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Subject: Use of previously distributed production tax proceeds

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In 2016, an obsolete subdivision related to distributions of the production tax on taconite for 2007 was repealed. Among the repealed provisions was a 10 cents per ton distribution to the commissioner of the Iron Range Resources and Rehabilitation Board (IRRRB), for deposit into the Highway 1 Corridor Account. The repealed provision authorized the IRRRB to distribute funds from this account to the cities of Babbitt, Cook, Ely, or Tower for economic development projects.

At the time of repeal, however, the Highway 1 Corridor Account had a positive balance. HF 1968 clarifies that the money in this account may be spent as previously authorized and that the funds in the account do not lapse or cancel. This bill also includes a provision regarding the payment of interest to the recipient of the initial distribution, which was also included in the repealed provision.