

1.1 moves to amend H.F. No. 5092 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 298.225, is amended to read:

1.4 **298.225 APPROPRIATION.**

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

1.9 (1) the amount distributed pursuant to this section and section 298.28, with respect to
1.10 1983 production if the production for the year prior to the distribution year is no less than
1.11 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount
1.12 of the distributions shall be reduced proportionately at the rate of two percent for each
1.13 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000
1.14 tons; or

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

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

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

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

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

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

2.11 (d) For the two years after the year in which Mesabi Metallics or its successor begins
2.12 producing tonnage subject to the taxes under section 298.24, the distributions of the taconite
2.13 production tax to each school district under section 298.28, subdivision 4, paragraph (b),
2.14 clause (1), items (i) and (ii), must equal \$100,000, and the distribution of the taconite
2.15 production tax under section 298.28, subdivision 4, paragraph (b), clause (1), item (iii),
2.16 must equal the amount distributed under section 298.28, with respect to 2023 production.

2.17 (e) For the two years after the year in which Mesabi Metallics or its successor begins
2.18 producing tonnage subject to the taxes under section 298.24, the distributions of the taconite
2.19 production tax under section 298.28, subdivision 4, paragraph (b), clause (2), items (i) to
2.20 (v), must equal the amounts distributed under section 298.28, with respect to 2023 production,
2.21 and the distributions of the taconite production tax to each school district under section
2.22 298.28, subdivision 4, paragraph (b), clause (2), item (vi), subitems (A) and (B), must equal
2.23 \$150,000.

2.24 (f) For the two years after the year in which Mesabi Metallics or its successor begins
2.25 producing tonnage subject to the taxes under section 298.24, the distribution of the taconite
2.26 production tax under section 298.28, subdivision 11, paragraph (d), must equal 75 percent
2.27 of the amount that each school district received under Minnesota Statutes 1978, section
2.28 294.26, in calendar year 1977.

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

3.1 Subd. 2. **Funding guaranteed distribution level.** (a) The money necessary for funding
3.2 the difference between the initial distribution made pursuant to section 298.28 and the
3.3 amount guaranteed in subdivision 1, paragraphs (a), (b), and (c), is appropriated in equal
3.4 proportions from the initial current year distributions to the taconite environmental protection
3.5 fund and to the Douglas J. Johnson economic protection trust pursuant to section 298.28.
3.6 If the initial distributions to the taconite environmental protection fund and the Douglas J.
3.7 Johnson economic protection trust are insufficient to fund the difference, the commissioner
3.8 of Iron Range resources and rehabilitation shall make the payments of any remaining
3.9 difference from the corpus of the taconite environmental protection fund and the corpus of
3.10 the Douglas J. Johnson economic protection trust fund in equal proportions as directed by
3.11 the commissioner of revenue.

3.12 (b) The money necessary for funding the difference between the initial distribution made
3.13 pursuant to section 298.28 and the amount guaranteed in subdivision 1, paragraphs (d), (e),
3.14 (f), and (g), is appropriated from the initial current year distribution to the Douglas J. Johnson
3.15 economic protection trust pursuant to section 298.28. If the initial distribution to the Douglas
3.16 J. Johnson economic protection trust is insufficient to fund the difference, the commissioner
3.17 of Iron Range resources and rehabilitation shall make the payments of any remaining
3.18 difference from the corpus of the Douglas J. Johnson economic protection trust fund as
3.19 directed by the commissioner of revenue.

3.20 (c) If a taconite producer ceases beneficiation operations permanently and is required
3.21 by a special law to make bond payments for a school district, the Douglas J. Johnson
3.22 economic protection trust fund shall assume the payments of the taconite producer if the
3.23 producer ceases to make the needed payments. The commissioner of Iron Range resources
3.24 and rehabilitation shall make these school bond payments from the corpus of the Douglas
3.25 J. Johnson economic protection trust fund in the amounts certified by the commissioner of
3.26 revenue.

3.27 Sec. 2. Minnesota Statutes 2024, section 298.227, is amended to read:

3.28 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

3.29 (a) Except as provided in paragraph (b), an amount equal to that distributed pursuant to
3.30 each taconite producer's taxable production and qualifying sales under section 298.28,
3.31 subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation
3.32 in a separate taconite economic development fund for each taconite and direct reduced ore
3.33 producer. Money from the fund for each producer shall be released by the commissioner
3.34 after review by a joint committee consisting of an equal number of representatives of the

4.1 salaried employees and the nonsalaried production and maintenance employees of that
4.2 producer. The District 11 director of the United States Steelworkers of America, on advice
4.3 of each local employee president, shall select the employee members. In nonorganized
4.4 operations, the employee committee shall be elected by the nonsalaried production and
4.5 maintenance employees. The review must be completed no later than six months after the
4.6 producer presents a proposal for expenditure of the funds to the committee. The funds held
4.7 pursuant to this section may be released only for workforce development, concurrent
4.8 reclamation, plant and stationary mining equipment, facilities for the producer, or for research
4.9 and development in Minnesota on new mining, taconite, iron, or steel production technology,
4.10 but only if the producer provides a matching expenditure equal to the amount of the
4.11 distribution to be used for the same purpose. If a proposed expenditure is not approved by
4.12 the commissioner, after consultation with the advisory board, the funds must be deposited
4.13 in the taconite environmental protection fund under sections 298.222 to 298.225. If a taconite
4.14 production facility is sold after operations at the facility had ceased, any money remaining
4.15 in the fund for the former producer may be released to the purchaser of the facility on the
4.16 terms otherwise applicable to the former producer under this section. If a producer fails to
4.17 provide matching funds for a proposed expenditure within six months after the commissioner
4.18 approves release of the funds, the funds may be released by the commissioner for deposit
4.19 in the taconite area environmental protection fund created in section 298.223. Any portion
4.20 of the fund which is not released by the commissioner within one year of its deposit in the
4.21 fund shall be distributed to the taconite environmental protection fund.

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

4.24 Sec. 3. Minnesota Statutes 2024, section 298.28, subdivision 2, is amended to read:

4.25 Subd. 2. **City or town where quarried or produced.** (a) 4.5 cents per gross ton of
4.26 merchantable iron ore concentrate, hereinafter referred to as "taxable ton," produced by
4.27 each producer except Mesabi Metallics or its successor, plus one cent per taxable ton
4.28 produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi
4.29 Metallics or its successor, plus the amount provided in paragraph (c), must be allocated to
4.30 the city or town in the county in which the lands from which taconite was mined or quarried
4.31 were located or within which the concentrate was produced. If the mining, quarrying, and
4.32 concentration, or different steps in either thereof are carried on in more than one taxing
4.33 district, the commissioner shall apportion equitably the proceeds of the part of the tax going
4.34 to cities and towns among such subdivisions upon the basis of attributing 50 percent of the
4.35 proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder

5.1 to the concentrating plant and to the processes of concentration, and with respect to each
5.2 thereof giving due consideration to the relative extent of such operations performed in each
5.3 such taxing district. The commissioner's order making such apportionment shall be subject
5.4 to review by the Tax Court at the instance of any of the interested taxing districts, in the
5.5 same manner as other orders of the commissioner.

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

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

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

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

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

5.27 Sec. 4. Minnesota Statutes 2024, section 298.28, subdivision 3, is amended to read:

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

6.1 same proportion as the increase in the implicit price deflator as provided in section 298.24,
6.2 subdivision 1.

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

6.9 (c) The amount allocated under paragraph (b) will be the portion of a township's or city's
6.10 certified levy equal to the proportion of (1) the difference between 50 percent of January
6.11 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980,
6.12 assessed value in the case of a city and its current assessed value to (2) the sum of its current
6.13 assessed value plus the difference determined in (1), provided that the amount distributed
6.14 shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a
6.15 city. For purposes of this limitation, population will be determined according to the 1980
6.16 decennial census conducted by the United States Bureau of the Census. If the current assessed
6.17 value of the township exceeds 50 percent of the township's January 2, 1982, assessed value,
6.18 or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980,
6.19 assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed
6.20 value," when used in reference to years other than 1980 or 1982, means the appropriate net
6.21 tax capacities multiplied by 10.2.

6.22 (d) In addition to other distributions under this subdivision, three cents per taxable ton
6.23 for distributions in 2009 must be allocated for distribution to towns that are entirely located
6.24 within the taconite tax relief area defined in section 273.134, paragraph (b). For distribution
6.25 in 2010 through 2014 and for distribution in 2018 and subsequent years, the three-cent
6.26 amount must be annually increased in the same proportion as the increase in the implicit
6.27 price deflator as provided in section 298.24, subdivision 1. The amount available under this
6.28 paragraph will be distributed to eligible towns on a per capita basis, provided that no town
6.29 may receive more than ~~\$50,000~~ \$70,000 in any year under this paragraph. Any amount of
6.30 the distribution that exceeds the ~~\$50,000~~ \$70,000 limitation for a town under this paragraph
6.31 must be redistributed on a per capita basis among the other eligible towns, to whose
6.32 distributions do not exceed ~~\$50,000~~ \$70,000.

7.1 Sec. 5. Minnesota Statutes 2024, section 298.28, subdivision 4, is amended to read:

7.2 Subd. 4. **School districts.** (a) 32.15 cents per taxable ton, produced by each producer
 7.3 except Mesabi Metallics or its successor, plus 32.72 cents per taxable ton produced by
 7.4 Mesabi Metallics or its successor, plus 4.57 cents per taxable ton produced in 2023 from
 7.5 the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its
 7.6 successor, plus \$300,000 from the proceeds of the taxes collected under section 298.24 from
 7.7 Mesabi Metallics or its successor, plus the increase provided in paragraph (b), clause (3),
 7.8 plus the increase provided in paragraph (d), less the amount that would have been computed
 7.9 under Minnesota Statutes 2008, section 126C.21, subdivision 4, for the current year for that
 7.10 district, must be allocated to qualifying school districts to be distributed, based upon the
 7.11 certification of the commissioner of revenue, under paragraphs (b), (c), and (f).

7.12 (b)(~~i~~) (1) 3.43 cents per taxable ton produced by each producer except Mesabi Metallics
 7.13 or its successor, and 4.57 cents per taxable ton produced in 2023 from the proceeds of the
 7.14 taxes collected under section 298.24 from Mesabi Metallics or its successor must be
 7.15 distributed to the school districts in which the lands from which taconite was mined or
 7.16 quarried were located or within which the concentrate was produced, as follows:

7.17 (i) \$100,000 to Independent School District No. 695, Chisholm, or its successor district;

7.18 (ii) \$100,000 to Independent School District No. 696, Ely, or its successor district; and

7.19 ~~The distribution must be~~ (iii) the remainder to school districts in which the lands from
 7.20 which taconite was mined or quarried were located or within which the concentrate was
 7.21 produced, based on the apportionment formula prescribed in subdivision 2.

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

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

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

8.1 ~~(3)~~ (iii) proceeds from the Mittal Steel Company and Minntac or their successors are
 8.2 distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, ~~706, Virginia,~~
 8.3 2711, Mesabi East, and ~~2154, Eveleth-Gilbert~~ 2909, Rock Ridge, or their successor districts;

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

8.7 ~~(5)~~ (v) proceeds from United Taconite or its successor are distributed to Independent
 8.8 School Districts Nos. 2142, St. Louis County, and ~~2154, Eveleth-Gilbert~~ 2909, Rock Ridge,
 8.9 or their successor districts; and

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

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

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

8.14 (C) eight cents per taxable ton to Independent School District Nos. 316, Greenway, and
 8.15 319, Nashwauk-Keewatin, or their successor districts.

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

8.19 (3) Each school district that received a distribution under clause (2) in distribution year
 8.20 2024 shall receive, from the proceeds of the taxes collected under section 298.24 from
 8.21 Mesabi Metallics or its successor, an additional four cents per taxable ton produced in 2023
 8.22 by the producer from which the school district received a distribution under clause (2) in
 8.23 distribution year 2024.

8.24 ~~(c)(i)~~ (1) 24.72 cents per taxable ton, less any amount distributed under paragraph (e),
 8.25 shall be distributed to a group of school districts comprised of those school districts which
 8.26 qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a
 8.27 qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion
 8.28 to school district indexes as follows: for each school district, its pupil units determined
 8.29 under section 126C.05 for the prior school year shall be multiplied by the ratio of the average
 8.30 adjusted net tax capacity per pupil unit for school districts receiving aid under this clause
 8.31 as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior
 8.32 to distribution to the adjusted net tax capacity per pupil unit of the district. Each district

9.1 shall receive that portion of the distribution which its index bears to the sum of the indices
9.2 for all school districts that receive the distributions.

9.3 ~~(ii)~~ (2) Notwithstanding clause ~~(i)~~ (1), each school district that receives a distribution
9.4 under sections 298.018; 298.24; and 298.25 to 298.28, exclusive of any amount received
9.5 under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a
9.6 tax on severed mineral values after reduction for any portion distributed to cities and towns
9.7 under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy
9.8 reduction under section 126C.48, subdivision 8, for the second year prior to the year of the
9.9 distribution shall receive a distribution equal to the difference; the amount necessary to
9.10 make this payment shall be derived from proportionate reductions in the initial distribution
9.11 to other school districts under clause ~~(i)~~ (1). If there are insufficient tax proceeds to make
9.12 the distribution provided under this paragraph in any year, money must be transferred from
9.13 the taconite property tax relief account in subdivision 6, to the extent of the shortfall in the
9.14 distribution.

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

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

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

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

9.26 (A) \$415, plus

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

9.28 If the total amount provided by paragraph (d) is insufficient to make the payments herein
9.29 required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to
9.30 exceed the funds available. Any amounts received by a qualifying school district in any
9.31 fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid
9.32 which the district receives pursuant to section 126C.13 or the permissible levies of the
9.33 district. Any amount remaining after the payments provided in this paragraph shall be paid

10.1 to the commissioner of Iron Range resources and rehabilitation who shall deposit the same
10.2 in the taconite environmental protection fund and the Douglas J. Johnson economic protection
10.3 trust fund as provided in subdivision 11.

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

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

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

10.13 Sec. 6. Minnesota Statutes 2024, section 298.28, subdivision 7a, is amended to read:

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

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

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

10.22 (3) for distributions in the year after the year in which Mesabi Metallics or its successor
10.23 begins producing tonnage subject to the taxes under section 298.24 through 2050, 20 cents
10.24 per taxable ton produced by Mesabi Metallics or its successor, provided that the allocation
10.25 under this clause must only be used for projects within Independent School District No.
10.26 316, Greenway, that are approved by referendum within five years of the date Mesabi
10.27 Metallics or its successor begins producing tonnage subject to the taxes under section 298.24,
10.28 and that are approved by the commissioner of Iron Range resources and rehabilitation after
10.29 review by the Iron Range Resources and Rehabilitation Advisory Board. If projects are not
10.30 approved by referendum within five years of the date Mesabi Metallics or its successor
10.31 begins producing tonnage subject to the taxes under section 298.24, or if the commissioner
10.32 determines that the allocation exceeds the amount necessary for approved projects, the

11.1 remainder of the allocation under this clause must be used as provided under paragraph (b);
11.2 and

11.3 (4) any other amount as provided by law.

11.4 (b) Expenditures from this account, except as provided in paragraph (a), clause (3), may
11.5 be approved as ongoing annual expenditures and shall be made only ~~to provide for~~
11.6 disbursements to assist school districts with the payment of bonds that were issued for
11.7 qualified school projects, ~~or for any other disbursements to school disbursement as approved~~
11.8 ~~by the commissioner of Iron Range resources and rehabilitation after consultation with the~~
11.9 ~~Iron Range Resources and Rehabilitation Board~~ districts, or community development. For
11.10 purposes of this section, "qualified school projects" means school projects within the taconite
11.11 assistance area as defined in section 273.1341, that were (1) approved, by referendum, after
11.12 April 3, 2006; and (2) approved by the commissioner of education pursuant to section
11.13 123B.71.

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

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

11.22 Sec. 7. Minnesota Statutes 2024, section 298.28, subdivision 8, is amended to read:

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

12.1 Sec. 8. Minnesota Statutes 2024, section 298.28, subdivision 9a, is amended to read:

12.2 Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per taxable ton ~~for~~
12.3 ~~distributions in 2002 and thereafter~~ produced by each producer except Mesabi Metallics or
12.4 its successor must be paid to the taconite economic development fund. No distribution shall
12.5 be made under this paragraph in ~~2004~~ 2027 or any subsequent year in which total industry
12.6 production in the preceding year, excluding production by MagIron or its successor at Plant
12.7 4 in Grand Rapids and production by Mesabi Metallics or its successor, falls below 30
12.8 million tons. Distribution shall only be made to a Minnesota taconite pellet producer's fund
12.9 under section 298.227 if the producer timely pays its tax under section 298.24 by the dates
12.10 provided under section 298.27, or pursuant to the due dates provided by an administrative
12.11 agreement with the commissioner.

12.12 (b) An amount equal to 50 percent of the ~~tax~~ taxes collected under section 298.24 from
12.13 each producer except Mesabi Metallics or its successor for concentrate sold in the form of
12.14 pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall
12.15 be paid to the taconite economic development fund. The amount paid shall not exceed
12.16 \$700,000 annually for all Minnesota taconite pellet producers. If the initial amount to be
12.17 paid to the fund exceeds this amount, each Minnesota taconite pellet producer's payment
12.18 shall be prorated so the total does not exceed \$700,000.

12.19 Sec. 9. Minnesota Statutes 2024, section 298.28, subdivision 9b, is amended to read:

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

12.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

12.23 Sec. 10. Minnesota Statutes 2024, section 298.28, is amended by adding a subdivision to
12.24 read:

12.25 Subd. 10a. **Insufficient proceeds.** If the proceeds of the taxes collected under section
12.26 298.24 from Mesabi Metallics or its successor are insufficient to fund the allocations
12.27 designated from those proceeds under this section, the allocations designated from those
12.28 proceeds that are not calculated based on taxable tonnage produced by Mesabi Metallics or
12.29 its successor must be proportionally decreased such that the proceeds of the taxes collected
12.30 under section 298.24 from Mesabi Metallics or its successor are sufficient to fund the
12.31 allocations designated from those proceeds under this section.

13.1 Sec. 11. Minnesota Statutes 2024, section 298.28, subdivision 11, is amended to read:

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

13.11 (b) There shall be distributed to each city, town, and county the amount that it received
13.12 under Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however,
13.13 that (1) the amount distributed in 1981 to the unorganized territory number 2 of Lake County
13.14 and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company
13.15 will be distributed in 1982 and subsequent years to the unorganized territory number 2 of
13.16 Lake County and the towns of Beaver Bay and Stony River based on the miles of track of
13.17 Erie Mining Company in each taxing district; and (2) a city located within six miles of five
13.18 other cities qualifying for a distribution under section 298.282 shall receive a distribution
13.19 equal to \$5,000 under this paragraph in calendar year 2020 and subsequent years. The
13.20 distribution to all other cities and towns receiving a distribution under this paragraph shall
13.21 be reduced by the ratio that \$5,000 bears to the total aid distribution received by all cities
13.22 and towns under this paragraph.

13.23 (c) There shall be distributed to the Iron Range resources and rehabilitation account the
13.24 amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount
13.25 distributed under this paragraph shall be expended within or for the benefit of the taconite
13.26 assistance area defined in section 273.1341.

13.27 (d) There shall be distributed to each school district ~~62~~ 75 percent of the amount that it
13.28 received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

13.29 Sec. 12. Minnesota Statutes 2024, section 298.282, subdivision 1, is amended to read:

13.30 Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount
13.31 deposited with the county as provided in section 298.28, subdivision 3, must be distributed
13.32 as provided by this section among: (1) the municipalities located within a taconite assistance
13.33 area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2)
13.34 a township that contains a state park consisting primarily of an underground iron ore mine;

14.1 (3) a city located within five miles of that state park; (4) the city of Cook in St. Louis County;
 14.2 (5) the city of Two Harbors in Lake County; (6) the city of Orr in St. Louis County; (7) the
 14.3 city of Winton in St. Louis County; and (4) (8) Breitung Township in St. Louis County,
 14.4 each being referred to in this section as a qualifying municipality. ~~The distribution to~~
 14.5 distributions to each of the city of Orr, the city of Winton, and Breitung Township under
 14.6 this subdivision shall be \$25,000 annually. The distributions to each of the city of Cook and
 14.7 the city of Two Harbors under this subdivision shall be \$75,000 annually.

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

14.12 **Sec. 13. EFFECTIVE DATE; REVISOR NOTIFICATION.**

14.13 (a) Sections 1 to 8 and 10 to 12 are effective for distributions in the year after the year
 14.14 in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes
 14.15 under Minnesota Statutes, section 298.24 and thereafter. The commissioner of revenue must
 14.16 certify to the commissioner of Iron Range resources and rehabilitation when production
 14.17 begins.

14.18 (b) The commissioner of revenue must notify the revisor of statutes within 30 days of
 14.19 the certification under paragraph (a)."

14.20 Delete the title and insert:

14.21 "A bill for an act
 14.22 relating to taxation; production taxes; modifying the allocation of production tax
 14.23 proceeds; establishing temporary guaranteed minimum distributions to certain
 14.24 cities and school districts; appropriating money; amending Minnesota Statutes
 14.25 2024, sections 298.225; 298.227; 298.28, subdivisions 2, 3, 4, 7a, 8, 9a, 9b, 11,
 14.26 by adding a subdivision; 298.282, subdivision 1."