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*