

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 2402

(SENATE AUTHORS: HAUSCHILD)

DATE	D-PG	OFFICIAL STATUS
03/02/2023	1270	Introduction and first reading Referred to Taxes See HF1938

1.1 A bill for an act

1.2 relating to taxation; taconite production tax; modifying the distribution of the

1.3 taconite production tax; amending Minnesota Statutes 2022, section 298.28,

1.4 subdivisions 5, 7a.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 298.28, subdivision 5, is amended to read:

1.7 Subd. 5. **Counties.** (a) 21.05 cents per taxable ton for distributions in 2015 through 2023,

1.8 ~~and 26.05 cents per taxable ton for distributions beginning in 2024~~, is allocated to counties

1.9 to be distributed, based upon certification by the commissioner of revenue, under paragraphs

1.10 (b) to (d).

1.11 (b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite

1.12 is mined or quarried or in which the concentrate is produced, less any amount which is to

1.13 be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision

1.14 2 is the basis for the distribution.

1.15 (c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b)

1.16 shall be paid to a county that received a distribution under this section in 2000 because there

1.17 was located in the county an electric power plant owned by and providing the primary source

1.18 of power for a taxpayer mining and concentrating taconite in a different county.

1.19 (d) 10.525 cents per taxable ton for distributions in 2015 through 2023, ~~and 15.525 cents~~

1.20 ~~per taxable ton for distributions beginning in 2024~~, shall be paid to the county from which

1.21 the taconite was mined, quarried or concentrated to be deposited in the county road and

1.22 bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those

2.1 processes are carried on in more than one county, the commissioner shall follow the
2.2 apportionment formula prescribed in subdivision 2.

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

2.4 Sec. 2. Minnesota Statutes 2022, section 298.28, subdivision 7a, is amended to read:

2.5 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**
2.6 **account.** (a) The following amounts must be allocated to the commissioner of Iron Range
2.7 resources and rehabilitation to be deposited in the Iron Range school consolidation and
2.8 cooperatively operated school account that is hereby created:

2.9 (1)(i) for distributions beginning in 2015 ~~through 2023~~, ten cents per taxable ton of the
2.10 tax imposed under section 298.24; ~~and~~

2.11 ~~(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed~~
2.12 ~~under section 298.24;~~

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

2.14 (3) any other amount as provided by law.

2.15 (b) Expenditures from this account may be approved as ongoing annual expenditures
2.16 and shall be made only to provide disbursements to assist school districts with the payment
2.17 of bonds that were issued for qualified school projects, or for any other school disbursement
2.18 as approved by the commissioner of Iron Range resources and rehabilitation after consultation
2.19 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,
2.20 "qualified school projects" means school projects within the taconite assistance area as
2.21 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;
2.22 and (2) approved by the commissioner of education pursuant to section 123B.71.

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

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

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