

199.29 **ARTICLE 9**
199.30 **IRON RANGE RESOURCES**

199.31 Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 1, is amended to read:

199.32 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
199.33 revenue of a district is defined as follows:

199.34 (1) the amount needed to produce between five and six percent in excess of the
199.35 amount needed to meet when due the principal and interest payments on the obligations
200.1 of the district for eligible projects according to subdivision 2, including the amounts
200.2 necessary for repayment of energy loans according to section 216C.37 or sections 298.292
200.3 to 298.298, debt service loans and capital loans, lease purchase payments under section
200.4 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision
200.5 5, paragraph (a), minus

200.6 (2) the amount of debt service excess levy reduction for that school year calculated
200.7 according to the procedure established by the commissioner.

200.8 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

200.9 (1) obligations under section 123B.61;

200.10 (2) the part of debt service principal and interest paid from the taconite ~~environmental~~
200.11 ~~protection~~ economic development fund or Douglas J. Johnson economic protection trust,
200.12 excluding the portion of taconite payments from the Iron Range school consolidation and
200.13 cooperatively operated school account under section 298.28, subdivision 7a;

200.14 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
200.15 amended by Laws 1992, chapter 499, article 5, section 24;

200.16 (4) obligations under section 123B.62; and

200.17 (5) obligations equalized under section 123B.535.

200.18 (c) For purposes of this section, if a preexisting school district reorganized under
200.19 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
200.20 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
200.21 service equalization aid must be computed separately for each of the preexisting districts.

200.22 (d) For purposes of this section, the adjusted net tax capacity determined according
200.23 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
200.24 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

200.25 Sec. 2. Minnesota Statutes 2014, section 298.018, subdivision 1, is amended to read:

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

200.29 (1) five percent to the city or town within which the minerals or energy resources
200.30 are mined or extracted, or within which the concentrate was produced. If the mining
200.31 and concentration, or different steps in either process, are carried on in more than one
200.32 taxing district, the commissioner shall apportion equitably the proceeds among the
200.33 cities and towns by attributing 50 percent of the proceeds of the tax to the operation of
200.34 mining or extraction, and the remainder to the concentrating plant and to the processes of
201.1 concentration, and with respect to each thereof giving due consideration to the relative
201.2 extent of the respective operations performed in each taxing district;

201.3 (2) ten percent to the taconite municipal aid account to be distributed as provided
201.4 in section 298.282;

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

201.10 (4) 20 percent to a group of school districts comprised of those school districts
201.11 wherein the mineral or energy resource was mined or extracted or in which there is a
201.12 qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion
201.13 to school district indexes as follows: for each school district, its pupil units determined
201.14 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
201.15 average adjusted net tax capacity per pupil unit for school districts receiving aid under
201.16 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
201.17 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
201.18 Each district shall receive that portion of the distribution which its index bears to the sum
201.19 of the indices for all school districts that receive the distributions;

201.20 (5) 20 percent to the county within which the minerals or energy resources are
201.21 mined or extracted, or within which the concentrate was produced. If the mining and
201.22 concentration, or different steps in either process, are carried on in more than one county,
201.23 distribution among the counties must be based on the apportionment formula prescribed in
201.24 clause (1), provided that any county receiving distributions under this clause shall pay one
201.25 percent of its proceeds to the Range Association of Municipalities and Schools;

201.26 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be
201.27 distributed as provided in sections 273.134 to 273.136;

201.28 (7) five percent to the Iron Range Resources and Rehabilitation Board for the
201.29 purposes of section 298.22;

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

201.31 (9) seven percent to the taconite ~~environmental protection~~ economic development
201.32 fund.

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

201.34 Sec. 3. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

202.1 Subdivision 1. **The Office of the Commissioner of Iron Range resources**

202.2 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and

202.3 rehabilitation is created as an agency in the executive branch of state government. The

202.4 governor shall appoint the commissioner of Iron Range resources and rehabilitation under

202.5 section 15.06.

202.6 (b) The commissioner may hold other positions or appointments that are not

202.7 incompatible with duties as commissioner of ~~Iron Range resources and rehabilitation~~. The

202.8 commissioner may appoint a deputy commissioner. All expenses of the commissioner,

202.9 including the payment of staff and other assistance as may be necessary, must be paid

202.10 out of the amounts appropriated by section 298.28 or otherwise made available by law

202.11 to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner

202.12 may utilize contracting options available under section 471.345 when the commissioner

202.13 determines it is in the best interest of the agency. The agency is not subject to sections

202.14 16E.016 and 16C.05.

202.15 (c) When the commissioner determines that distress and unemployment exists or

202.16 may exist in the future in any county by reason of the removal of natural resources or

202.17 a possibly limited use of natural resources in the future and any resulting decrease in

202.18 employment, the commissioner may use whatever amounts of the appropriation made to

202.19 the commissioner of revenue in section 298.28 that are determined to be necessary and

202.20 proper in the development of the remaining resources of the county and in the vocational

202.21 training and rehabilitation of its residents, ~~except that the amount needed to cover cost~~

202.22 ~~overruns awarded to a contractor by an arbitrator in relation to a contract awarded by~~

202.23 ~~the commissioner or in effect after July 1, 1985, is appropriated from the general fund.~~

202.24 For the purposes of this section, "development of remaining resources" includes, but is

202.25 not limited to, the promotion of tourism.

202.26 (d) Notwithstanding any law to the contrary, any money in any account that is under

202.27 control of the commissioner on January 1, 2014, shall remain with the agency and be used

202.28 for economic development purposes or public infrastructure.

202.29 Sec. 4. Minnesota Statutes 2014, section 298.22, subdivision 3, is amended to read:

202.30 Subd. 3. **Commissioner may acquire property.** Whenever the commissioner of
202.31 Iron Range resources and rehabilitation has made determinations required by subdivision
202.32 1 and has determined that ~~distress and unemployment exists or may exist in the future~~
202.33 ~~in any county by reason of the removal of the natural resources or a possible limited use~~
202.34 ~~thereof in the future and the decrease in employment resulting therefrom and deems that~~
202.35 ~~economic conditions might be improved through~~ the acquirement of real estate or personal
203.1 property is ~~necessary and proper in the development of the remaining resources~~, the
203.2 commissioner may acquire such property or interests therein by gift, purchase, or lease.
203.3 The commissioner may purchase insurance to protect any property acquired from loss or
203.4 damage by fire, or to protect the commissioner from any liability the commissioner may
203.5 incur by reason of ownership of the property, or both. If after such property is acquired it
203.6 is necessary in the judgment of the commissioner to acquire a right-of-way for access to
203.7 projects operated on property acquired by gift, purchase, or lease, said right-of-way may
203.8 be acquired by condemnation in the manner provided by law. If the owner or operator of
203.9 an iron mine or related production or beneficiation facilities discontinues the operation
203.10 of the mine or facilities for any reason, the commissioner may acquire any or all of the
203.11 mine lands and related facilities by gift, purchase, lease, or condemnation in the manner
203.12 provided in chapter 117.

203.13 Sec. 5. Minnesota Statutes 2014, section 298.22, subdivision 4, is amended to read:

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

203.20 Sec. 6. Minnesota Statutes 2014, section 298.22, subdivision 5, is amended to read:

203.21 Subd. 5. **Commissioner may lease property.** In order to carry out the terms and
203.22 provisions of this section, the commissioner of Iron Range resources and rehabilitation
203.23 and the commissioner of administration may lease any property acquired hereunder for
203.24 a term not to exceed 20 years upon such terms as they may determine, provided that
203.25 such property shall not be leased to any person in such a manner as to constitute a direct
203.26 contribution of working capital to a business enterprise. Such lease may provide that in the
203.27 event the property is ever sold by the state to such lessee, the lessee may obtain a credit
203.28 on the purchase price covering the rentals paid under the lease or any renewals thereof
203.29 and that said real estate can be conveyed by the commissioner of Iron Range resources
203.30 and rehabilitation and the commissioner of administration and the said commissioners
203.31 are hereby authorized to make such conveyances. The commissioner may lease, upon the
203.32 terms determined by the commissioner and approved by the board, surface and mineral
203.33 interests owned or acquired by the state of Minnesota acting by and through the Office
204.1 of the Commissioner of Iron Range Resources and Rehabilitation. The payments and

204.2 royalties from the leases shall be retained for the benefit of the agency.

204.3 Sec. 7. Minnesota Statutes 2014, section 298.22, subdivision 6, is amended to read:

204.4 Subd. 6. **Private entity participation.** The board may acquire an equity interest in
204.5 any project for which it provides funding. The commissioner may establish, participate in
204.6 the management of, and dispose of the assets of charitable foundations, nonprofit limited
204.7 liability companies, and nonprofit corporations associated with any project for which it
204.8 provides funding, including specifically, but without limitation, a corporation within the
204.9 meaning of section 317A.011, subdivision 6. Notwithstanding any law to the contrary,
204.10 agency funds that are transferred to any entity established by the commissioner under this
204.11 subdivision shall, upon request by the entity, be invested by the State Board of Investment
204.12 on behalf of the entity.

204.13 Sec. 8. Minnesota Statutes 2014, section 298.22, subdivision 10, is amended to read:

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

204.17 Sec. 9. Minnesota Statutes 2014, section 298.22, subdivision 11, is amended to read:

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

204.23 Sec. 10. Minnesota Statutes 2014, section 298.221, is amended to read:

204.24 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

204.25 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota
204.26 pursuant to the terms of any contract entered into by the state under authority of section
204.27 298.22 and any fees which may, in the discretion of the commissioner of Iron Range
204.28 resources and rehabilitation, be charged in connection with any project pursuant to that
204.29 section as amended, shall be deposited in the state treasury to the credit of the Iron Range
204.30 Resources and Rehabilitation Board account in the special revenue fund and are hereby
204.31 appropriated for the purposes of section 298.22.

205.1 (b) Notwithstanding section 16A.013, merchandise may be accepted by the
205.2 commissioner of the ~~Iron Range Resources and Rehabilitation Board~~ for payment of
205.3 advertising contracts if the commissioner determines that the merchandise can be used
205.4 for special event prizes or mementos at facilities operated by the board. Nothing in this
205.5 paragraph authorizes the commissioner or a member of the board to receive merchandise
205.6 for personal use.

205.7 (c) All fees charged by the commissioner in connection with public use of the
 205.8 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other
 205.9 revenues derived by the commissioner from the operation or lease of those facilities
 205.10 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge
 205.11 Recreation Area must be deposited into an Iron Range Resources and Rehabilitation
 205.12 Board account that is created within the state enterprise fund. All funds deposited in the
 205.13 enterprise fund account are appropriated to the commissioner to be expended, subject to
 205.14 approval by the board, as follows:

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

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

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

205.20 Sec. 11. Minnesota Statutes 2014, section 298.2211, subdivision 3, is amended to read:

205.21 Subd. 3. **Project approval.** All projects authorized by this section shall be
 205.22 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board for
 205.23 approval by the board. Prior to the commencement of a project involving the exercise by
 205.24 the commissioner of any authority of sections 469.174 to 469.179, the governing body
 205.25 of each municipality in which any part of the project is located and the county board of
 205.26 any county containing portions of the project not located in an incorporated area shall by
 205.27 majority vote approve or disapprove the project. ~~Any project approved by the board and~~
 205.28 ~~the applicable governing bodies, if any, together with detailed information concerning the~~
 205.29 ~~project, its costs, the sources of its funding, and the amount of any bonded indebtedness to~~
 205.30 ~~be incurred in connection with the project, shall be transmitted to the governor, who shall~~
 205.31 ~~approve, disapprove, or return the proposal for additional consideration within 30 days of~~
 205.32 ~~receipt.~~ No project authorized under this section shall be undertaken, and no obligations
 205.33 shall be issued and no tax increments shall be expended for a project authorized under this
 205.34 section until the project has been approved by the governor. The governor shall approve,
 205.35 disapprove, or return the project for additional consideration within 30 days of receipt.

206.1 Sec. 12. Minnesota Statutes 2014, section 298.222, is amended to read:

206.2 **298.222 CITATION.**

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

206.6 Sec. 13. Minnesota Statutes 2014, section 298.223, is amended to read:

206.7 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION**

206.8 **ECONOMIC DEVELOPMENT FUND.**

206.9 Subdivision 1. **Creation; purposes.** A fund called the taconite ~~environmental~~
206.10 ~~protection~~ economic development fund is created for the purpose of reclaiming, restoring
206.11 and enhancing those areas of northeast Minnesota located within the taconite assistance
206.12 area defined in section 273.1341, that are adversely affected by the environmentally
206.13 damaging operations involved in mining taconite and iron ore and producing iron ore
206.14 concentrate and for the purpose of promoting the economic development of northeast
206.15 Minnesota. The taconite ~~environmental-protection~~ economic development fund shall be
206.16 used for the following purposes:

206.17 (1) to initiate investigations into matters the Iron Range Resources and Rehabilitation
206.18 Board determines are in need of study and which will determine the environmental
206.19 problems requiring remedial action;

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

206.22 (3) local economic development projects but only if those projects are approved by
206.23 the board, and public works, including construction of sewer and water systems located
206.24 within the taconite assistance area defined in section 273.1341;

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

206.26 (5) local public works projects under section 298.227, paragraph (c); and

206.27 (6) local public works projects as provided under this clause. The following amounts
206.28 shall be distributed in 2009 based upon the taxable tonnage of production in 2008:

206.29 (i) .4651 cent per ton to the city of Aurora for street repair and renovation;

206.30 (ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure
206.31 improvements to the south side industrial site;

206.32 (iii) .6460 cent per ton to the city of Buhl for street repair;

206.33 (iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;

206.34 (v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure
206.35 upgrades;

207.1 (vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure
207.2 upgrades;

207.3 (vii) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;

207.4 (viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility
207.5 modifications for the miners' memorial;

207.6 (ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;

207.7 (x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;

- 207.8 (xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;
- 207.9 (xii) .6460 cent per ton to the town of Balkan for community center repairs;
- 207.10 (xiii) .9044 cent per ton to the city of Babbitt for city garage construction;
- 207.11 (xiv) .5168 cent per ton to the city of Cook for public infrastructure projects;
- 207.12 (xv) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;
- 207.13 (xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;
- 207.14 (xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;
- 207.15 (xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;
- 207.16 (xix) .3230 cent per ton to Lake County for trail construction;
- 207.17 (xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand
207.18 Marais;
- 207.19 (xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure
207.20 improvements;
- 207.21 (xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;
- 207.22 (xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer
207.23 improvements along Gayley Avenue;
- 207.24 (xxiv) .3876 cent per ton to the city of Marble for construction of a city
207.25 administration facility;
- 207.26 (xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the
207.27 community center;
- 207.28 (xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure
207.29 upgrades;
- 207.30 (xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades
207.31 along Depot Street;
- 207.32 (xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter
207.33 improvements;
- 207.34 (xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer
207.35 infrastructure upgrades at Pokegema Golf Course and Park Place;
- 208.1 (xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades
208.2 for 1st Avenue from River Road to 3rd Street SE; and
- 208.3 (xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing
208.4 at Highway 2 and County Road 62.

208.5 Subd. 2. **Administration.** (a) The taconite area ~~environmental protection~~ economic
208.6 ~~development~~ fund shall be administered by the commissioner of the Iron Range Resources
208.7 and Rehabilitation Board. The commissioner shall by September 1 of each year submit to
208.8 the board a list of projects to be funded from the taconite area ~~environmental protection~~
208.9 ~~economic development~~ fund, with such supporting information including description of
208.10 the projects, plans, and cost estimates as may be necessary.

208.11 (b) Each year no less than one-half of the amounts deposited into the taconite
208.12 ~~environmental protection~~ ~~economic development~~ fund must be used for public works
208.13 projects, including construction of sewer and water systems, as specified under subdivision
208.14 1, clause (3). The Iron Range Resources and Rehabilitation Board may waive the
208.15 requirements of this paragraph.

208.16 (c) Upon approval by the board, the list of projects approved under this subdivision
208.17 shall be submitted to the governor by November 1 of each year. By December 1 of each
208.18 year, the governor shall approve or disapprove, or return for further consideration, each
208.19 project. Funds for a project may be expended only upon approval of the project by the
208.20 board and the governor. The commissioner may submit supplemental projects to the
208.21 board and governor for approval at any time.

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

208.28 Funds for the purposes of this section are provided by section 298.28, subdivision
208.29 11, relating to the taconite area ~~environmental protection~~ ~~economic development~~ fund.

208.30 Sec. 14. Minnesota Statutes 2014, section 298.225, subdivision 2, is amended to read:

208.31 Subd. 2. **Funding guaranteed distribution level.** The money necessary for funding
208.32 the difference between the initial distribution made pursuant to section 298.28 and the
208.33 amount guaranteed in subdivision 1 is appropriated in equal proportions from the initial
208.34 current year distributions to the taconite ~~environmental protection~~ ~~economic development~~
208.35 fund and to the Douglas J. Johnson economic protection trust pursuant to section 298.28.

209.1 If the initial distributions to the taconite ~~environmental protection~~ ~~economic development~~
209.2 fund and the Douglas J. Johnson economic protection trust are insufficient to fund the
209.3 difference, the commissioner of Iron Range resources and rehabilitation shall make the
209.4 payments of any remaining difference from the corpus of the taconite ~~environmental~~
209.5 ~~protection~~ ~~economic development~~ fund and the corpus of the Douglas J. Johnson economic
209.6 protection trust fund in equal proportions as directed by the commissioner of revenue.

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

209.14 Sec. 15. Minnesota Statutes 2014, section 298.227, is amended to read:

209.15 ~~298.227 TACONITE ECONOMIC DEVELOPMENT MINING~~

209.16 REINVESTMENT FUND.

209.17 ~~(a)~~ An amount equal to that distributed pursuant to each taconite producer's taxable
209.18 production and qualifying sales under section 298.28, subdivision 9a, shall be held by
209.19 the Iron Range Resources and Rehabilitation Board in a separate ~~taconite economic~~
209.20 ~~development mining reinvestment~~ fund for each taconite and direct reduced ore producer.
209.21 Money from the fund for each producer shall be released by the commissioner after review
209.22 by a joint committee consisting of an equal number of representatives of the salaried
209.23 employees and the nonsalaried production and maintenance employees of that producer.
209.24 The District 11 director of the United States Steelworkers of America, on advice of each
209.25 local employee president, shall select the employee members. In nonorganized operations,
209.26 the employee committee shall be elected by the nonsalaried production and maintenance
209.27 employees. The review must be completed no later than six months after the producer
209.28 presents a proposal for expenditure of the funds to the committee. The funds held pursuant
209.29 to this section may be released only for workforce development and associated public
209.30 facility improvement, or for acquisition of plant and stationary mining equipment and
209.31 facilities for the producer or for research and development in Minnesota on new mining, or
209.32 taconite, iron, or steel production technology, but only if the producer provides a matching
209.33 expenditure equal to the amount of the distribution to be used for the same purpose
209.34 beginning with distributions in 2014. Effective for proposals for expenditures of money
209.35 from the fund beginning May 26, 2007, the commissioner may not release the funds before
210.1 the next scheduled meeting of the board. If a proposed expenditure is not approved by the
210.2 board, the funds must be deposited in the ~~Taconite Environmental Protection Fund~~ taconite
210.3 economic development fund under sections 298.222 to 298.225. If a producer uses money
210.4 which has been released from the fund prior to May 26, 2007 to procure haulage trucks,
210.5 mobile equipment, or mining shovels, and the producer removes the piece of equipment
210.6 from the taconite tax relief area defined in section 273.134 within ten years from the date
210.7 of receipt of the money from the fund, a portion of the money granted from the fund must
210.8 be repaid to the ~~taconite economic development mining reinvestment~~ fund. The portion
210.9 of the money to be repaid is 100 percent of the grant if the equipment is removed from
210.10 the taconite tax relief area within 12 months after receipt of the money from the fund,
210.11 declining by ten percent for each of the subsequent nine years during which the equipment
210.12 remains within the taconite tax relief area. If a taconite production facility is sold after
210.13 operations at the facility had ceased, any money remaining in the fund for the former

210.14 producer may be released to the purchaser of the facility on the terms otherwise applicable
 210.15 to the former producer under this section. If a producer fails to provide matching funds
 210.16 for a proposed expenditure within six months after the commissioner approves release
 210.17 of the funds, the funds are available for release to another producer in proportion to the
 210.18 distribution provided and under the conditions of this section. Any portion of the fund
 210.19 which is not released by the commissioner within one year of its deposit in the fund shall
 210.20 be divided between the taconite ~~environmental protection economic development~~ fund
 210.21 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
 210.22 created in section 298.292 for placement in their respective special accounts. Two-thirds of
 210.23 the unreleased funds shall be distributed to the taconite ~~environmental protection economic~~
 210.24 ~~development~~ fund and one-third to the Douglas J. Johnson economic protection trust fund.

210.25 ~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of~~
 210.26 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~
 210.27 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed~~
 210.28 ~~under paragraph (a), may be used for a loan or grant for the cost of providing for a~~
 210.29 ~~value-added wood product facility located in the taconite tax relief area and in a county~~
 210.30 ~~that contains a city of the first class. This amount must be deducted from the distribution~~
 210.31 ~~under paragraph (a) for which a matching expenditure by the producer is not required. The~~
 210.32 ~~granting of the loan or grant is subject to approval by the board. If the money is provided~~
 210.33 ~~as a loan, interest must be payable on the loan at the rate prescribed in section 298.2213,~~
 210.34 ~~subdivision 3. (ii) Repayments of the loan and interest, if any, must be deposited in the~~
 210.35 ~~taconite environment protection fund under sections 298.222 to 298.225. If a loan or~~
 210.36 ~~grant is not made under this paragraph by July 1, 2012, the amount that had been made~~
 211.1 ~~available for the loan under this paragraph must be transferred to the taconite environment~~
 211.2 ~~protection fund under sections 298.222 to 298.225. (iii) Money distributed in 2008 to the~~
 211.3 ~~fund established under this section that exceeds ten cents per ton is available to qualifying~~
 211.4 ~~producers under paragraph (a) on a pro rata basis.~~

211.5 ~~(e) Repayment or transfer of money to the taconite environmental protection fund~~
 211.6 ~~under paragraph (b), item (ii), must be allocated by the Iron Range Resources and~~
 211.7 ~~Rehabilitation Board for public works projects in house legislative districts in the same~~
 211.8 ~~proportion as taxable tonnage of production in 2007 in each house legislative district, for~~
 211.9 ~~distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution~~
 211.10 ~~in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph~~
 211.11 ~~do not require approval by the governor. For purposes of this paragraph, "house legislative~~
 211.12 ~~districts" means the legislative districts in existence on May 15, 2009.~~

211.13 Sec. 16. Minnesota Statutes 2014, section 298.28, subdivision 4, is amended to read:

211.14 Subd. 4. **School districts.** (a) 32.15 cents per taxable ton, plus the increase provided
 211.15 in paragraph (d), less the amount that would have been computed under Minnesota
 211.16 Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be
 211.17 allocated to qualifying school districts to be distributed, based upon the certification of the
 211.18 commissioner of revenue, under paragraphs (b), (c), and (f).

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

211.23 (ii) Four cents per taxable ton from each taconite facility must be distributed to
211.24 each affected school district for deposit in a fund dedicated to building maintenance
211.25 and repairs, as follows:

211.26 (1) proceeds from Keewatin Taconite or its successor are distributed to Independent
211.27 School Districts Nos. 316, Coleraine, and 319, Nashauk-Keewatin, or their successor
211.28 districts;

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

211.32 (3) proceeds from the Mittal Steel Company and Minntac or their successors are
211.33 distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia,
211.34 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

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

212.4 (5) proceeds from United Taconite or its successor are distributed to Independent
212.5 School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their
212.6 successor districts.

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

212.10 (c)(i) 24.72 cents per taxable ton, less any amount distributed under paragraph (e),
212.11 shall be distributed to a group of school districts comprised of those school districts which
212.12 qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a
212.13 qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion
212.14 to school district indexes as follows: for each school district, its pupil units determined
212.15 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
212.16 average adjusted net tax capacity per pupil unit for school districts receiving aid under
212.17 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
212.18 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
212.19 Each district shall receive that portion of the distribution which its index bears to the sum
212.20 of the indices for all school districts that receive the distributions.

212.21 (ii) Notwithstanding clause (i), each school district that receives a distribution
212.22 under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this
212.23 clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on
212.24 severed mineral values after reduction for any portion distributed to cities and towns
212.25 under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its
212.26 levy reduction under section 126C.48, subdivision 8, for the second year prior to the
212.27 year of the distribution shall receive a distribution equal to the difference; the amount
212.28 necessary to make this payment shall be derived from proportionate reductions in the
212.29 initial distribution to other school districts under clause (i). If there are insufficient tax
212.30 proceeds to make the distribution provided under this paragraph in any year, money must
212.31 be transferred from the taconite property tax relief account in subdivision 6, to the extent
212.32 of the shortfall in the distribution.

212.33 (d)(1) Any school district described in paragraph (c) where a levy increase pursuant
212.34 to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in
212.35 2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175
212.36 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second
213.1 previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8
213.2 percent times the district's taxable net tax capacity in 2011.

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

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

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

213.8 (A) \$415, plus

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

213.10 If the total amount provided by paragraph (d) is insufficient to make the payments
213.11 herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly
213.12 so as not to exceed the funds available. Any amounts received by a qualifying school
213.13 district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
213.14 education aid which the district receives pursuant to section 126C.13 or the permissible
213.15 levies of the district. Any amount remaining after the payments provided in this paragraph
213.16 shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
213.17 deposit the same in the taconite ~~environmental protection~~ economic development fund and
213.18 the Douglas J. Johnson economic protection trust fund as provided in subdivision 11.

213.19 Each district receiving money according to this paragraph shall reserve the lesser of
213.20 the amount received under this paragraph or \$25 times the number of pupil units served in
213.21 the district. It may use the money for early childhood programs.

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

213.24 (f) Four cents per taxable ton must be distributed to qualifying school districts
213.25 according to the distribution specified in paragraph (b), clause (ii), and 11 cents per taxable
213.26 ton must be distributed according to the distribution specified in paragraph (c). These
213.27 amounts are not subject to sections 126C.21, subdivision 4, and 126C.48, subdivision 8.

213.28 Sec. 17. Minnesota Statutes 2014, section 298.28, subdivision 9a, is amended to read:

213.29 Subd. 9a. ~~Taconite economic development~~ **Mining reinvestment fund.** (a)
213.30 25.1 cents per ton for distributions in 2002 and thereafter must be paid to the ~~taconite~~
213.31 ~~economic development~~ **mining reinvestment** fund. No distribution shall be made under
213.32 this paragraph in 2004 or any subsequent year in which total industry production falls
213.33 below 30 million tons. Distribution shall only be made to a taconite producer's fund under
213.34 section 298.227 if the producer timely pays its tax under section 298.24 by the dates
214.1 provided under section 298.27, or pursuant to the due dates provided by an administrative
214.2 agreement with the commissioner.

214.3 (b) An amount equal to 50 percent of the tax under section 298.24 for concentrate
214.4 sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including
214.5 crushed pellets shall be paid to the ~~taconite economic development~~ **mining reinvestment**
214.6 fund. The amount paid shall not exceed \$700,000 annually for all companies. If the initial
214.7 amount to be paid to the fund exceeds this amount, each company's payment shall be
214.8 prorated so the total does not exceed \$700,000.

214.9 Sec. 18. Minnesota Statutes 2014, section 298.28, subdivision 9d, is amended to read:

214.10 Subd. 9d. **Iron Range higher education account.** (a) Five cents per taxable ton
214.11 must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited
214.12 in an Iron Range higher education account that is hereby created, to be used for higher
214.13 education programs conducted at educational institutions in the taconite assistance area
214.14 defined in section 273.1341. The Iron Range Higher Education committee under section
214.15 298.2214, and the Iron Range Resources and Rehabilitation Board must approve all
214.16 expenditures from the account.

214.17 (b) For distributions in 2015 and subsequent years, at least 2.5 cents per ton must be
214.18 used for the Iron Range engineering program at Mesabi Range College.

214.19 Sec. 19. Minnesota Statutes 2014, section 298.28, subdivision 11, is amended to read:

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

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

215.3 (c) There shall be distributed to the Iron Range Resources and Rehabilitation Board
215.4 the amounts it received in 1977 under section 298.22. The amount distributed under
215.5 this paragraph shall be expended within or for the benefit of the taconite assistance area
215.6 defined in section 273.1341.

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

215.9 Sec. 20. Minnesota Statutes 2014, section 298.28, subdivision 15, is amended to read:

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

215.14 (1) 50 percent to St. Louis County acting as the counties' fiscal agent, to be
215.15 distributed as provided in sections 273.134 to 273.136;

215.16 (2) 25 percent to the Douglas J. Johnson economic protection trust fund; and

215.17 (3) 25 percent to the taconite ~~environmental protection~~ economic development fund.

215.18 Sec. 21. Minnesota Statutes 2014, section 298.292, subdivision 2, is amended to read:

215.19 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
215.20 fund may be used for the following purposes:

215.21 (1) to provide loans, loan guarantees, interest buy-downs and other forms of
 215.22 participation with private sources of financing, but a loan to a private enterprise shall be
 215.23 for a principal amount not to exceed one-half of the cost of the project for which financing
 215.24 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the
 215.25 lesser of eight percent or an interest rate three percentage points less than a full faith
 215.26 and credit obligation of the United States government of comparable maturity, at the
 215.27 time that the loan is approved;

215.28 (2) to fund reserve accounts established to secure the payment when due of the
 215.29 principal of and interest on bonds issued pursuant to section 298.2211;

215.30 ~~(3) to pay in periodic payments or in a lump-sum payment any or all of the interest~~
 215.31 ~~on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,~~
 215.32 ~~or retrofitting heating facilities in connection with district heating systems or systems~~
 215.33 ~~utilizing alternative energy sources;~~

216.1 ~~(4)~~ (3) to invest in a venture capital fund or enterprise that will provide capital
 216.2 to other entities that are engaging in, or that will engage in, projects or programs that
 216.3 have the purposes set forth in subdivision 1. ~~No investments may be made in a venture~~
 216.4 ~~capital fund or enterprise unless at least two other unrelated investors make investments~~
 216.5 ~~of at least \$500,000 in the venture capital fund or enterprise, and the investment by the~~
 216.6 ~~Douglas J. Johnson economic protection trust fund may not exceed the amount of the~~
 216.7 ~~largest investment by an unrelated investor in the venture capital fund or enterprise. For~~
 216.8 ~~purposes of this subdivision, an "unrelated investor" is a person or entity that is not related~~
 216.9 ~~to the entity in which the investment is made or to any individual who owns more than 40~~
 216.10 ~~percent of the value of the entity, in any of the following relationships: spouse, parent,~~
 216.11 ~~child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of~~
 216.12 ~~the value of all interests in it. For purposes of determining the limitations under this~~
 216.13 ~~clause, the amount of investments made by an investor other than the Douglas J. Johnson~~
 216.14 ~~economic protection trust fund is the sum of all investments made in the venture capital~~
 216.15 ~~fund or enterprise during the period beginning one year before the date of the investment~~
 216.16 ~~by the Douglas J. Johnson economic protection trust fund; and~~

216.17 ~~(5)~~ (4) to purchase forest land in the taconite assistance area defined in section
 216.18 273.1341 to be held and managed as a public trust for the benefit of the area for the
 216.19 purposes authorized in section 298.22, subdivision 5a. Property purchased under this
 216.20 section may be sold by the commissioner upon approval by the board. The net proceeds
 216.21 must be deposited in the trust fund for the purposes and uses of this section.

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

216.24 Sec. 22. Minnesota Statutes 2014, section 298.293, is amended to read:
 216.25 **298.293 EXPENDING FUNDS.**

216.26 The funds provided by section 298.28, subdivision 11, relating to the Douglas J.
216.27 Johnson economic protection trust fund, ~~except money expended pursuant to Laws~~
216.28 ~~1982, Second Special Session, chapter 2, sections 8 to 14, shall be expended only in~~
216.29 ~~an amount that does not exceed the sum of the net interest, dividends, and earnings~~
216.30 ~~arising from the investment of the trust for the preceding 12 calendar months from the~~
216.31 ~~date of the authorization plus, for fiscal year 1983, \$10,000,000 from the corpus of the~~
216.32 ~~fund. The funds may be spent only in or for the benefit of the taconite assistance area as~~
216.33 ~~defined in section 273.1341. If during any year the taconite property tax account under~~
216.34 ~~sections 273.134 to 273.136 does not contain sufficient funds to pay the property tax relief~~
216.35 ~~specified in Laws 1977, chapter 423, article X, section 4, there is appropriated from this~~
217.1 ~~trust fund to the relief account sufficient funds to pay the relief specified in Laws 1977,~~
217.2 ~~chapter 423, article X, section 4.~~

217.3 Sec. 23. Minnesota Statutes 2014, section 298.2961, subdivision 3, is amended to read:

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

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

217.15 Sec. 24. **REPEALER.**

217.16 Minnesota Statutes 2014, section 298.298, is repealed.