

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 3925  
**Version:** As introduced

**DATE:** April 15, 2016

**Authors:** Hackbarth

**Subject:** Iron Range Resources and Rehabilitation

**Analyst:** Anita Neumann

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

---

Eliminates the Iron Range Resources and Rehabilitation Board and creates a new Legislative-Citizen Commission on Iron Range Resources and Rehabilitation to review and make recommendations for legislative appropriations from a list of specified funds.

### Section

- 1 Created.** Removes a statutory appropriation from the Minnesota Minerals 21<sup>st</sup> Century Fund to the commissioner of employment and economic development.
- 2 Iron Range Resources and Rehabilitation Contribution.** Removes requirement for board approval for match requirements under the Minerals 21<sup>st</sup> Century Fund.
- 3 Commission.** Provides a definition of “commission” in chapter 298 to mean the Legislative-Citizen Commission on Iron Range Resources and Rehabilitation created under section 6.
- 4 Within taconite assistance area.** Replaces reference to “board” with reference to “commissioner” in language related to the distribution of net proceeds taxes within the taconite assistance area.
- 5 Occupation taxes to be apportioned.** Removes references to the Iron Range Resources and Rehabilitation Board (IRRRB) and specifies that recommendations shall be made by the county board or county advisory group to the commissioner.
- 6 Iron Range Resources and Rehabilitation.**
  - Subd. 1. Office of the Commissioner of Iron Range Resources.** Requires all expenditures by the commissioner of Iron Range Resources and Rehabilitation to be approved by the legislature beginning for fiscal year 2018 and thereafter. Requires the

## Section

commissioner to submit a budget proposal to the new Legislative-Citizen Commission for spending from the following funds or accounts:

- the taconite area environmental protection fund;
- the Douglas J. Johnson Economic Protection Trust Fund;
- the Iron Range Resources and Rehabilitation account in the special revenue fund;
- the Iron Range school consolidation and cooperatively operated school account;
- the Minnesota minerals 21<sup>st</sup> century fund (match purposes); and
- the Iron Range higher education account.

Provides a list of excepted items generally related to bond and debt obligations, expenses related to binding contracts, and formula driven allocations of taxes certified by the commissioner of revenue to cities, counties, school districts, towns, the taconite economic development fund, and for property tax relief.

### **Subd. 1a. Legislative-Citizen Commission on Iron Range Resources**

**Rehabilitation.** Abolishes the current Iron Range Resources and Rehabilitation Board (effective July 1, 2017), and creates a new Legislative-Citizen Commission (effective immediately) of nine members comprised of three members of the House of Representatives, three members of the Senate and three public members.

**Subd. 1b. Citizen selection committee.** Creates a five member citizen selection committee to make recommendations for citizen members of the commission.

**Subd. 1c. Legislative-Citizen Commission duties.** Directs the commission to evaluate budget proposals submitted by the commissioner and make recommendations for legislative appropriations. Approval of recommendations for legislation requires approval by at least six commission members.

**Subd. 1d. Evaluation of proposed budgets.** Sets forth factors the commission must use in evaluating budget proposals.

**Subd. 1e. Strategic plan required.** Directs the commissioner, in consultation with the commission, to adopt a six year strategic plan. Requires the plan to be reviewed every two years.

**Subd. 1f. Emerging issues.** Authorizes the commission to recommend an emerging issues account to fund unexpected emerging issues. Expenditures from the emerging issues account would require unanimous vote of the commission and must be directly related to an item or subject in the commissioner's budget approved by the legislature.

**Subd. 1g. Public meetings.** Provides for public meetings of the commission and all committees, subcommittees or other advisory groups to the commission.

**Subd. 1h. Legislative Coordinating Commission.** Authorizes the LCC to hire an executive director and other staff as needed for the commission.

## Section

**Subd. 5. Forest trust.** Replaces language requiring board approval with language requiring legislative approval.

**Subd. 6. Private entity participation.** Replaces language requiring board approval with language giving the commissioner authority, subject to legislative approval.

**Subd. 7. Project area development authority.** Requires legislative approval for spending related to economic development and tourism within the Giants Ridge Recreation Area and the Ironworld Discovery Center.

**Subd. 8. Spending priority.** Strikes obsolete language regarding job losses in 2000 and 2001 related to the closure of the LTV Steel Mining Company and removes references to board approval.

**Subd. 9. Economic development and trade promotion.** Requires legislative approval for expenditures.

**Subd. 10. Sale or privatization of functions.** Requires legislative approval for the sale or privatization of Giants Ridge or Ironworld.

**Subd. 11. Budgeting.** Strikes language regarding budgeting made obsolete by the new budget process established in this act.

**Subd. 13. Grants and loans; requirements.** Establishes criteria that the commissioner must use in awarding grants and loans. The requirements reflect recommendations made by the Office of the Legislative Auditor and additional criteria related to objectives, priorities and policies established by the commissioner.

**Subd. 14. Legislative approval.** Defines the term “legislative approval” to mean an action specially authorized by a law enacted after January 1, 2017.

- 7 **Receipts from contract; appropriation.** Removes statutory appropriation of receipts from contracts and removes references to “board” in Iron Range Resources and Rehabilitation Board account and references to “approval by the board.”
- 8 **Project approval.** Conforming change to remove requirements for board approval of tax increment financing projects and gives commissioner approval authority. Certification of a district must be specifically authorized under law.
- 9 **Fee setting.** Conforming change to replace reference to board with reference to commissioner regarding facility operation.
- 10 **Northeast Minnesota Economic Development Fund.** Removes obsolete appropriation language and removes statutory appropriation language. This fund is a part of a named fund in section 6. Removes references to the board.
- 11 **Iron Range Higher Education Committee; membership.** Replaces four IRRRB members with four members of the new commission.
- 12 **Taconite Area Environmental Protection Fund.** Specifies that legislative appropriation is required for fund expenditure. Removes references to “board” and generally replaces them with “commissioner.” Deletes obsolete language.

## Section

- 13 Taconite Economic Development Fund.** Removes references to “board” and generally replaces them with reference to “commissioner.” Removes obsolete language.
- 14 Collection and payment of tax.** Removes reference to “board”; requires that taxes are to be paid to eligible counties and the commissioner (instead of the board).
- 15 Iron Range Resources and Rehabilitation account.** Removes the term “board” from the name of the account.
- 16 Iron Range school consolidation and cooperatively operated school account.** Removes reference to “board” and replaces with reference to “commissioner.”
- 17 Distribution; city of Eveleth.** Strikes language specifying that distributions be made to the IRRRB and replaces that with the commissioner of IRRR.
- 18 Iron Range higher education account.** Removes board review authority so that only the Iron Range Higher Education Committee must review account expenditure proposals prior to submission of the spending proposal by the commissioner to the new Legislative-Citizen Commission.
- 19 Remainder.** Technical correction to reference of repealed statutory section.
- 20 Use of money.** Specifies that sales of forest land purchased with DJJ Fund money can only be carried out with specific authorization by law.
- 21 Investment of fund.** Strikes obsolete language.
- 22 Operation of fund.** Removes board approval and recommendation requirements for DJJ fund expenditures.
- 23 Producer grants.** Removes reference to requirement for board approval of DJJ expenditures and replaces it with language that spending can only be with specific approval by law. Removes obsolete language.
- 24 Advisory committee.** Conforming change to remove references to board.
- 25 Long range plan.** Removes reference to board and requires commissioner, by December 31, 2017, to prepare and present to the governor and legislature a long range plan for use of DJJ funds.
- 26 Exploratory drilling for iron ore.** Conforming change removing reference to “board” and generally replacing it with reference to “commissioner.”
- 27 Initial appointments.** Provides for initial appointments of citizens to the new commission and citizen selection committee.
- 28 Giants Ridge study; appropriation.** Provides an unspecified appropriation to the Department of Minnesota Management and Budget (MMB) office of management analysis to study the future of the Giants Ridge Recreation Area project.
- 29 Legislative Coordinating Commission.** Provides a \$420,000 fiscal year 2017 appropriation from the Iron Range Resources and Rehabilitation account to the LCC to hire an executive director and staff for the new commission.

**Section**

**30**      **Revisor instructions.** Directs the revisor to prepare a bill for the 2017 legislative session containing any additional conforming changes necessary to transfer duties under this act.