory 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.

(b) The advisory board must develop procedures to elect a chair who shall preside over and convene meetings as often as necessary to conduct duties prescribed by this chapter. The advisory board must meet at least two times per year to review the actions of the commissioner.

Subd. 1b. **Evaluation of programs.** (a) In evaluating programs proposed by the commissioner, the advisory board must consider factors, including but not limited to the extent to which the program:

(1) contributes to increasing the effectiveness of promoting or managing Iron Range economic and workforce development, community development, minerals and natural resources development, and any other issue as determined by the advisory board; and

(2) advances the strategic plan adopted under subdivision 1c.

(b) In evaluating programs proposed by the commissioner, the advisory board must consider factors, including but not limited to:

(1) job creation or retention goals for the program, including but not limited to wages and benefits; whether the jobs created are full time, part time, temporary, or permanent; and whether the stated job creation or retention goals in the program proposal can be adequately measured using methods established by the commissioner;

(2) how and to what extent the program is expected to impact the economic climate of the Iron Range resources and rehabilitation services area;

(3) how the program would meet match requirements, if any; and

(4) whether the program meets the written objectives, priorities, and policies established by the commissioner.

Subd. 1c. **Strategic plan required.** The commissioner, in consultation with the advisory board, shall adopt a four-year strategic plan for making expenditures, including identifying the priority areas for funding for the term of the commissioner's appointment. The strategic plan must be reviewed annually. The strategic plan must have clearly stated short- and long-term goals and strategies for expenditures, provide measurable outcomes for expenditures, and determine areas of emphasis for funding.

Subd. 2. MS 2012 [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, after consultation with the advisory board, may purchase forest lands in the taconite assistance area defined 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, after consultation with the advisory board, may sell forest lands purchased under this subdivision if the commissioner determines 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 by the commissioner, after consultation with the advisory board, to purchase, manage, administer, convey interests in, and improve the forest lands. After consultation with the advisory board, the commissioner may transfer money in the Iron Range Miners' Memorial Forest account 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 commissioner, after consultation with the advisory board, may acquire an equity interest in any project for which the commissioner provides funding. The commissioner may, after consultation with the advisory board, 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 the commissioner 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. MS 2016 [Repealed, 2017 c 94 art 7 s 60]

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 Minnesota Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by the advisory 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 advisory board and the governor, the commissioner may spend money in accordance with the approved budget.

Subd. 12. MS 2010 [Repealed, 2012 c 290 s 72]

Subd. 13. **Grants and loans for economic development projects; requirements.** (a) Prior to awarding any grants or approving loans from any fund or account from which the commissioner has the authority under law to expend money, the commissioner must evaluate applications based on criteria including, but not limited to:

(1) job creation or retention goals for the project, including but not limited to wages and benefits, and whether the jobs created are full time, part time, temporary, or permanent;

(2) whether the applicant's stated job creation or retention goals can be adequately measured using methods established by the commissioner;

(3) how and to what extent the project proposed by the applicant is expected to impact the economic climate of the Iron Range resources and rehabilitation services area;

(4) how the applicant would meet match requirements, if any; and

(5) whether the project for which a grant or loan application has been submitted meets the written objectives, priorities, and policies established by the commissioner.

(b) The commissioner, if appropriate, may include incentives in loan and grant award agreements to promote and assist grant recipients in achieving the stated job creation and retention objectives established by the commissioner.

(c) For all loans and grants awarded from funds under the commissioner's authority pursuant to this chapter, the commissioner must:

(1) maintain a database for tracking loan and grant awards;

(2) maintain an objective mechanism for measuring job creation and retention;

(3) verify achievement of job creation and retention goals by grant and loan recipients;

(4) monitor grant and loan awards to ensure that projects comply with applicable Iron Range resources and rehabilitation policies; and

(5) verify that grant or loan recipients have met applicable matching fund requirements.

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; 2017 c 94 art 7 s 25-33*

298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.

(a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant to the terms of any contract entered into by the state under authority of section 298.22 and any fees which may, in the discretion of the commissioner of Iron Range resources and rehabilitation, be charged in connection with any project pursuant to that section as amended, shall be deposited in the state treasury to the credit of the Iron Range resources and rehabilitation account in the special revenue fund and are hereby appropriated for the purposes of section 298.22.

(b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner of the Iron Range resources and rehabilitation for payment of advertising contracts if the commissioner determines that

the merchandise can be used for special event prizes or mementos at facilities operated by the commissioner. Nothing in this paragraph authorizes the commissioner or a member of the advisory board to receive merchandise for personal use.

(c) All fees charged by the commissioner in connection with public use of the state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived by the commissioner from the operation or lease of those facilities and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be deposited into an Iron Range resources and rehabilitation account that is created within the state enterprise fund. All funds deposited in the enterprise fund account are appropriated to the commissioner, and may only be used, after consultation with the advisory board, as follows:

(1) to pay costs associated with the construction, equipping, operation, repair, or improvement of the Giants Ridge Recreation Area facilities or lands;

(2) to pay principal, interest and associated bond issuance, reserve, and servicing costs associated with the financing of the facilities; and

(3) to pay the costs of any other project authorized under section 298.22.

History: *1961 c 215 s 1; 1973 c 613 s 2; 1975 c 271 s 6; 1992 c 513 art 3 s 51; 1998 c 389 art 10 s 6; 2003 c 112 art 2 s 50; 2004 c 275 s 1; 2009 c 78 art 7 s 11; 2013 c 3 s 11; 2017 c 94 art 7 s 34*

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.

Subd. 3. **Project approval.** The commissioner may authorize a project under this section only after consulting the advisory board. Prior to the commencement of a project involving the exercise by the commissioner of any authority of sections 469.174 to 469.179, the governing body of each municipality in which any part of the project is located and the county board of any county containing portions of the project not located in an incorporated area shall by majority vote approve or disapprove the project. Any project approved by the commissioner and the applicable governing bodies, if any, together with detailed information concerning the project, its costs, the sources of its funding, and the amount of any bonded indebtedness to be incurred in connection with the project, shall be transmitted to the governor, who shall approve, disapprove, or return the proposal for additional consideration within 30 days of receipt. No project authorized under this section shall be undertaken, and no obligations shall be issued and no tax increments shall be expended for a project authorized under this section until the project has been approved by the governor.

Subd. 3a. MS 1994 [Repealed, 1995 c 224 s 126]

Subd. 4. **Obligations not state debt.** Bonds and other obligations issued by the commissioner pursuant to this section, along with all related documents, are not general obligations of the state of Minnesota and are not subject to sections 16C.03, subdivision 4, and 16C.05. The full faith and credit and taxing powers of the state are not and may not be pledged for the payment of these bonds or other obligations, and no person has the right to compel the levy of any state tax for their payment or to compel the appropriation of any moneys of the state for their payment except as specifically provided herein. These bonds and obligations shall be payable solely from the property and moneys derived by the commissioner pursuant to the authority granted in this section that the commissioner pledges to their payment. The legislature intends not to appropriate money from the general fund to pay for these bonds or other obligations. All these bonds or other obligations must contain the provisions of this subdivision or words to the same effect on their face.

Subd. 5. **Appropriation of moneys.** There is appropriated to the commissioner for the purpose of carrying out any project or program undertaken pursuant to this section, all property and moneys derived by the commissioner through the exercise of the powers conferred by this section. The commissioner may pledge all the property or moneys for the security or payment of bonds or other obligations issued or entered into by the commissioner for this purpose.

Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the commissioner of Iron Range resources and rehabilitation that have been established according to prevailing market conditions and to recover operating costs need not be set by rule.

History: *1983 c 357 s 1; 1Sp1985 c 13 s 313; 1986 c 444; 1986 c 465 art 1 s 2; 1987 c 291 s 213,214; 1989 c 209 art 2 s 33; 1989 c 355 s 1; 1990 c 610 art 2 s 6; 1993 c 369 s 108; 1994 c 632 art 4 s 70; 1998 c 386 art 2 s 82; 1Sp2001 c 5 art 6 s 16; 2003 c 127 art 11 s 6; 1Sp2003 c 21 art 11 s 18,19; 2009 c 78 art 7 s 12; 2013 c 3 s 12; 2017 c 94 art 7 s 35,36*

298.2212 INVESTMENT OF FUNDS.

All funds credited to the Iron Range resources and rehabilitation account in the special revenue fund for the purposes of section 298.22 must be invested pursuant to law. The net interest and dividends from the investments are included and become part of the funds available for purposes of section 298.22.

History: *1Sp1985 c 14 art 10 s 12; 2017 c 94 art 7 s 37*

298.2213 MS 2016 [Repealed, 2017 c 94 art 7 s 60]

IRON RANGE HIGHER EDUCATION

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.

Subd. 2. **Iron Range Higher Education Committee; membership.** The members of the committee shall consist of:

(1) one member appointed by the governor;

(2) one member appointed by the president of the University of Minnesota;

(3) four members of the Iron Range Resources and Rehabilitation Board appointed by the chair;

(4) the commissioner of Iron Range resources and rehabilitation; and

(5) the president of the Northeast Higher Education District or its successor.

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.

Subd. 4. **Contract.** The commissioner shall prepare a contract as described in subdivision 3 and submit it to the committee for review and recommendations for approval, disapproval, or modifications. At the conclusion of the review process, the commissioner shall enter into a contract with the state university system to provide the services.

Subd. 5. **System approval.** A program may not be offered under a contract executed according to this section unless it is approved by the board of the system offering the program.

Subd. 6. **Per diem.** Members of the committee may be reimbursed for expenses by the state from funds raised pursuant to section 298.22.

History: *1991 c 356 art 4 s 1; 1995 c 212 art 3 s 52; 1Sp2001 c 5 art 6 s 18; 1Sp2003 c 21 art 11 s 21,22; 2008 c 154 art 8 s 4; 2009 c 78 art 6 s 23; art 7 s 14; 2013 c 3 s 14; 2014 c 286 art 8 s 35*

298.2215 COUNTY SCHOLARSHIP PROGRAM.

Subdivision 1. **Establishment.** A county may establish a scholarship fund from any unencumbered revenue received pursuant to section 93.22, 298.018, 298.28, 298.39, 298.396, or 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used at a two-year Minnesota State Colleges and Universities institution, or an accredited skilled trades program, within the county. The county shall establish procedures for applying for and distributing the scholarships.

Subd. 2. **Eligibility.** An applicant for a scholarship under this section must be a resident of the county at the time of the applicant's high school graduation. The county may establish additional eligibility criteria.

History: *2017 c 89 art 2 s 22; 2024 c 127 art 69 s 9*

GIANTS RIDGE

298.2216 GIANTS RIDGE ACCOUNT.

Subdivision 1. **Account established.** The Giants Ridge account is established in the state treasury. The account consists of appropriations made by the state or funds dedicated by the Department of Iron Range Resources and Rehabilitation. The account may also receive private contributions, gifts, or grants under section 16A.013. Any interest or profit accruing from investment of these sums is credited to the account.

Subd. 2. **Definitions.** (a) For the purposes of this section the following terms have the meanings given.

(b) "Commissioner" means the commissioner of Iron Range resources and rehabilitation.

(c) "Income" means the amount of interest or profit accruing from the investment of account funds.

(d) "Long-term maintenance" means activities that would constitute substantial repairs or rehabilitation.

(e) "Routine maintenance" means activities that are predictable and repetitive.

Subd. 3. **Use of funds.** (a) Income derived from the investment of principal in the account may be used by the commissioner for capital expenditures, facility operations, or routine or long-term maintenance of the commercial, state-owned assets within the Giants Ridge Recreation Area. No money from this account may be used for any purposes except those described in this section and no money from this account may be transferred to any other account in the state treasury without specific legislative authorization.

(b) Investment management fees incurred by the State Board of Investment are eligible expenses for reimbursement from the account.

(c) The commissioner has authority to approve or deny expenditures of funds in the account.

Subd. 4. **Appropriation.** Income in the account derived from the investment of principal is appropriated upon request by the commissioner to the agency for the purposes described in this section. The commissioner may also request appropriations from the principal for capital expenditures when the commissioner determines such expenditures are in the best interest of the agency.

Subd. 5. **Investment.** Funds in the account shall be invested pursuant to law by the State Board of Investment.

History: *2023 c 33 s 25*

TACONITE ENVIRONMENTAL PROTECTION FUND ACT

298.222 CITATION.

Sections 298.222 to 298.226 and Laws 1977, chapter 423, article 10, section 22 shall be known as the Taconite Environmental Protection Fund Act of 1977.

History: *1977 c 423 art 10 s 19*

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:

(1) to initiate investigations into matters the commissioner of Iron Range resources and rehabilitation determines are in need of study and which will determine the environmental problems requiring remedial action;

(2) reclamation, restoration, or reforestation of mine lands not otherwise provided for by state law;

(3) local economic development projects and public works, including construction of sewer and water systems located within the taconite assistance area defined in section 273.1341;

(4) monitoring of mineral industry related health problems among mining employees; and

(5) local public works projects under section 298.227, paragraph (c).

Subd. 2. **Administration.** The taconite area environmental protection fund shall be administered by the commissioner, who must consult with the advisory board before expending any funds.

Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron Range resources and rehabilitation taconite area environmental protection funds necessary to carry out approved projects and programs and the funds necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11, relating to the taconite area environmental protection fund.

History: *1977 c 423 art 10 s 20; 1980 c 607 art 7 s 4; 1Sp1981 c 4 art 2 s 31; 1Sp1985 c 14 art 10 s 13; 1988 c 719 art 19 s 18; 1993 c 369 s 110; 1995 c 224 s 93; 1999 c 223 art 2 s 45; 1Sp2001 c 5 art 6 s 19; 1Sp2003 c 21 art 11 s 23; 2005 c 152 art 1 s 4; 2006 c 281 art 4 s 18,19; 2008 c 363 art 10 s 18; 2009 c 78 art 7 s 15; 2013 c 3 s 15,16; 2016 c 158 art 1 s 165; 2017 c 94 art 7 s 38,39*

298.224 INVESTMENT OF FUNDS; INCOME.

The fund established by section 298.223 shall be invested pursuant to law and the net interest and dividends arising from the investment shall be included and become part of the fund.

History: *1977 c 423 art 10 s 21*

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.

298.226 MS 1994 [Repealed, 1996 c 310 s 1]

TACONITE ECONOMIC DEVELOPMENT FUND

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

(a) Except as provided in paragraph (b), 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 commissioner of Iron Range resources and rehabilitation 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 workforce development, concurrent reclamation, plant and stationary mining equipment, facilities for the producer, or for research and development in Minnesota on new mining, taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose. If a proposed expenditure is not approved by the commissioner, after consultation with the advisory board, the funds must be deposited in the taconite environmental protection fund under sections 298.222 to 298.225. 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 may be released by the commissioner for deposit in the taconite area environmental protection fund created in section 298.223. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be distributed to the taconite environmental protection fund.

(b) Notwithstanding any provision to the contrary, a producer operating Mesabi Metallics or its successor may not receive a distribution under this section.

History: *1992 c 511 art 9 s 8; 1993 c 375 art 16 s 1; 1994 c 587 art 6 s 2; 1995 c 264 art 7 s 2; 1996 c 471 art 12 s 1; 1Sp2001 c 5 art 6 s 21; 2003 c 127 art 11 s 12; 2006 c 259 art 12 s 9; 2007 c 135 art 5 s 1; 2008 c 366 art 10 s 5; 2009 c 78 art 7 s 16; 2009 c 88 art 12 s 7; 2010 c 216 s 18; 2013 c 3 s 17; 2013 c 143 art 11 s 3; 2017 c 94 art 7 s 40; 1Sp2017 c 1 art 11 s 15; 2018 c 198 s 1; 2026 c 128 art 5 s 2*

NOTE: The amendment to this section by Laws 2026, chapter 128, article 5, section 2, 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.

TAX ON TACONITE AND IRON SULPHIDES

298.23 MS 1996 [Repealed, 1998 c 389 art 10 s 23]

298.24 TAX ON TACONITE AND IRON SULPHIDES.

Subdivision 1. **Imposed; calculation.** (a) For concentrate produced in 2013, there is 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 $2.56 per gross ton of merchantable iron ore concentrate produced therefrom.

(b) For concentrates produced in 2014 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" means the implicit price deflator for the gross domestic product prepared by the Bureau of Economic Analysis of the United States Department of Commerce.

(c) An additional tax is imposed equal to three cents per gross ton of merchantable iron ore concentrate for each one percent that the iron content of the product exceeds 72 percent, when dried at 212 degrees Fahrenheit.

(d) The tax on taconite and iron sulphides shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(e) The tax under paragraph (a) is also imposed upon other iron-bearing material as described in section 298.405 on the tonnage of merchantable iron ore concentrate produced therefrom. The tax on other iron-bearing material shall be imposed on the current year production. The rate of the tax imposed is the current year's tax rate.

(f) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of $2.56 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(g) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

(h)(1) Notwithstanding any other provision of this subdivision, for the first two years of a plant's commercial production of direct reduced ore from ore mined in this state, no tax is imposed under this section. For the third year of a plant's commercial production of direct reduced ore, the rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined under this subdivision. For the fourth commercial production year, the rate is 50 percent of the rate otherwise determined under this subdivision; for the fifth commercial production year, the rate is 75 percent of the rate otherwise determined under this subdivision; and for all subsequent commercial production years, the full rate is imposed.

(2) Subject to clause (1), production of direct reduced ore in this state is subject to the tax imposed by this section, but if that production is not produced by a producer of taconite, iron sulfides, or other iron-bearing material, the production of taconite, iron sulfides, or other iron-bearing material, that is consumed in the production of direct reduced ore in this state is not subject to the tax imposed by this section on taconite, iron sulfides, or other iron-bearing material.

(3) Notwithstanding any other provision of this subdivision, no tax is imposed on direct reduced ore under this section during the facility's noncommercial production of direct reduced ore. The taconite or iron sulphides consumed in the noncommercial production of direct reduced ore is subject to the tax imposed by this section on taconite and iron sulphides. Three-year average production of direct reduced ore does not include production of direct reduced ore in any noncommercial year.

(4) Three-year average production for a direct reduced ore facility that has noncommercial production is the average of the commercial production of direct reduced ore for the current year and the previous two commercial years.

(5) As used in this paragraph, "commercial production" means production of more than 50,000 tons of direct reduced ore in the current year or in any prior year, and "noncommercial production" means production of 50,000 tons or less of direct reduced ore in any year.

(6) This paragraph applies only to plants for which all environmental permits have been obtained and construction has begun before July 1, 2008.

Subd. 2. **Imposition and calculation of additional tailings tax.** 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 tailings so produced an additional tax of 10 cents per 2,000 pounds of tailings produced. For the purposes of this subdivision tailings mean the solid and liquid waste materials resulting from the beneficiation process.

The tax imposed by this subdivision shall only apply to those tailings from a taconite facility which are not deposited on land in accordance with permits issued by the Pollution Control Agency and the Department of Natural Resources.

The proceeds of the tax imposed by this subdivision shall be deposited in the general fund of the state.

Subd. 3. MS 2002 [Repealed, 2003 c 127 art 11 s 13]

Subd. 4. MS 1990 [Repealed, 1992 c 511 art 9 s 33]

History: *1941 c 375 s 2; 1947 c 93 s 2; 1951 c 613 s 1; 1969 c 1156 s 1; 1973 c 123 art 5 s 7; 1977 c 423 art 10 s 10,11; 1979 c 303 art 10 s 13; 1Sp1981 c 1 art 10 s 14; 1982 c 523 art 30 s 2; 1984 c 502 art 7 s 14,15,22 subd 2; 1984 c 655 art 2 s 23 subd 1; 1Sp1985 c 14 art 10 s 15; 1986 c 441 s 11; 1Sp1986 c 1 art 4 s 43; 1987 c 268 art 9 s 37; 1990 c 604 art 10 s 18; 1992 c 511 art 9 s 9; 1994 c 587 art 6 s 3; 1995 c 264 art 7 s 3; 1996 c 471 art 12 s 2; 1997 c 231 art 8 s 7; 1998 c 389 art 10 s 9; 1999 c 243 art 9 s 1; 2000 c 490 art 13 s 17; 1Sp2001 c 5 art 6 s 22; 2005 c 151 art 8 s 18; 1Sp2005 c 3 art 1 s 27; 2008 c 154 art 8 s 5; 2008 c 366 art 10 s 6; 2013 c 143 art 11 s 4; 2017 c 40 art 1 s 107; 1Sp2017 c 1 art 19 s 4; 1Sp2021 c 14 art 11 s 21*

298.241 MS 1976 [Repealed, 1977 c 423 art 10 s 31]

298.242 MS 1974 [Repealed, 1975 c 437 art 11 s 7]

298.243 MS 1976 [Repealed, 1977 c 423 art 10 s 31]

298.244 MS 1994 [Repealed, 1996 c 310 s 1]

298.25 TAXES ADDITIONAL TO OCCUPATION TAX; IN LIEU OF OTHER TAXES.

The taxes imposed under section 298.24 shall be in addition to the occupation tax imposed upon the business of mining and producing iron ore. Except as herein otherwise provided, such taxes shall be in lieu of all other taxes upon taconite, iron sulphides, direct reduced ore, and other iron-bearing material or the lands in which they are contained, or upon the mining or quarrying thereof, or the production of concentrate or direct reduced ore therefrom, or upon the concentrate or direct reduced ore produced, or upon the machinery, equipment, tools, supplies and buildings used in such mining, quarrying or production, or upon the lands occupied by, or used in connection with, such mining, quarrying or production facilities. If electric or steam power for the mining, transportation or concentration of taconite, concentrates, direct reduced ore, or other iron-bearing material 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 not

be considered to be machinery, equipment, tools, supplies and buildings used in the mining, quarrying, or production of taconite, taconite concentrates or direct reduced ore within the meaning of this section, and shall be subject to general property taxation. Nothing in this section prevents the assessment and taxation under the general property tax law of:

(1) the surface of reserve land containing taconite or other iron-bearing material and not occupied by such facilities or used in connection with them at the value of the land without regard to the taconite, iron sulphides, or other iron-bearing materials in the land;

(2) merchantable iron ore or other minerals, or iron-bearing materials other than taconite or iron sulphides in the lands;

(3) facilities used in producing sulphur or sulphur products from iron sulphide concentrates, or in refining sulphur products; or

(4) any property used for residential or townsite purposes, including utility services to that property.

This section does not provide an exemption from general property taxation for ore docks even if located at the site of a taconite production facility.

History: *1941 c 375 s 3; 1947 c 93 s 3; 1955 c 729 s 1; 1957 c 363 s 1; 1961 c 450 s 1; Ex1971 c 31 art 30 s 2; 1977 c 423 art 10 s 13; 1987 c 268 art 9 s 38; 1995 c 264 art 7 s 4; 2008 c 154 art 8 s 6; 2008 c 366 art 10 s 7*

298.26 TAX ON UNMINED TACONITE AND IRON SULPHIDES.

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 taconite or iron sulphides, a tax may be assessed upon the taconite or iron sulphides therein at the local tax rate prevailing in the taxing district and spread against the net tax capacity of the taconite or iron sulphides, such net tax capacity to be determined in accordance with existing laws. The amount of the tax spread under authority of this section by reason of the taconite and iron sulphides in any tract of land shall not exceed $15 per acre.

History: *1941 c 375 s 4; 1947 c 93 s 4; 1977 c 423 art 10 s 14; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11; 1994 c 587 art 5 s 16*

298.27 COLLECTION AND PAYMENT OF TAX.

The taxes provided by section 298.24 shall be paid directly to each eligible county and the commissioner of Iron Range resources and rehabilitation. 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 of revenue. 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: *1941 c 375 s 5; 1947 c 193 s 1; Ex1971 c 31 art 30 s 3; 1973 c 582 s 3; 1975 c 46 s 7; 1975 c 437 art 11 s 5; 1977 c 423 art 10 s 15; 1984 c 522 s 14; 1985 c 248 s 70; 1Sp1985 c 14 art 10 s 16; 1986 c 444; 1991 c 291 art 11 s 19; 1993 c 375 art 10 s 42; 1994 c 465 art 2 s 1; 2002 c 377 art 8 s 6; 2003 c 127 art 11 s 7; 2017 c 94 art 7 s 41*

298.28 DIVISION AND DISTRIBUTION OF PROCEEDS.

Subdivision 1. MS 1984 [Renumbered 298.28 subds 1-12]

Subdivision 1. **Distribution.** The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certification of the commissioner of revenue, be allocated under subdivisions 2 to 12.

Subd. 1a. MS 1976 [Repealed, 1977 c 423 art 10 s 30]

Subd. 2. MS 1984 [Renumbered 298.28 subd 13]

Subd. 2. **City or town where quarried or produced.** (a) 4.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," produced by each producer except Mesabi Metallics or its successor, plus one cent per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus the amount provided in paragraph (c), must be allocated to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. 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 and towns among such subdivisions upon the basis of attributing 50 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. 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.

(b)(1) Four cents per taxable ton produced by each producer except Mesabi Metallics or its successor, and one cent per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor shall be allocated to cities and townships affected by mining because their boundaries are within three miles of a taconite mine pit that:

(i) was actively mined by LTV Steel Mining Company in 1999; or

(ii) has been actively mined in at least one of the prior three years.

(2) If a city or town is located near more than one mine meeting the criteria under this paragraph, the city or town is eligible to receive aid calculated from only the mine producing the largest taxable tonnage. When more than one municipality qualifies for aid based on one company's production, the aid must be apportioned among the municipalities in proportion to their populations. The amounts distributed under this paragraph to each city and organized township must be used for infrastructure improvement projects. The amounts distributed under this paragraph to counties on behalf of each unorganized township must be used by the county for infrastructure improvement projects within the unorganized township.

(c) The amount that would have been computed for the current year under Minnesota Statutes 2008, section 126C.21, subdivision 4, for a school district shall be distributed to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution.

[See Note.]

Subd. 3. MS 1984 [Renumbered 298.23 subd 14]

Subd. 3. **Cities; towns.** (a) 12.5 cents per taxable ton produced by each producer except Mesabi Metallics or its successor, plus two cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282. The amount allocated to the taconite municipal aid account must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area as defined in section 273.134, paragraph (b), within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed $55 per capita in the case of a township or $75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. For

purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means the appropriate net tax capacities multiplied by 10.2.

(d) In addition to other distributions under this subdivision, three cents per taxable ton for distributions in 2009 must be allocated for distribution to towns that are entirely located within the taconite tax relief area defined in section 273.134, paragraph (b). For distribution in 2010 through 2014 and for distribution in 2018 and subsequent years, the three-cent amount must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount available under this paragraph will be distributed to eligible towns on a per capita basis, provided that no town may receive more than $70,000 in any year under this paragraph. Any amount of the distribution that exceeds the $70,000 limitation for a town under this paragraph must be redistributed on a per capita basis among the other eligible towns, to whose distributions do not exceed $70,000.

[See Note.]

Subd. 4. **School districts.** (a) 32.15 cents per taxable ton produced by each producer except Mesabi Metallics or its successor, plus 32.72 cents per taxable ton produced by Mesabi Metallics or its successor, plus $300,000 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus the increase provided in paragraph (b), clause (3), plus the increase provided in paragraph (d), less the amount that would have been computed under Minnesota Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b), (c), (d), and (f).

(b)(1) 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.

(2) Four cents per taxable ton produced by each producer except Mesabi Metallics or its successor, plus eight cents per taxable ton produced by Mesabi Metallics or its successor, plus $300,000 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor must be distributed to each affected school district for deposit in a fund dedicated to building maintenance and repairs, as follows:

(i) proceeds from Keewatin Taconite or its successor are distributed to Independent School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor districts;

(ii) proceeds from the Hibbing Taconite Company or its successor are distributed to Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor districts;

(iii) proceeds from the Mittal Steel Company and Minntac or their successors are distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 2711, Mesabi East, and 2909, Rock Ridge, or their successor districts;

(iv) proceeds from the Northshore Mining Company or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior, or their successor districts;

(v) proceeds from United Taconite or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 2909, Rock Ridge, or their successor districts; and

(vi) proceeds from Mesabi Metallics or its successor are distributed as follows:

(A) $150,000 to Independent School District No. 318, Grand Rapids, or its successor district;

(B) $150,000 to Independent School District No. 696, Ely, or its successor district; and

(C) eight cents per taxable ton to Independent School Districts Nos. 316, Greenway, and 319, Nashwauk-Keewatin, or their successor districts.

Revenues that are required to be distributed to more than one district shall be apportioned according to the number of pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year.

(3) Each school district that received a distribution under clause (2) in distribution year 2024 shall receive, from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, an additional four cents per taxable ton produced in 2023 by the producer from which the school district received a distribution under clause (2) in distribution year 2024.

(c)(1) 24.72 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.

(2) Notwithstanding clause (1), each school district that receives a distribution under sections 298.018; 298.24; and 298.25 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 (1). If there are insufficient tax proceeds to make the distribution provided under this paragraph in any year, money must be transferred from the taconite property tax relief account in subdivision 6, to the extent of the shortfall in the distribution.

(d)(1) 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 taxable 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 2011.

(2) Districts qualifying under paragraph (c) must receive additional taconite aid each year equal to 22.5 percent of the amount obtained by subtracting:

(i) 1.8 percent of the district's net tax capacity for 2011, from:

(ii) the district's weighted average daily membership for fiscal year 2012, multiplied by the sum of:

(A) $415, plus

(B) the district's referendum revenue allowance for fiscal year 2013.

(3) In addition to amounts under clauses (1) and (2), 4.57 cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor must be distributed as follows:

(i) $100,000 from the proceeds of Mesabi Metallics or its successor to Independent School District No. 695, Chisholm, or its successor district;

(ii) $100,000 from the proceeds of Mesabi Metallics or its successor to Independent School District No. 696, Ely, or its successor district; and

(iii) the remainder to school districts eligible for a distribution under paragraph (b), clause (1), based on the apportionment formula prescribed in subdivision 2.

If the total amount provided by paragraph (d), clauses (1) and (2), 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.

(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) Four cents per taxable ton must be distributed to qualifying school districts according to the distribution specified in paragraph (b), clause (2), and 11 cents per taxable ton must be distributed according to the distribution specified in paragraph (c). These amounts are not subject to section 126C.48, subdivision 8.

[See Note.]

Subd. 5. **Counties.** (a) 21.05 cents per taxable ton is allocated to counties to be distributed, based upon certification by the commissioner of revenue, under paragraphs (b) to (d).

(b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision 2 is the basis for the distribution.

(c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b) shall be paid to a county that received a distribution under this section in 2000 because there was located in the county an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite in a different county.

(d) 10.525 cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in subdivision 2.

Subd. 6. **Property tax relief.** (a) In 2014 and thereafter, 34.8 cents per taxable ton, less any amount required to be distributed under paragraphs (b) and (c), must be allocated to St. Louis County acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .1875 cent per taxable ton of the tax imposed and collected from such taxpayer shall be paid to the county.

(c) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a school district other than a school district in which the mining and concentrating processes are conducted, .4541 cent per taxable ton of the tax imposed and collected from the taxpayer shall be paid to the school district.

Subd. 7. **Iron Range resources and rehabilitation account.** For the 1998 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range resources and rehabilitation account for the purposes of section 298.22. That amount shall be increased for distribution years 1999 through 2014 and for distribution in 2018 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.

Subd. 7a. **Iron Range schools and community development account.** (a) The following amounts must be allocated to the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron Range schools and community development account that is hereby created:

(1)(i) for distributions in 2024 through 2032, 24 cents per taxable ton of the tax imposed under section 298.24, (ii) for distributions beginning in 2033, ten cents per taxable ton of the tax imposed under section 298.24;

(2) the amount as determined under section 298.17, paragraph (b), clause (3);

(3) for distributions in the year after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24 through 2050, 20 cents per taxable ton produced by Mesabi Metallics or its successor, provided that the allocation under this clause must only be used for projects within Independent School District No. 316, Greenway, that are approved by referendum within five years of the date Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, and that are approved by the commissioner of Iron Range resources and rehabilitation after review by the Iron Range Resources and Rehabilitation Advisory Board. If projects are not approved by referendum within five years of the date Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, or if the commissioner determines that the allocation exceeds the amount necessary for approved projects, the remainder of the allocation under this clause must be used as provided under paragraph (b); and

(4) any other amount as provided by law.

(b) Expenditures from this account, except as provided in paragraph (a), clause (3), may be approved as ongoing annual expenditures and shall be made only for disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, other disbursements to school districts, or community development. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Advisory Board.

[See Note.]

Subd. 8. **Range Association of Municipalities and Schools.** 0.50 cent per taxable ton produced by each producer except Mesabi Metallics or its successor shall be paid to the Range Association of Municipalities and Schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns, and school districts within the Iron Range area of northeast Minnesota.

[See Note.]

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.

Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per taxable ton produced by each producer except Mesabi Metallics or its successor must be paid to the taconite economic development fund. No distribution shall be made under this paragraph in 2027 or any subsequent year in which total industry production in the preceding year, excluding production by MagIron or its successor at Plant 4 in Arbo Township and production by Mesabi Metallics or its successor, falls below 30 million tons. Distribution shall only be made to a Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the due dates provided by an administrative agreement with the commissioner.

(b) An amount equal to 50 percent of the taxes collected under section 298.24 from each producer except Mesabi Metallics or its successor for concentrate sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed $700,000 annually for all Minnesota taconite pellet producers. If the initial amount to be paid to the fund exceeds this amount, each Minnesota taconite pellet producer's payment shall be prorated so the total does not exceed $700,000.

[See Note.]

Subd. 9b. **Taconite environmental fund.** Five cents per taxable ton must be paid to the taconite environmental fund for use under section 298.2961, subdivision 4.

Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the Hockey Hall of Fame, provided that it continues to operate in that city, and provided that the city of Eveleth certifies to the St. Louis County auditor that it has received donations for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of Fame ceases to operate in the city of Eveleth prior to receipt of the distribution in any year, and the governing body of the city determines that it is unlikely to resume operation there within a six-month

period, the distribution under this subdivision shall be made to the commissioner of Iron Range resources and rehabilitation.

Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be deposited in an Iron Range higher education account that is hereby created, to be used for higher education programs conducted at educational institutions in the taconite assistance area defined in section 273.1341. The Iron Range Higher Education committee under section 298.2214, and the commissioner of Iron Range resources and rehabilitation, after consultation with the advisory board, must approve all expenditures from the account.

Subd. 10. **Increase.** (a) Except as provided in paragraph (b), for distributions in 2000 through 2014 and for distributions in 2018 and subsequent years, the amount determined under subdivision 9 shall be increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Beginning with distributions in 2018, the amount determined under subdivision 6, paragraph (a), shall be increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(b) For distributions in 2005 and subsequent years, an amount equal to the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, for taxes paid in 2005, except for the amount of revenue increases provided in subdivision 4, paragraph (d), is distributed to the grant and loan fund established in section 298.2961, subdivision 4.

Subd. 10a. **Insufficient proceeds.** If the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor are insufficient to fund the allocations designated from those proceeds under this section, the following allocations and distributions must be proportionally decreased such that the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor are sufficient to fund the allocations designated from those proceeds under this section:

(1) allocations under this section calculated based on taxable tonnage produced in 2023;

(2) distributions under subdivision 4, paragraph (b), clause (2), item (vi), subitems (A) and (B); and

(3) distributions under subdivision 4, paragraph (d), clause (3), items (i) and (ii).

[See Note.]

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 10, as certified by the commissioner of revenue, and paragraphs (b), (c), and (d) 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 Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however, that (1) 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; and (2) a city located within six miles of five other cities qualifying for a distribution under section 298.282 shall receive a distribution equal to $5,000 under this paragraph in calendar year 2020 and subsequent years. The distribution to all other cites and towns

receiving a distribution under this paragraph shall be reduced by the ratio that $5,000 bears to the total aid distribution received by all cities and towns under this paragraph.

(c) There shall be distributed to the Iron Range resources and rehabilitation account the amounts it received in 1977 under Minnesota Statutes 1978, 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 75 percent of the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

[See Note.]

Subd. 11a. MS 2008 [Repealed, 2009 c 88 art 9 s 17]

Subd. 12. **Estimates.** On or before October 10 of each calendar year each producer of taconite, iron sulphides, and other iron-bearing material subject to taxation under section 298.24, hereinafter referred to as "taxpayer," shall file with the commissioner of revenue an estimate of the amount of tax that would be payable by the taxpayer under the law for the calendar year; provided that the estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of the year plus the amount becoming due because of probable production between September 30 and December 31 of the year, less any credit allowable as provided in subdivision 13. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and 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 the county or city in the year in which the estimate is made, and payable in the next calendar year, except that one cent per taxable ton of the amount distributed under subdivision 5, paragraph (d), shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy has been made, if the taxes distributable to any county or city are greater than the amount estimated by the commissioner to be paid to the county or city that year, the excess of the distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies of the county or city payable in such year. If the amounts distributable to the county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, the county or city may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy an amount sufficient to pay the certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to the shortage.

Subd. 13. MS 2008 [Repealed, 2009 c 88 art 9 s 17]

Subd. 14. MS 1986 [Repealed, 1987 c 268 art 9 s 43]

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.

Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund under this section, $3,500,000 shall be transferred to the Iron Range schools and community development account under subdivision 7a. Any remaining amount of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund shall be transferred to the Iron Range resources and rehabilitation account under subdivision 7. The transfers under this subdivision must be made within ten days of the August payment.

History: *1941 c 375 s 6; 1947 c 193 s 2; 1955 c 728 s 1; 1959 c 158 s 26; 1959 c 677 s 1; 1965 c 698 s 1; 1969 c 399 s 49; 1969 c 1156 s 2; 1971 c 736 s 1,2; Ex1971 c 31 art 35 s 2; 1973 c 123 art 5 s 7; 1973 c 582 s 3; 1973 c 631 s 6; 1975 c 46 s 8; 1976 c 134 s 78; 1977 c 307 s 29; 1977 c 423 art 10 s 16; 1978 c 721 art 9 s 3; 1978 c 764 s 113; 1978 c 793 s 70; 1980 c 607 art 7 s 5; 1981 c 358 art 1 s 43; 1Sp1981 c 1 art 10 s 15,16; 1982 c 523 art 41 s 1; 1982 c 548 art 1 s 15; 2Sp1982 c 2 s 2,3; 1983 c 216 art 1 s 50; 1983 c 314 art 1 s 22; 1984 c 463 art 1 s 12; 1984 c 502 art 7 s 16; 1984 c 522 s 15; 1985 c 300 s 23; 1Sp1985 c 12 art 1 s 33; 1Sp1985 c 14 art 10 s 17,18; 1986 c 441 s 12; 1986 c 444; 1Sp1986 c 1 art 4 s 44; 1Sp1986 c 3 art 2 s 38; 1987 c 268 art 9 s 39-42; 1988 c 486 s 91; 1988 c 719 art 5 s 45,84; art 19 s 19; 1989 c 277 art 2 s 47; art 4 s 27; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 3 s 27; art 5 s 20; 1990 c 480 art 7 s 25; 1990 c 562 art 7 s 11; 1991 c 130 s 37; 1991 c 265 art 1 s 27; 1991 c 356 art 4 s 2-4,6; 1992 c 499 art 8 s 23; art 12 s 29; 1992 c 511 art 9 s 10; 1993 c 224 art 1 s 31; 1993 c 369 s 111; 1993 c 375 art 16 s 2-5; 1Sp1993 c 6 s 31; 1994 c 416 art 1 s 41; 1994 c 587 art 6 s 4,5; 1995 c 264 art 7 s 5; 1Sp1995 c 3 art 16 s 13; 1996 c 471 art 12 s 3-5; 1997 c 231 art 8 s 8,9; 1998 c 389 art 10 s 10-19; 1998 c 397 art 11 s 3; 1999 c 243 art 9 s 2,3; 1Sp2001 c 5 art 6 s 23-28; 2002 c 377 art 8 s 7-13; 2003 c 127 art 11 s 8,12; 1Sp2003 c 9 art 5 s 30; 1Sp2003 c 21 art 11 s 24,25; 1Sp2005 c 1 art 4 s 89,90; 2006 c 247 s 13; 2006 c 259 art 12 s 10,11; 2008 c 154 art 8 s 7-9; 2008 c 277 art 1 s 65; 2008 c 363 art 10 s 19; 2008 c 366 art 10 s 8-10; 2009 c 78 art 7 s 17; 2009 c 88 art 9 s 15; art 12 s 8,9; 2010 c 216 s 19; 2011 c 112 art 9 s 5; 2013 c 3 s 18; 2013 c 85 art 5 s 35; 2013 c 143 art 11 s 5-8; 2014 c 150 art 6 s 10-15; 2014 c 308 art 5 s 4-6; 2014 c 312 art 3 s 15; art 18 s 20; 2016 c 158 art 1 s 166; 2017 c 40 art 1 s 108; 2017 c 94 art 7 s 42-46; 1Sp2017 c 1 art 19 s 5,6; 2018 c 198 s 2,3; 1Sp2019 c 6 art 11 s 10,11; 2020 c 83 art 1 s 77; 2023 c 64 art 6 s 7-9; 2024 c 127 art 69 s 10-12; 2026 c 128 art 5 s 3-11*

NOTE: The amendments to subdivisions 2, 3, 4, 7a, 8, 9a, and 11, by Laws 2026, chapter 128, article 5, sections 3, 4, 5, 6, 7, 8, and 11, are 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.

NOTE: Subdivision 10a, as added by Laws 2026, chapter 128, article 5, section 10, 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.

298.281 MS 1976 [Repealed, 1977 c 423 art 10 s 30]

298.282 DISTRIBUTION OF TACONITE MUNICIPAL AID ACCOUNT; TACONITE MUNICIPAL AID; PAYMENT.

Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount deposited with the county as provided in section 298.28, subdivision 3, must be distributed as provided by this section among:

(1) the municipalities located within a taconite assistance area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2) a township that contains a state park consisting primarily of an underground iron ore mine; (3) a city located within five miles of that state park; (4) the city of Cook in St. Louis County; (5) the city of Two Harbors in Lake County; (6) the city of Orr in St. Louis County; (7) the city of Winton in St. Louis County; and (8) Breitung Township in St. Louis County, each being referred to in this section as a qualifying municipality. The distributions to each of the city of Orr, the city of Winton, and Breitung Township under this subdivision shall be $25,000 annually. The distributions to each of the city of Cook and the city of Two Harbors under this subdivision shall be $75,000 annually.

(b) The amount deposited in the state general fund as provided in section 298.018, subdivision 1, must be distributed in the same manner as provided under paragraph (a), except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the dates provided under section 298.018, subdivision 1a.

[See Note.]

Subd. 2. **Commissioner's calculation and certification of municipal distributions.** (a) Each year following the final determination of the amount of taxes payable under section 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of that year and the amount to be distributed to each qualifying municipality during the year. The amount to be distributed to each qualifying municipality shall be determined by determining an index for each qualifying municipality by subtracting its local effort tax rate, multiplied by its equalized gross tax capacity, from its fiscal need factor. For the purposes of this subdivision, the following terms have the meanings given them herein. A municipality's "local effort tax rate" means its fiscal need factor per capita divided by $21 per capita for each one percent of the gross local tax rate or $17 per capita for each one percent of the net local tax rate for the first $350 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by $18 per capita for each one percent of the gross local tax rate or $15 per capita for each one percent of the net local tax rate on that part of its fiscal need factor per capita, if any, in excess of $350. In no case shall a municipality's local effort tax rate be less than a gross local tax rate of 6.56 percent or a net local tax rate of 8.16 percent. A municipality's "equalized gross tax capacity" means its previous year tax capacity, less the tax capacity in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution. A municipality's "fiscal need factor" means the three-year average of the sum of its municipal levy, taconite aids received under section 298.28, subdivisions 2, 11, paragraph (b), and this section and its local government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The ratio of the resulting index for each qualifying municipality to the sum of all qualifying municipalities' indexes shall be multiplied by the total amount in the taconite municipal aid account less the amount distributed pursuant to subdivision 5.

(b) If the distribution under this section, sections 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's levy for that year, the amount in excess of the levy for that year shall reduce the amount distributed to the municipality under this section and this excess amount shall be distributed to the other qualifying municipalities in the same manner as the distribution made pursuant to subdivision 2, except that the qualifying municipality receiving an initial distribution when added to that received pursuant to sections 298.26, 298.28, and chapter 477A in excess of the qualifying municipality's levy, shall not receive a distribution nor shall its index be used in computing the distribution pursuant to this clause. The distributions to be received in the year in which the taxes are payable shall be compared to the levy for that same year. Upon completion of the determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to the municipality from the taconite municipal aid account that year.

Subd. 3. **Amounts in excess or less than certified amount.** If the amount certified by the commissioner of revenue as distributable to any qualifying municipality is greater than the amount previously estimated to have been distributable to such qualifying municipality in such year, the excess distributed to such municipality shall be held in a separate fund by the qualifying municipality and shall not be expended until the succeeding calendar year. If the amount distributable to any qualifying municipality, after final determination by the commissioner of revenue is less than the amount estimated to have been distributable to such qualifying municipality, such municipality may issue certificates of indebtedness in the amount of the shortage and may include in its next tax levy an amount sufficient to pay such certificates of indebtedness and interest thereon or, if no certificates were issued, an amount equal to such shortage.

Subd. 4. **County auditor; payments to municipalities.** On or before September 15 of each year, the county auditor shall issue a warrant in favor of the treasurer of each qualifying municipality in the amount determined by the commissioner of revenue to be due and payable to such qualifying municipality in such year.

Subd. 5. **County auditor; payments to replace revenue loss.** The county auditor shall annually on September 15 make a payment from the taconite municipal aid fund to cities and towns for the purpose of replacing the revenue loss to them resulting from Laws 1975, chapter 437, article XI, section 7. The amount of aid to be paid annually to each city and town is the amount they were entitled to receive for 1975 under the provisions of Minnesota Statutes 1974, section 298.32.

History: *Ex1971 c 31 art 30 s 6; 1973 c 492 s 14; 1973 c 582 s 3; 1973 c 631 s 7-9; 1975 c 46 s 10; 1976 c 328 s 1,2; 1977 c 423 art 10 s 17,18; 1978 c 767 s 35; 1984 c 522 s 16; 1Sp1985 c 14 art 10 s 19-21; 1986 c 441 s 13; 1986 c 444; 1987 c 384 art 2 s 1; 1988 c 719 art 5 s 84; 1989 c 277 art 4 s 28; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11; art 5 s 21,22; 1Sp2001 c 5 art 6 s 29; 2008 c 154 art 8 s 10; 2008 c 277 art 1 s 66; 2010 c 389 art 6 s 19; 1Sp2019 c 6 art 11 s 12; art 24 s 31; 2024 c 127 art 69 s 13; 2026 c 128 art 5 s 12*

NOTE: The amendment to subdivision 1 by Laws 2026, chapter 128, article 5, section 12, 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.

298.283 CHANGE OF STATUS OF MUNICIPALITY; DATE FOR DETERMINING STATUS.

If any qualifying municipality as defined in section 298.282, is consolidated with another municipality or part thereof, the secretary of state shall certify that fact to the commissioner of revenue, who shall determine the amounts payable to the consolidated municipality according to the combined population resulting, for the purpose of determining aid payable under the provisions of section 298.282. The determination of amounts payable under the provisions of section 298.282 shall however be based on the status of the municipality on January 1 of each year.

History: *Ex 1971 c 31 art 30 s 7; 1973 c 582 s 3; 1973 c 631 s 10*

298.285 STATE AID AMOUNT; APPROPRIATION.

(a) The commissioner of revenue shall determine a state aid amount equal to a tax of 33 cents per taxable ton of iron ore concentrates for production year 2001 and 22 cents per taxable ton of iron ore concentrates for production years 2002 and thereafter, except as provided in paragraph (b).

(b) Other iron-bearing material, as defined in section 298.001, subdivision 9, must not be included in the determination of state aid amounts under paragraph (a) until distribution year 2024.

(c) There is appropriated from the general fund to the commissioner an amount equal to the state aid determined under this section. The appropriation must be distributed under section 298.28, as if the aid were production tax revenues.

History: *1Sp2001 c 5 art 6 s 39; 1Sp2021 c 14 art 11 s 22*

298.29 [Renumbered 117.46]

DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND ACT

298.291 CITATION.

Sections 298.291 to 298.294 shall be known as the "Douglas J. Johnson Economic Protection Trust Fund Act."

History: *1977 c 423 art 10 s 25; 2Sp1982 c 2 s 4; 2002 c 377 art 8 s 14*

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.** (a) 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, including bonds authorized by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

(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;

(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; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner, after consultation with the advisory board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

(b) Money from the trust fund shall be expended only in the taconite assistance area defined in section 273.1341.

(c) Money devoted to the trust fund under this section shall not be expended, appropriated, or transferred from the trust fund for any purpose except as provided in this section.

History: *1977 c 423 art 10 s 26; 2Sp1982 c 2 s 5; 1983 c 46 s 1; 1983 c 357 s 2; 1Sp1985 c 14 art 10 s 22; 1987 c 386 art 8 s 2; 1Sp2001 c 5 art 6 s 30; 2003 c 127 art 11 s 9,12; 1Sp2003 c 21 art 11 s 26; 2008 c 154 art 8 s 11; 2008 c 363 art 10 s 20; 2008 c 366 art 10 s 11; 2009 c 78 art 7 s 18; 2013 c 3 s 19; 2017 c 94 art 7 s 47; 2018 c 198 s 4; 2024 c 127 art 69 s 14*

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: *1977 c 423 art 10 s 27; 1978 c 721 art 9 s 4; 2Sp1982 c 2 s 6; 1983 c 46 s 2; 1Sp1985 c 14 art 10 s 23; 1Sp2001 c 5 art 6 s 31; 1Sp2003 c 21 art 11 s 12,27*

298.294 INVESTMENT OF FUND.

The trust fund established by section 298.292 shall be invested pursuant to law by the State Board of Investment and the net interest, dividends, and other earnings arising from the investments shall be transferred on the first day of each month to the trust and shall be included and become part of the trust fund. The amounts transferred are appropriated from the trust fund to the commissioner of Iron Range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292. Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended.

History: *1977 c 423 art 10 s 28; 3Sp1981 c 2 art 7 s 6; 2Sp1982 c 2 s 7; 1983 c 46 s 3; 2009 c 78 art 7 s 20; 2010 c 215 art 9 s 1; 2010 c 216 s 20; 2013 c 3 s 20; 2016 c 158 art 1 s 167; 2022 c 55 art 1 s 145*

298.295 MS 1982 [Repealed, 1983 c 46 s 8]

298.296 OPERATION OF FUND.

Subdivision 1. **Project approval.** Projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the commissioner unless the commissioner, after consultation with the advisory board, finds that:

(a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(b) the prospective benefits of the expenditure exceed the anticipated costs; and

(c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus $10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust.

(b) Additionally, an amount equal to 20 percent of the value of the corpus of the trust on May 18, 2002, plus the amounts made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8, section 17, may be expended on projects. The commissioner may expend funds for projects under this paragraph only if:

(1) the project is for the purposes established under section 298.292, subdivision 1, clause (1) or (2); and

(2) the commissioner has consulted with the advisory board.

No money made available under this paragraph or paragraph (c) can be used for administrative or operating expenses of the Department of Iron Range Resources and Rehabilitation or expenses relating to any facilities owned or operated by the commissioner on May 18, 2002.

(c) The commissioner may spend amounts in addition to those authorized under paragraphs (a) and (b) on projects described in section 298.292, subdivision 1, only after consultation with the advisory board.

(d) Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

(e) Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, paragraph (a), clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.297.

(f) Additionally, notwithstanding section 298.293, the commissioner, after consultation with the advisory board, may expend money from the corpus of the trust to purchase forest lands within the taconite assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, paragraph (a), clause (5).

Subd. 3. **Administration.** The commissioner of Iron Range resources and rehabilitation shall administer the program under which funds are expended pursuant to sections 298.292 to 298.297.

Subd. 4. **Temporary loan authority.** (a) After consultation with the advisory board, the commissioner may use up to $7,500,000 from the corpus of the trust 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 gross 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 commissioner, after consultation with the advisory board, may use up to $5,500,000 from the corpus of the trust for additional grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a).

(c) The commissioner, after consultation with the advisory board, may require that the fund receive an equity percentage in any project to which it contributes under this section.

History: *2Sp1982 c 2 s 9; 1983 c 46 s 4; 1984 c 654 art 2 s 121; 1987 c 386 art 8 s 3; 1993 c 369 s 112; 1994 c 587 art 6 s 6,7; 1995 c 264 art 7 s 6; 1996 c 471 art 12 s 6,7; 1997 c 231 art 8 s 10; 1998 c 389 art 10 s 20; 1999 c 243 art 9 s 4; 1Sp2001 c 5 art 6 s 32; 2002 c 377 art 8 s 15; 2003 c 127 art 11 s 10,12; 2006 c 281 art 4 s 20; 2008 c 154 art 8 s 12; 2009 c 78 art 7 s 21; 2013 c 3 s 21,22; 2017 c 94 art 7 s 48; 2019 c 50 art 1 s 99; 2023 c 64 art 6 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.

Subd. 2. **Projects; approval.** (a) Projects funded must be for:

(1) environmentally unique reclamation projects; or

(2) pit or plant repairs, expansions, or modernizations other than for a value added iron products plant.

(b) The commissioner may approve a project only after consultation with the advisory board.

(c) The commissioner, after consultation with the advisory board, may require that the fund receive an equity percentage in any project to which it contributes under this section.

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.

Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision. Any grant or loan made under this subdivision must be approved by the commissioner, after consultation with the advisory board, established under section 298.22.

(b) All distributions received in 2009 and subsequent years are allocated for projects under section 298.223, subdivision 1.

Subd. 5. MS 2014 [Repealed, 2016 c 158 art 1 s 215]

Subd. 6. MS 2014 [Repealed, 2016 c 158 art 1 s 215]

Subd. 7. MS 2014 [Repealed, 2016 c 158 art 1 s 215]

History: *1996 c 471 art 12 s 8; 1997 c 231 art 8 s 11; 1Sp2001 c 5 art 6 s 33; 2003 c 127 art 11 s 11,12; 1Sp2005 c 1 art 4 s 91; 2006 c 259 art 12 s 12,13; 2008 c 154 art 8 s 13,14; 2008 c 363 art 10 s 21; 2009 c 78 art 7 s 22; 2010 c 216 s 58; 2010 c 347 a 7 s 1,3; 2010 c 389 a 7 s 20,24; 2013 c 3 s 23-25; 2016 c 158 art 1 s 168; 2017 c 94 art 7 s 49*

298.297 ADVISORY COMMITTEES.

Before submission of a project to the advisory board, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of one or more persons who are knowledgeable in areas related to the objectives of the proposal. Members of the committees shall be compensated as provided in section 15.059, subdivision 3. The advisory board shall not make recommendations on a proposal until it has received the evaluation and recommendations of the technical advisory committee or until 15 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first.

History: *2Sp1982 c 2 s 10; 1983 c 46 s 5; 2009 c 78 art 6 s 24; 2014 c 286 art 8 s 36; 2017 c 94 art 7 s 50*

298.298 MS 2016 [Repealed, 2017 c 94 art 7 s 60]

298.30 [Renumbered 117.47]

298.31 [Private, 1945 c 283 s 1]

298.32 MS 1974 [Repealed, 1975 c 437 art 11 s 7]

SEMITACONITE TAXATION

298.34 SEMITACONITE, TAXATION, DEFINITIONS.

Subdivision 1. MS 1996 [Repealed, 1998 c 389 art 10 s 23]

Subd. 2. **Semitaconite deposit.** For the purposes of sections 298.34 to 298.39, a "semitaconite 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 semitaconite. Such deposits include stockpiles of semitaconite. They also include rejects or tailings that in themselves are of semitaconite type as defined in section 298.001, subdivision 6, 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 section 298.001, subdivision 6, 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. **Semitaconite facility.** For the purposes of sections 298.34 to 298.39, a semitaconite facility is: (a) a beneficiating plant or a section or part thereof used solely in the process of beneficiating semitaconite, including buildings, machinery, tools, equipment and supplies used in connection therewith; (b) machinery, tools, equipment and supplies used solely in the mining of semitaconite or semitaconite 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 semitaconite or a semitaconite 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 semitaconite or semitaconite deposit bears to the whole use thereof shall be considered a semitaconite 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 revenue upon application of the assessing officer or the owner of such facility.

Subd. 4. MS 1996 [Repealed, 1998 c 389 art 10 s 23]

History: *Ex1959 c 81 s 1; 1973 c 582 s 3; 2009 c 86 art 1 s 55*

298.35 IMPOSITION OF TAX; AMOUNT.

There is hereby imposed upon semitaconite and semitaconite 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 semitaconite deposit,

beneficiated in connection with or incidental to the beneficiation of semitaconite therefrom, is made merchantable by simple methods of beneficiation referred to in section 298.34, the tax hereunder upon the portion of merchantable concentrate 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.

History: *Ex1959 c 81 s 2*

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 semitaconite and semitaconite 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 semitaconite mining and beneficiation facilities used in connection therewith, or upon the lands occupied by such semitaconite mining or beneficiation facilities. If electric or steam power for the mining, transportation or concentration of such semitaconite 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 semitaconite and semitaconite 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 semitaconite or the transportation or loading of semitaconite 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 semitaconite 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 semitaconite and not occupied by such facilities or used solely in connection therewith at the value thereof without regard to the semitaconite therein, nor the assessment and taxation of merchantable iron ore or other minerals, or iron-bearing materials other than semitaconite 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.

History: *Ex1959 c 81 s 3*

298.37 ASSESSMENT AT LOCAL TAX 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 semitaconite, a tax may be assessed upon the semitaconite therein at the local tax rate prevailing in the taxing district and spread against the net tax capacity of the semitaconite; such net tax capacity shall not exceed the greater of: (a) the net tax capacity specifically assigned to the semitaconite 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 section 298.26.

History: *Ex1959 c 81 s 4; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11*

298.38 PAYMENT AND COLLECTION.

The tax provided in section 298.35 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 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, 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 revenue relative thereto, are hereby made applicable to the tax imposed by section 298.35, except insofar as inconsistent herewith.

History: *Ex1959 c 81 s 5; 1973 c 582 s 3; 1985 c 248 s 70*

298.39 DISTRIBUTION OF PROCEEDS.

The proceeds of the tax collected under section 298.35 shall be distributed by the commissioner of management and budget, 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: *Ex1959 c 81 s 6; 1965 c 641 s 1; 1965 c 698 s 1; 1969 c 399 s 49; Ex1971 c 31 art 35 s 4; 1973 c 123 art 5 s 7; 1973 c 582 s 3; 1976 c 134 s 78; 1977 c 307 s 29; 1978 c 764 s 114; 1983 c 314 art 1 s 22; 1986 c 444; 1988 c 486 s 92; 1988 c 719 art 5 s 84; 1Sp1989 c 1 art 5 s 23; 1991 c 130 s 37; 1992 c 499 art 12 s 29; 1996 c 305 art 1 s 67; 1998 c 397 art 11 s 3; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*

AGGLOMERATING FACILITIES PRODUCTION TAX

298.391 AGGLOMERATING FACILITIES DEFINITIONS.

Subdivision 1. **Definitions.** When used in sections 298.391 to 298.396, the following terms have the meaning assigned to them in this section, unless the context otherwise requires.

Subd. 2. MS 1996 [Repealed, 1998 c 389 art 10 s 23]

Subd. 3. **Agglomerating facility.** "Agglomerating facility" means a plant or plants, other than taconite plants or semitaconite facilities for the production of agglomerates and other merchantable iron ore products not less than 80 percent of the total annual productive capacity of which is designed and used for the production of agglomerates, together with all lands, except iron ore and iron-bearing material therein; all structures, buildings, machinery, equipment, tools and supplies which are used or to be used in connection with such plant or plants or in connection with the mining of agglomerate reserves; mined iron ore, iron-bearing materials and concentrates stockpiled at said plant or plants for processing therein and stockpiles of the merchantable iron ore products which have been produced therein.

Subd. 4. **Agglomeration.** "Agglomeration" means the application of a process either of pelletizing, sintering, nodulizing, briquetting, extruding or mechanical pressure to iron ore and iron-bearing material, other than taconite and semitaconite, at temperatures in excess of 900 degrees Fahrenheit.

Subd. 5. MS 1996 [Repealed, 1998 c 389 art 10 s 23]

History: *1965 c 893 s 1; 1973 c 582 s 3*

298.392 QUALIFICATION OF AGGLOMERATING FACILITIES; PROCEDURE AND ORDER.

An agglomerating facility shall be or become subject to taxation under sections 298.391 to 298.396 after it shall have been approved as such by order of the commissioner. Request for such approval shall be in writing and shall contain a description of the facility, together with such additional information and supporting data as the commissioner may require. The commissioner may make reasonable rules not inconsistent herewith prescribing the form of such requests. On determining that the facility, which may include existing structures, buildings, machinery, equipment, tools and supplies, qualifies as an agglomerating facility under sections 298.391 to 298.396, the commissioner shall by order approve the same as such and the facility shall thereupon become subject to the provisions of sections 298.391 to 298.396.

History: *1965 c 893 s 2; 1985 c 248 s 70; 1986 c 444*

298.393 IMPOSITION OF TAX; AMOUNT.

There is hereby imposed upon agglomerating facilities and upon the production of agglomerates and other merchantable iron ore products therein and upon the agglomerates and other products so produced, a tax equal to five cents per gross ton of agglomerates and other merchantable iron ore products which shall have been produced in the agglomerating facility during the calendar year plus one-tenth of one cent per gross ton for each one percent that the iron content of such products exceeds 55 percent, when dried at 212 degrees Fahrenheit.

History: *1965 c 893 s 3*

298.394 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 the agglomerating facility or upon the production of agglomerates and other merchantable iron ore products therein, or upon the agglomerates and other products so produced.

History: *1965 c 893 s 4*

298.395 PAYMENT AND COLLECTION.

The tax provided in section 298.393 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 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 submission by taxpayer 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 revenue relative thereto, are hereby made applicable to the tax imposed by said section 298.393, except insofar as inconsistent herewith.

History: *1965 c 893 s 5; 1973 c 582 s 3; 1985 c 248 s 70*

298.396 DISTRIBUTION OF PROCEEDS.

The proceeds of the tax collected under section 298.393 shall be distributed by the commissioner of management and budget, 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: *1965 c 698 s 3; 1965 c 893 s 6; 1969 c 399 s 49; Ex1971 c 31 art 35 s 5; 1973 c 123 art 5 s 7; 1976 c 134 s 78; 1977 c 307 s 29; 1978 c 764 s 115; 1986 c 444; 1988 c 719 art 5 s 84; 1Sp1989 c 1 art 5 s 24; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*

298.40 MS 1988 [Repealed, 1987 c 268 art 9 s 43]

298.401 MS 1988 [Repealed, 1988 c 719 art 2 s 56]

298.402 MS 2016 [Repealed, 2018 c 182 art 1 s 109]

TAXATION OF OTHER IRON-BEARING MATERIAL

298.405 IRON ORE BEARING MATERIAL OTHER THAN TACONITE AND SEMITACONITE; TAXATION.

Subdivision 1. **Definition.** Iron-bearing material, other than taconite and semitaconite, having not more than 46.5 percent natural iron content on the average, is subject to taxation under section 298.24. The tax under that section applies to material that is treated in Minnesota for the purpose of making the iron-bearing material merchantable by any means of beneficiation, separation, concentration, or refinement. The tax under section 298.24 does not apply to unmined iron ore and low-grade iron-bearing formations as described in section 273.13, subdivision 31, clause (1).

Subd. 2. MS 2006 [Repealed, 2008 c 366 art 10 s 16]

Subd. 3. MS 2006 [Repealed, 2008 c 366 art 10 s 16]

Subd. 4. MS 2006 [Repealed, 2008 c 366 art 10 s 16]

History: *1963 c 735 s 1; 1963 c 841 s 1; 1973 c 582 s 3; 1992 c 464 art 2 s 6; 2008 c 366 art 10 s 12; 1Sp2021 c 14 art 11 s 23*

298.41 MS 1969 [Repealed, Ex1971 c 31 art 12 s 1]

298.42 MS 1969 [Repealed, Ex1971 c 31 art 12 s 1]

298.43 MS 1969 [Repealed, Ex1971 c 31 art 12 s 1]

298.44 MS 1969 [Repealed, Ex1971 c 31 art 12 s 1]

298.45 MS 1969 [Repealed, Ex1971 c 31 art 12 s 1]

UNMINED IRON ORE

298.46 EXPLORATORY DRILLING FOR IRON ORE.

Subdivision 1. **Public policy.** It is hereby declared to be in the public interest of this state as a whole, and in particular with respect to counties or other political subdivisions, to encourage the location of all deposits of iron ore hitherto unknown to such political subdivisions, that may be susceptible of economic exploitation.

Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly constituted authorities of a taxing district there are in existence reserves of unmined iron ore located in such district, these authorities may petition the commissioner of Iron Range resources and rehabilitation for authority to petition the county assessor to verify the existence of such reserves and to ascertain the value thereof by drilling in a manner consistent with established engineering and geological exploration methods, in order that such taxing district may be able to forecast in a proper manner its future economic and fiscal potentials. The commissioner of Iron Range resources and rehabilitation may grant the authority to petition only after consultation with the advisory board.

Subd. 3. **Refusal to permit valuation; easement.** If the fee owner of the land on which the unmined iron ore is believed to be located, or the owner of a mineral interest therein, refuses to permit the county assessor to ascertain the value of unmined iron ore believed to be located on such land, the county attorney, acting in the name of the county may institute proceedings under chapter 117, for the express purpose of being granted an easement which would permit the county assessor to verify whether or not such land does, in fact, contain reserves of unmined iron ore.

Subd. 4. **Discharge of easement.** When the county assessor has verified the existence of reserves of iron ore and has ascertained the value of such reserves, or in the alternative has failed to locate any reserves susceptible of being economically exploited, the assessor shall notify the county attorney, and the county attorney shall then, by appropriate means, request the district court to discharge the easement secured for the purpose stated above.

Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or drilling plus any damages to the property which may be assessed by the district court shall be paid by the commissioner of Iron Range resources and rehabilitation from amounts appropriated to the commissioner of Iron Range resources and rehabilitation under section 298.22. The commissioner of Iron Range resources and rehabilitation shall be reimbursed for one-half of the amounts thus expended. Such reimbursement shall be made by the taxing districts in the proportion that each such taxing district's levy on the property involved bears to the total levy on such property. Such reimbursement shall be made to the commissioner of Iron Range resources and rehabilitation in the manner provided by section 298.221.

Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor is hereby authorized to reduce payments required to be made by the county to such taxing district under other provisions of law. Thereafter

the auditor shall draw a warrant, which shall be deposited with the state treasury in accordance with section 298.221, to the credit of the commissioner of Iron Range resources and rehabilitation.

Subd. 7. **Area of application.** The provisions of this section shall not apply in the Boundary Waters Canoe Area.

History: *1974 c 365 s 1; 1975 c 271 s 6; 1986 c 444; 2017 c 94 art 7 s 51-53*

298.47 NOTIFICATION OF COMMISSIONER OF REVENUE OF UNMINED IRON ORE.

On ascertaining that there are in existence reserves of unmined iron ore previously unreported, the county auditor shall transmit all the relevant information to the commissioner of revenue as soon as expedient.

History: *1974 c 365 s 2; 1986 c 444*

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

Subdivision 1. **Annual filing.** By April 1 each year, every owner or lessee of mineral rights who, in respect thereto, has engaged in any exploration for or mining of taconite, semitaconite, or iron-sulphide shall file with the commissioner of revenue all data of the following kinds in the possession or under the control of the owner or lessee which was acquired during the preceding calendar year:

(a) Maps and other records indicating the location, character and extent of exploration for taconite, semitaconite, or iron-sulphides;

(b) Logs, notes and other records indicating the nature of minerals encountered during the course of exploration;

(c) The results of any analyses of metallurgical tests or samples taken in connection with exploration;

(d) The ultimate pit layout and the supporting cross sections; and

(e) Any other data which the commissioner of revenue may determine to be relevant to the determination of the location, nature, extent, quality or quantity of unmined ores of said minerals. The commissioner of revenue may compel submission of the data. The court administrator of any court of record, upon demand of the commissioner, shall issue a subpoena for the production of any data before the commissioner. Disobedience of subpoenas issued under this section shall be punished by the district court of the district in which the subpoena is issued as for a contempt of the district court.

Subd. 2. **Use of data.** Notwithstanding any other law to the contrary, the commissioner of revenue may use any data filed pursuant to subdivision 1 and any similar data otherwise obtained to the extent and in the manner the commissioner deems necessary to project the future availability, value, and utilization of the metallic mineral resources of this state. In making such projections the commissioner of revenue may consult with, and provide data as deemed appropriate to, the commissioner of natural resources.

Subd. 3. **Penalties.** Any owner or lessee of mineral rights who fails, neglects or refuses to make any filing required by this section is guilty of a gross misdemeanor.

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: *1977 c 423 art 10 s 29; 1978 c 767 s 36; 1981 c 356 s 193; 1983 c 289 s 115 subd 1; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1987 c 312 art 1 s 26 subd 2; 1992 c 464 art 1 s 56; 1998 c 389 art 10 s 21; 1Sp2003 c 4 s 1*

298.51 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.52 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.53 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.54 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.55 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.61 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.62 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.63 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.64 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.65 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.66 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

298.67 MS 1986 [Repealed, 1987 c 268 art 9 s 43]

AGGREGATE MATERIAL TAX

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.

(a) "Aggregate material" means:

(1) 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, provided that nonmetallic aggregate material does not include dimension stone and dimension granite; and

(2) taconite tailings, crushed rock, and architectural or dimension stone and dimension granite removed from a taconite mine or the site of a previously operated taconite mine.

Aggregate material must be measured or weighed after it has been extracted from the pit, quarry, or deposit.

(b) "Person" means any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(c) "Operator" means 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.

(d) "Extraction site" means 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.

(e) "Importer" means any person who buys aggregate material excavated from a site on which the tax under this section is not imposed and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

(f) "County" means a county imposing the tax under this section on December 31, 2014, or 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.

(g) "Borrow" means 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.

Subd. 2. **Tax imposed.** (a) A county that imposes the aggregate production tax shall impose upon every operator a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate material excavated in the county except that the county board may decide not to impose this tax if it determines that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards of aggregate material from that county. The tax shall not be imposed on aggregate material excavated in the county until the aggregate material is transported from the extraction site or sold, whichever occurs first. When aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road or street is not used for transporting the aggregate material, the tax shall not be imposed until either when the aggregate material is sold, or when it is transported from the stockpile site, or when it is used from the stockpile, whichever occurs first.

(b) A county that imposes the aggregate production tax under paragraph (a) shall impose upon every importer a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate material imported into the county. The tax shall be imposed when the aggregate material is imported from the extraction site or sold. When imported aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road, or street is not used for transporting the aggregate material, the tax shall be imposed either when the aggregate material is sold, when it is transported from the stockpile site, or when it is used from the stockpile, whichever occurs first. The tax shall be imposed on an importer when the aggregate material is imported into the county that imposes the tax.

(c) If the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.

(d) A county, city, or town that receives revenue under this section is prohibited from imposing any additional host community fees on aggregate production within that county, city, or town.

Subd. 3. **Report and remittance.** (a) By the 14th day following the last day of each calendar quarter, every operator or importer shall make and file with the county auditor of the county in which the aggregate material is removed or imported, a correct report under oath, in such form and containing such information

as the auditor shall require relative to the quantity of aggregate material removed or imported during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

(b) If any of the proceeds of the tax is to be apportioned as provided in subdivision 2, the operator or importer shall also include on the report any relevant information concerning the amount of aggregate material transported, the tax and the county of destination. The county auditor shall notify the county treasurer of the amount of such tax and the county to which it is due. The county treasurer shall remit the tax to the appropriate county within 30 days, except as provided in paragraph (c).

(c) The proceeds of the tax on aggregate material as defined in subdivision 1, paragraph (a), clause (2), must be remitted to the commissioner of Iron Range resources and rehabilitation to be deposited in the taconite area environmental protection fund under section 298.223, and used for the purposes of that fund.

Subd. 4. **Auditor estimate; statement of objections.** If the county auditor has not received the report by the 15th day after the last day of each calendar quarter from the operator or importer as required by subdivision 3 or has received an erroneous report, the county auditor shall estimate the amount of tax due and notify the operator or importer by registered mail of the amount of tax so estimated within the next 14 days. An operator or importer may, within 30 days from the date of mailing the notice, and upon payment of the amount of tax determined to be due, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Subd. 5. **Failure to file and pay; penalty.** Failure to file the report and submit payment shall result in a penalty of $5 for each of the first 30 days, beginning on the 15th day after the last day of each calendar quarter, for which the report and payment is due and no statement of objection has been filed as provided in subdivision 4, and a penalty of $10 for each subsequent day shall be assessed against the operator or importer who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax and credited to the county revenue fund. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the operator or importer who is required to file the report is guilty of a misdemeanor.

Subd. 6. **Penalties; removal of aggregate if previous tax not paid; false report.** It is a misdemeanor for any operator or importer to remove aggregate material from a pit, quarry, or deposit or for any importer to import aggregate material unless all taxes due under this section for all previous reporting periods have been paid or objections thereto have been filed pursuant to subdivision 4.

It is a misdemeanor for the operator or importer who is required to file a report to file a false report with intent to evade the tax.

Subd. 7. **Proceeds of taxes.** (a) All money collected as taxes under this section on aggregate material as defined in subdivision 1, paragraph (a), clause (1), shall be deposited in the county treasury and credited according to this subdivision.

(b) The county auditor may retain an annual administrative fee of up to five percent of the total taxes collected in any year.

(c) The balance of the taxes, after any deduction under paragraph (b), shall be credited as follows:

(1) 42.5 percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges;

(2) 42.5 percent to the general fund of the city or town in which the mine is located, or to the county, if the mine is located in an unorganized town, to be expended for maintenance, construction and reconstruction of roads, highways and bridges; and

(3) 15 percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned pits, quarries, or deposits located within the county.

If there are no abandoned pits, quarries or deposits located within the county, this portion of the tax shall be used for any other unmet reclamation need or for conservation or other environmental needs.

Subd. 8. **Examination of records; maintenance of records.** The county auditor or its duly authorized agent may examine records, including computer records, maintained by an importer or operator. The term "record" includes, but is not limited to, all accounts of an importer or operator. The county auditor must have access at all reasonable times to inspect and copy all business records related to an importer's or operator's collection, transportation, and disposal of aggregate to the extent necessary to ensure that all aggregate material production taxes required to be paid have been remitted to the county. The records must be maintained by the importer or operator for no less than six years.

Subd. 9. **Tax may be imposed; St. Louis County towns.** (a) If the St. Louis County Board does not approve Laws 1997, chapter 231, article 8, section 12, as provided in Laws 1997, chapter 231, article 8, section 18, each of the following towns in St. Louis County may impose the aggregate materials tax under this section: the towns of Alden, Brevator, Canosia, Duluth, Fredenburg, Gnesen, Grand Lake, Industrial, Lakewood, Midway, Normanna, North Star, Rice Lake, and Solway.

(b) For purposes of exercising the powers contained in this section, the "town" is deemed to be the "county."

(c) In those towns located in St. Louis County that impose the tax under this section, all provisions in this section shall apply to those towns, except that in lieu of the distribution of the tax proceeds under subdivision 7, all proceeds from this tax shall be retained by each of the towns that impose the tax.

(d) A tax imposed under this subdivision is effective in the town that approves it the day after compliance by the town with the requirements of section 645.021, subdivision 3.

Subd. 10. MS 2006 [Never effective, 2006 c 259 art 12 s 14]

Subd. 11. **Tax may be imposed; Otter Tail County.** (a) If Otter Tail County does not impose a tax under this section and approves imposition of the tax under this subdivision, the town of Scambler in Otter Tail County may impose the aggregate materials tax under this section.

(b) For purposes of exercising the powers contained in this section, the "town" is deemed to be the "county."

(c) All provisions in this section apply to the town of Scambler, except that all proceeds of the tax must be retained by the town and used for the purposes described in subdivision 7.

(d) If Otter Tail County imposes an aggregate materials tax under this section, the tax imposed by the town of Scambler under this subdivision is repealed on the effective date of the Otter Tail County tax.

History: *1980 c 607 art 19 s 5; 1Sp1981 c 1 art 10 s 17-19; 1982 c 523 art 13 s 1; 1983 c 342 art 14 s 1; 1984 c 652 s 1; 1986 c 403 s 1,2; 1993 c 375 art 9 s 41,42; 1995 c 264 art 16 s 15; 1996 c 471 art 13 s 15; 1997 c 231 art 8 s 12-15; 1Sp2001 c 5 art 6 s 35,36; 2003 c 127 art 14 s 11; 2006 c 259 art 12 s 14;*

2008 c 154 art 8 s 15-17; art 16 s 8; 2008 c 366 art 6 s 36-39; 2009 c 88 art 12 s 10; 2014 c 308 art 5 s 7; art 9 s 81; 2026 c 88 art 1 s 180

298.76 MS 1981 Supp [Repealed, 1982 c 523 art 13 s 3]