

Senators Tomassoni, Lourey, Bakk and Solon introduced—  
S.F. No. 3815: Referred to the Committee on Finance.

1. A bill for an act  
1.2 relating to state government; clarifying the Iron Range Resources and  
1.3 Rehabilitation Board's funds expenditure approval process; amending Minnesota  
1.4 Statutes 2004, sections 298.22, subdivision 1, by adding a subdivision; 298.2213,  
1.5 subdivision 4; 298.223, subdivisions 2, 3; 298.296, subdivision 2; Minnesota  
1.6 Statutes 2005 Supplement, section 298.296, subdivision 1; repealing Minnesota  
1.7 Statutes 2005 Supplement, section 298.298.

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

1.9 Section 1. Minnesota Statutes 2004, section 298.22, subdivision 1, is amended to read:

1.10 Subdivision 1. **The office of the commissioner of Iron Range resources and**  
1.11 **rehabilitation.** (1) The office of the commissioner of Iron Range resources and  
1 rehabilitation is created as an agency in the executive branch of state government. The  
1.13 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
1.14 section 15.06.

1.15 (2) The commissioner may hold other positions or appointments that are not  
1.16 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
1.17 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
1.18 including the payment of such staff and other assistance as may be necessary, must be  
1.19 paid out of the amounts appropriated by section 298.28 or otherwise made available by  
1.20 law to the commissioner. The commissioner may appoint and compensate under section  
1.21 15.014 the members of any number of advisory task forces.

1.22 (3) When the commissioner determines that distress and unemployment exists or  
may exist in the future in any county by reason of the removal of natural resources or  
1.24 a possibly limited use of natural resources in the future and any resulting decrease in  
1.25 employment, the commissioner may use whatever amounts of the appropriation made to

2.1 ~~the commissioner of revenue~~ in section 298.28 that are determined to be necessary and  
2.2 proper in the development of the remaining resources of the county and in the vocational  
2.3 training and rehabilitation of its residents, except that the amount needed to cover cost  
2.4 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by  
2.5 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.  
2.6 For the purposes of this section, "development of remaining resources" includes, but is  
2.7 not limited to, the promotion of tourism.

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

2.9 Sec. 2. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision  
2.10 to read:

2.11 Subd. 11. Budgeting. (a) The commissioner of Iron Range resources and  
2.12 rehabilitation shall annually prepare a budget of operational expenditures, programs,  
2.13 and projects, and submit it to the Iron Range Resources and Rehabilitation Board and  
2.14 the governor for approval. The commissioner is authorized to expend available funds  
2.15 approved in the budget for operational expenditures and, to the extent provided in  
2.16 paragraph (c), for programs.

2.17 (b) Expenditures identified as projects under the approved annual budget require  
2.18 specific project approval as further provided by the particular account from which the  
2.19 project is funded.

2.20 (c) Expenditures of funds provided under section 298.22 or 298.223 for programs  
2.21 approved in the annual budget, except grants to for-profit recipients, do not require further  
2.22 approval by the Iron Range Resources and Rehabilitation Board or by the governor.

2.23 Sec. 3. Minnesota Statutes 2004, section 298.2213, subdivision 4, is amended to read:

2.24 Subd. 4. Project and program approval. The board commissioner shall by August  
2.25 ~~1 each year prepare a list of~~ submit to the Iron Range Resources and Rehabilitation Board  
2.26 projects and programs to be funded from the money appropriated in this section with  
2.27 necessary supporting information including descriptions of the programs, projects, plans,  
2.28 and cost estimates. A project or program must not be approved by the board unless it  
2.29 finds that:

2.30 (1) the project or program will materially assist, directly or indirectly, the creation of  
2.31 additional long-term employment opportunities;

2.32 (2) the prospective benefits of the expenditure exceed the anticipated costs; and

2.33 (3) in the case of assistance to private enterprise, the project or program will serve a  
2.34 sound business purpose.

3.1 ~~To be proposed by the board, a~~ Each project or program must be approved by  
 3.2 a majority of the Iron Range Resources and Rehabilitation Board members and the  
 3.3 commissioner of Iron Range resources and rehabilitation. The list of projects and  
 3.4 programs must be submitted to the governor, who shall, ~~by November 15 of each year,~~  
 3.5 approve, disapprove, or return for further consideration; each project and program. The  
 3.6 money for a project or program may be spent only upon approval of the project or program  
 3.7 by the governor. ~~The board may submit supplemental projects for approval at any time.~~

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

3.9 Sec. 4. Minnesota Statutes 2004, section 298.223, subdivision 2, is amended to read:

3.10 Subd. 2. **Administration.** The taconite area environmental protection fund shall  
 3.11 be administered by the commissioner of the Iron Range resources and rehabilitation  
 3.12 ~~Board.~~ The commissioner shall ~~by September 1 of each year~~ submit to the Iron Range  
 3.13 Resources and Rehabilitation Board ~~a list of projects and programs~~ to be funded from the  
 3.14 taconite area environmental protection fund, with such supporting information including  
 3.15 description of the projects, plans, and cost estimates as may be necessary. Upon approval  
 3.16 by a majority of the members of the Iron Range Resources and Rehabilitation Board, ~~this~~  
 3.17 ~~list shall be submitted to the governor by November 1 of each year. By December 1 of~~  
 3.18 ~~each year, by the commissioner of Iron Range resources and rehabilitation, and by the~~  
 3.19 ~~governor shall approve or disapprove, or return for further consideration, each project,~~  
 3.20 funds for a project or program may be expended ~~only upon approval of the project by the~~  
 3.21 ~~board and governor. The commissioner may submit supplemental projects to the board~~  
 3.22 ~~and governor for approval at any time.~~

3.23 Sec. 5. Minnesota Statutes 2004, section 298.223, subdivision 3, is amended to read:

3.24 Subd. 3. **Appropriation.** There is hereby annually appropriated to the commissioner  
 3.25 of Iron Range resources and rehabilitation such taconite area environmental protection  
 3.26 funds as are necessary to carry out the projects and programs approved ~~and such funds as~~  
 3.27 ~~are necessary for administration of this section. Annual administrative costs, not including~~  
 3.28 ~~detailed engineering expenses for the projects, shall not exceed five percent of the amount~~  
 3.29 ~~annually expended from the fund by the board and the governor.~~

3.30 Funds for the purposes of this section are provided by section 298.28, subdivision  
 11, relating to the taconite area environmental protection fund.

3.32 Sec. 6. Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1, is  
 3.33 amended to read:

4.1 Subdivision 1. **Project and program approval.** The ~~board commissioner~~ shall  
 4.2 ~~by August 1 of each year prepare a list of~~ submit to the Iron Range Resources and  
 4.3 Rehabilitation Board projects and programs to be funded from the Douglas J. Johnson  
 4.4 economic protection trust with necessary supporting information including description  
 4.5 of the programs, projects, plans, and cost estimates. These projects and programs shall  
 4.6 be consistent with the priorities established in section 298.292 and shall not be approved  
 4.7 by the board unless it finds that:

4.8 (a) the project or program will materially assist, directly or indirectly, the creation of  
 4.9 additional long-term employment opportunities;

4.10 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

4.11 (c) in the case of assistance to private enterprise, the project or program will serve a  
 4.12 sound business purpose.

4.13 ~~To be proposed by the board, a~~ Each project and program must be approved by at  
 4.14 least eight Iron Range Resources and Rehabilitation Board members and the commissioner  
 4.15 of Iron Range resources and rehabilitation. The list of projects and programs shall  
 4.16 be submitted to the governor, who shall, ~~by November 15 of each year,~~ approve or  
 4.17 disapprove, or return for further consideration, each project and program. The money for a  
 4.18 project or program may be expended only upon approval of the project or program by the  
 4.19 governor. ~~The board may submit supplemental projects for approval at any time.~~

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

4.21 Sec. 7. Minnesota Statutes 2004, section 298.296, subdivision 2, is amended to read:

4.22 Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended  
 4.23 on projects and programs and for administration of the trust fund only from the net  
 4.24 interest, earnings, and dividends arising from the investment of the trust at any time,  
 4.25 including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus  
 4.26 \$10,000,000 made available for use in fiscal year 1983, except that any amount required  
 4.27 to be paid out of the trust fund to provide the property tax relief specified in Laws 1977,  
 4.28 chapter 423, article X, section 4, and to make school bond payments and payments to  
 4.29 recipients of taconite production tax proceeds pursuant to section 298.225, may be taken  
 4.30 from the corpus of the trust.

4.31 (b) Additionally, upon recommendation by the board, up to \$13,000,000 from the  
 4.32 corpus of the trust may be made available for use as provided in subdivision 4, and up to  
 4.33 \$10,000,000 from the corpus of the trust may be made available for use as provided in  
 4.34 section 298.2961.

5.1 (c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust  
5 on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts  
5.3 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article  
5.4 8, section 17, may be expended on projects. Funds may be expended for projects under  
5.5 this paragraph only if the project:

5.6 (1) is for the purposes established under section 298.292, subdivision 1, clause  
5.7 (1) or (2); and

5.8 (2) is approved by the board upon an affirmative vote of at least ten of its members.

5.9 No money made available under this paragraph or paragraph (d) can be used for  
5.10 administrative or operating expenses of the Iron Range Resources and Rehabilitation  
5.11 Board or agency or expenses relating to any facilities owned or operated ~~by the board~~  
5.12 thereby on May 18, 2002.

5 (d) Upon recommendation by a unanimous vote of all members of the board,  
5.14 amounts in addition to those authorized under paragraphs (a), (b), and (c) may be  
5.15 expended on projects described in section 298.292, subdivision 1.

5.16 (e) ~~Annual administrative costs, not including detailed engineering expenses for the~~  
5.17 ~~projects, shall not exceed five percent of the net interest, dividends, and earnings arising~~  
5.18 ~~from the trust in the preceding fiscal year.~~

5.19 (f) Principal and interest received in repayment of loans made pursuant to this  
5.20 section, and earnings on other investments made under section 298.292, subdivision 2,  
5.21 clause (4), shall be deposited in the state treasury and credited to the trust. These receipts  
5.22 are appropriated to the ~~board~~ commissioner for the purposes of sections 298.291 to  
5.23 298.298.

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

5.25 **Sec. 8. REPEALER.**

5.26 Minnesota Statutes 2005 Supplement, section 298.298, is repealed.

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

APPENDIX

Repealed Minnesota Statutes: 06-5341

**298.298 LONG-RANGE PLAN.**

Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature by January 1, 1984 a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. The Iron Range Resources and Rehabilitation Board shall, before November 15 of each even numbered year, prepare a report to the governor and legislature updating and revising this long-range plan and reporting on the Iron Range Resources and Rehabilitation Board's progress on those matters assigned to it by law. After January 1, 1984, no project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.

1.1 Senator ..... moves to amend S.F. No. 3815 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2004, section 298.22, subdivision 1, is amended to  
1.4 read:

1.5 Subdivision 1. **The office of the commissioner of Iron Range resources and**  
1.6 **rehabilitation.** (1) The office of the commissioner of Iron Range resources and  
1.7 rehabilitation is created as an agency in the executive branch of state government. The  
1.8 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
1.9 section 15.06.

1.10 (2) The commissioner may hold other positions or appointments that are not  
1.11 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
1.12 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
1.13 including the payment of such staff and other assistance as may be necessary, must be  
1.14 paid out of the amounts appropriated by section 298.28 or otherwise made available by  
1.15 law to the commissioner.

1.16 (3) When the commissioner determines that distress and unemployment exists or  
1.17 may exist in the future in any county by reason of the removal of natural resources or  
1.18 a possibly limited use of natural resources in the future and any resulting decrease in  
1.19 employment, the commissioner may use whatever amounts of the appropriation made to  
1.20 the commissioner of revenue in section 298.28 that are determined to be necessary and  
1.21 proper in the development of the remaining resources of the county and in the vocational  
1.22 training and rehabilitation of its residents, except that the amount needed to cover cost  
1.23 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by  
1.24 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.  
1.25 For the purposes of this section, "development of remaining resources" includes, but is  
1.26 not limited to, the promotion of tourism.

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

1.28 Sec. 2. Minnesota Statutes 2004, section 298.22, subdivision 8, is amended to read:

1.29 Subd. 8. **Spending priority.** In making or approving any expenditures on programs  
1.30 or projects, the commissioner and the board shall give the highest priority to programs  
1.31 and projects that target relief to those areas of the taconite assistance area as defined in  
1.32 section 273.1341, that have the largest percentages of job losses and population losses  
1.33 directly attributable to the economic downturn in the taconite industry since the 1980s.  
1.34 The commissioner and the board shall compare the 1980 population and employment  
1.35 figures with the 2000 population and employment figures, and shall specifically consider

2.1 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,  
2.2 in making or approving expenditures consistent with this subdivision, as well as the areas  
2.3 of residence of persons who suffered job loss for which relief is to be targeted under this  
2.4 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the  
2.5 terms determined by the commissioner and approved by the board, surface and mineral  
2.6 interests owned or acquired by the state of Minnesota acting by and through the office  
2.7 of the commissioner of Iron Range resources and rehabilitation within those portions of  
2.8 the taconite assistance area impacted by the closure of the LTV Steel Mining Company  
2.9 facility near Hoyt Lakes. The payments and royalties from these leases must be deposited  
2.10 into the fund established in section 298.292. This subdivision supersedes any other  
2.11 conflicting provisions of law and does not preclude the commissioner and the board from  
2.12 making expenditures for programs and projects in other areas.

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

2.14 Sec. 3. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision  
2.15 to read:

2.16 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation  
2.17 shall annually prepare a budget for operational expenditures, programs, and projects, and  
2.18 submit it to the Iron Range Resources and Rehabilitation Board and the governor for  
2.19 approval. After the budget is approved by the board and the governor, the commissioner  
2.20 may spend money in accordance with the approved budget.

2.21 Sec. 4. Minnesota Statutes 2004, section 298.2213, subdivision 4, is amended to read:

2.22 Subd. 4. **Project approval.** The board and commissioner shall by August 1 each  
2.23 year prepare a list of projects to be funded from the money appropriated in this section  
2.24 with necessary supporting information including descriptions of the projects, plans, and  
2.25 cost estimates. A project must not be approved by the board unless it finds that:

2.26 (1) the project will materially assist, directly or indirectly, the creation of additional  
2.27 long-term employment opportunities;

2.28 (2) the prospective benefits of the expenditure exceed the anticipated costs; and

2.29 (3) in the case of assistance to private enterprise, the project will serve a sound  
2.30 business purpose.

2.31 ~~To be proposed by the board, a~~ Each project must be approved by a majority of  
2.32 the Iron Range Resources and Rehabilitation Board members and the commissioner of  
2.33 Iron Range resources and rehabilitation. The list of projects must be submitted to the  
2.34 governor, who shall, by November 15 of each year, approve, disapprove, or return for  
2.35 further consideration, each project. The money for a project may be spent only upon



3.1 approval of the project by the governor. The board may submit supplemental projects  
2 for approval at any time.

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

3.4 Sec. 5. Minnesota Statutes 2004, section 298.223, subdivision 2, is amended to read:

3.5 Subd. 2. **Administration.** The taconite area environmental protection fund shall be  
3.6 administered by the commissioner of the Iron Range Resources and Rehabilitation Board.  
3.7 The commissioner shall by September 1 of each year submit to the board a list of projects  
3.8 to be funded from the taconite area environmental protection fund, with such supporting  
3.9 information including description of the projects, plans, and cost estimates as may be  
3.10 necessary. Upon approval by a majority of the members of the Iron Range Resources  
3.11 and Rehabilitation Board, this list shall be submitted to the governor by November 1 of  
12 each year. By December 1 of each year, the governor shall approve or disapprove, or  
3.13 return for further consideration, each project. Funds for a project may be expended only  
3.14 upon approval of the project by the board and governor. The commissioner may submit  
3.15 supplemental projects to the board and governor for approval at any time.

3.16 Sec. 6. Minnesota Statutes 2004, section 298.223, subdivision 3, is amended to read:

3.17 Subd. 3. **Appropriation.** There is ~~hereby~~ annually appropriated to the commissioner  
3.18 of Iron Range resources and rehabilitation ~~such~~ taconite area environmental protection  
3.19 funds ~~as are~~ necessary to carry out ~~the approved~~ projects ~~approved and programs~~ and  
3.20 ~~such~~ the funds as are necessary for administration of this section. Annual administrative  
3.21 costs, not including detailed engineering expenses for the projects, shall not exceed five  
22 percent of the amount annually expended from the fund.

3.23 Funds for the purposes of this section are provided by section 298.28, subdivision  
3.24 11, relating to the taconite area environmental protection fund.

3.25 Sec. 7. Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1, is  
3.26 amended to read:

3.27 Subdivision 1. **Project approval.** The board and commissioner shall by August 1 of  
3.28 each year prepare a list of projects to be funded from the Douglas J. Johnson economic  
3.29 protection trust with necessary supporting information including description of the  
3.30 projects, plans, and cost estimates. These projects shall be consistent with the priorities  
3.31 established in section 298.292 and shall not be approved by the board unless it finds that:

2 (a) the project will materially assist, directly or indirectly, the creation of additional  
3.33 long-term employment opportunities;

3.34 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

4.1 (c) in the case of assistance to private enterprise, the project will serve a sound  
4.2 business purpose.

4.3 ~~To be proposed by the board, a~~ Each project must be approved by at least eight  
4.4 Iron Range Resources and Rehabilitation Board members and the commissioner of  
4.5 Iron Range resources and rehabilitation. The list of projects shall be submitted to the  
4.6 governor, who shall, by November 15 of each year, approve or disapprove, or return for  
4.7 further consideration, each project. The money for a project may be expended only upon  
4.8 approval of the project by the governor. The board may submit supplemental projects  
4.9 for approval at any time.

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

4.11 Sec. 8. Minnesota Statutes 2005 Supplement, section 298.298, is amended to read:

4.12 **298.298 LONG-RANGE PLAN.**

4.13 Consistent with the policy established in sections 298.291 to 298.298, the Iron  
4.14 Range Resources and Rehabilitation Board shall prepare and present to the governor and  
4.15 the legislature by ~~January 1, 1984~~ December 31, 2006, a long-range plan for the use of the  
4.16 Douglas J. Johnson economic protection trust fund for the economic development and  
4.17 diversification of the taconite assistance area defined in section 273.1341. ~~The Iron Range~~  
4.18 ~~Resources and Rehabilitation Board shall, before November 15 of each even numbered~~  
4.19 ~~year, prepare a report to the governor and legislature updating and revising this long-range~~  
4.20 ~~plan and reporting on the Iron Range Resources and Rehabilitation Board's progress on~~  
4.21 ~~those matters assigned to it by law. After January 1, 1984, No project shall be approved~~  
4.22 ~~by the Iron Range Resources and Rehabilitation Board which is not consistent with the~~  
4.23 ~~goals and objectives established in the long-range plan.~~

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

4.25 Sec. 9. **MINNESOTA MINERALS 21ST CENTURY FUND; APPROPRIATION.**

4.26 \$12,500,000 is appropriated from the general fund to the commissioner of  
4.27 employment and economic development for transfer to the Minnesota minerals 21st  
4.28 century fund under Minnesota Statutes, section 116J.423.

4.29 **EFFECTIVE DATE.** This section is effective July 1, 2007."

4.30 Amend the title accordingly

1.1 **Senator Cohen from the Committee on Finance, to which was referred**

2 **S.F. No. 3815:** A bill for an act relating to state government; clarifying the  
1.3 Iron Range Resources and Rehabilitation Board's funds expenditure approval process;  
1.4 amending Minnesota Statutes 2004, sections 298.22, subdivision 1, by adding a  
1.5 subdivision; 298.2213, subdivision 4; 298.223, subdivisions 2, 3; 298.296, subdivision 2;  
1.6 Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1; repealing Minnesota  
1.7 Statutes 2005 Supplement, section 298.298.

1.8 Reports the same back with the recommendation that the bill be amended as follows:

1.9 Delete everything after the enacting clause and insert:

1.10 "Section 1. Minnesota Statutes 2004, section 298.22, subdivision 1, is amended to read:

1.11 **Subdivision 1. The office of the commissioner of Iron Range resources and**  
1.12 **rehabilitation.** (1) The office of the commissioner of Iron Range resources and  
1.13 rehabilitation is created as an agency in the executive branch of state government. The  
1.14 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
1.15 section 15.06.

1.16 (2) The commissioner may hold other positions or appointments that are not  
1.17 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
1.18 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
1.19 including the payment of such staff and other assistance as may be necessary, must be  
1.20 paid out of the amounts appropriated by section 298.28 or otherwise made available by  
1.21 law to the commissioner.

1.22 (3) When the commissioner determines that distress and unemployment exists or  
1.23 may exist in the future in any county by reason of the removal of natural resources or  
1.24 a possibly limited use of natural resources in the future and any resulting decrease in  
1.25 employment, the commissioner may use whatever amounts of the appropriation made to  
1.26 the commissioner of revenue in section 298.28 that are determined to be necessary and  
1.27 proper in the development of the remaining resources of the county and in the vocational  
1.28 training and rehabilitation of its residents, except that the amount needed to cover cost  
1.29 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by  
1.30 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.  
1.31 For the purposes of this section, "development of remaining resources" includes, but is  
1.32 not limited to, the promotion of tourism.

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

1.34 Sec. 2. Minnesota Statutes 2004, section 298.22, subdivision 8, is amended to read:

1.35 **Subd. 8. Spending priority.** In making or approving any expenditures on programs  
1.36 or projects, the commissioner and the board shall give the highest priority to programs  
1.37 and projects that target relief to those areas of the taconite assistance area as defined in

1.38 section 273.1341, that have the largest percentages of job losses and population losses  
directly attributable to the economic downturn in the taconite industry since the 1980s.  
2.2 The commissioner and the board shall compare the 1980 population and employment  
2.3 figures with the 2000 population and employment figures, and shall specifically consider  
2.4 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,  
2.5 in making or approving expenditures consistent with this subdivision, as well as the areas  
2.6 of residence of persons who suffered job loss for which relief is to be targeted under this  
2.7 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the  
2.8 terms determined by the commissioner and approved by the board, surface and mineral  
2.9 interests owned or acquired by the state of Minnesota acting by and through the office of  
2.10 the commissioner of Iron Range resources and rehabilitation within those portions of the  
2.11 taconite assistance area affected by the closure of the LTV Steel Mining Company facility  
2.12 near Hoyt Lakes. The payments and royalties from these leases must be deposited into the  
2.13 fund established in section 298.292. This subdivision supersedes any other conflicting  
2.14 provisions of law and does not preclude the commissioner and the board from making  
2.15 expenditures for programs and projects in other areas.

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

2.17 Sec. 3. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision  
2.18 to read:

2.19 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation  
2.20 shall annually prepare a budget for operational expenditures, programs, and projects, and  
2.21 submit it to the Iron Range Resources and Rehabilitation Board and the governor for  
2.22 approval. After the budget is approved by the board and the governor, the commissioner  
2.23 may spend money in accordance with the approved budget.

2.24 Sec. 4. Minnesota Statutes 2004, section 298.2213, subdivision 4, is amended to read:

2.25 Subd. 4. **Project approval.** The board and commissioner shall by August 1 each  
2.26 year prepare a list of projects to be funded from the money appropriated in this section  
2.27 with necessary supporting information including descriptions of the projects, plans, and  
2.28 cost estimates. A project must not be approved by the board unless it finds that:

2.29 (1) the project will materially assist, directly or indirectly, the creation of additional  
2.30 long-term employment opportunities;

(2) the prospective benefits of the expenditure exceed the anticipated costs; and

2.32 (3) in the case of assistance to private enterprise, the project will serve a sound  
2.33 business purpose.

2.34 ~~To be proposed by the board, a~~ Each project must be approved by a majority of  
3.05 the Iron Range Resources and Rehabilitation Board members and the commissioner of  
3.1 Iron Range resources and rehabilitation. The list of projects must be submitted to the  
3.2 governor, who shall, by November 15 of each year, approve, disapprove, or return for  
3.3 further consideration, each project. The money for a project may be spent only upon  
3.4 approval of the project by the governor. The board may submit supplemental projects  
3.5 for approval at any time.

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

3.7 Sec. 5. Minnesota Statutes 2004, section 298.223, subdivision 2, is amended to read:

3.8 Subd. 2. **Administration.** The taconite area environmental protection fund shall be  
3.9 administered by the commissioner of the Iron Range Resources and Rehabilitation Board.  
3.10 The commissioner shall by September 1 of each year submit to the board a list of projects  
3.11 to be funded from the taconite area environmental protection fund, with such supporting  
3.12 information including description of the projects, plans, and cost estimates as may be  
3.13 necessary. Upon approval by a majority of the members of the Iron Range Resources  
3.14 and Rehabilitation Board, this list shall be submitted to the governor by November 1 of  
3.15 each year. By December 1 of each year, the governor shall approve or disapprove, or  
3.16 return for further consideration, each project. Funds for a project may be expended only  
3.17 upon approval of the project by the board and governor. The commissioner may submit  
3.18 supplemental projects to the board and governor for approval at any time.

19 Sec. 6. Minnesota Statutes 2004, section 298.223, subdivision 3, is amended to read:

3.20 Subd. 3. **Appropriation.** There is ~~hereby~~ annually appropriated to the commissioner  
3.21 of Iron Range resources and rehabilitation ~~such~~ taconite area environmental protection  
3.22 ~~funds as are necessary to carry out the approved projects approved and programs and~~  
3.23 ~~such the funds as are necessary for administration of this section.~~ Annual administrative  
3.24 costs, not including detailed engineering expenses for the projects, shall not exceed five  
3.25 percent of the amount annually expended from the fund.

3.26 Funds for the purposes of this section are provided by section 298.28, subdivision  
3.27 11, relating to the taconite area environmental protection fund.

3.28 Sec. 7. Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1, is  
9 amended to read:

3.30 Subdivision 1. **Project approval.** The board and commissioner shall by August 1 of  
3.31 each year prepare a list of projects to be funded from the Douglas J. Johnson economic  
3.32 protection trust with necessary supporting information including description of the

3.33 projects, plans, and cost estimates. These projects shall be consistent with the priorities  
 3.34 established in section 298.292 and shall not be approved by the board unless it finds that:

4.1 (a) the project will materially assist, directly or indirectly, the creation of additional  
 4.2 long-term employment opportunities;

4.3 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

4.4 (c) in the case of assistance to private enterprise, the project will serve a sound  
 4.5 business purpose.

4.6 ~~To be proposed by the board, a~~ Each project must be approved by at least eight  
 4.7 Iron Range Resources and Rehabilitation Board members and the commissioner of  
 4.8 Iron Range resources and rehabilitation. The list of projects shall be submitted to the  
 4.9 governor, who shall, by November 15 of each year, approve or disapprove, or return for  
 4.10 further consideration, each project. The money for a project may be expended only upon  
 4.11 approval of the project by the governor. The board may submit supplemental projects  
 4.12 for approval at any time.

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

4.14 Sec. 8. Minnesota Statutes 2005 Supplement, section 298.298, is amended to read:

4.15 **298.298 LONG-RANGE PLAN.**

4.16 Consistent with the policy established in sections 298.291 to 298.298, the Iron  
 4.17 Range Resources and Rehabilitation Board shall prepare and present to the governor and  
 4.18 the legislature by ~~January 1, 1984~~ December 31, 2006, a long-range plan for the use of the  
 4.19 Douglas J. Johnson economic protection trust fund for the economic development and  
 4.20 diversification of the taconite assistance area defined in section 273.1341. ~~The Iron Range~~  
 4.21 ~~Resources and Rehabilitation Board shall, before November 15 of each even numbered~~  
 4.22 ~~year, prepare a report to the governor and legislature updating and revising this long-range~~  
 4.23 ~~plan and reporting on the Iron Range Resources and Rehabilitation Board's progress on~~  
 4.24 ~~those matters assigned to it by law. After January 1, 1984,~~ No project shall be approved  
 4.25 by the Iron Range Resources and Rehabilitation Board which is not consistent with the  
 4.26 goals and objectives established in the long-range plan.

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

4.28 Sec. 9. **MINNESOTA MINERALS 21ST CENTURY FUND; APPROPRIATION.**

4.30 \$12,500,000 is appropriated from the general fund to the commissioner of  
 4.31 employment and economic development for transfer to the Minnesota minerals 21st  
century fund under Minnesota Statutes, section 116J.423.

4.32 **EFFECTIVE DATE. This section is effective July 1, 2007.**"

3 Amend the title accordingly

5.1 And when so amended the bill do pass. Amendments adopted. Report adopted.



5.2 .....  
5.3 (Committee Chair)

5.4 May 18, 2006 ..... 5-18-06  
5.5 (Date of Committee recommendation)

This Document can be made available  
in alternative formats upon request

State of Minnesota

Printed  
Page No. **440**

**HOUSE OF REPRESENTATIVES**

**EIGHTY-FOURTH  
SESSION**

**HOUSE FILE NO. 2721**

March 1, 2006

Authored by Davids

The bill was read for the first time and referred to the Committee on Agriculture, Environment and Natural Resources  
Finance

March 29, 2006

To Pass as Amended and placed on the Consent Calendar  
Read Second Time

A bill for an act

1.2 relating to environment; extending the individual sewage treatment system pilot  
1.3 program; modifying application of storm water rules; amending Laws 2003,  
1.4 chapter 128, article 1, section 165.

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

1.6 Section 1. Laws 2003, chapter 128, article 1, section 165, is amended to read:

1.7 **Sec. 165. ISTS PILOT PROGRAM.**

1.8  
1.9 The Pollution Control Agency shall, in conjunction with the association of  
1.10 Minnesota counties, designate three cooperating counties with waterbodies listed as  
1.11 impaired by fecal coliform bacteria, and within designated counties shall:

1.12  
1.13 (1) by July 1, ~~2007~~ 2008, complete an inventory of properties with individual  
1.14 sewage treatment systems that are an imminent threat to public health or safety due to  
1.15 surface water discharges of untreated sewage, and the inventory of properties may be  
1.16 phased over the period of the pilot project; and

1.17  
1.18 (2) require compliance under the applicable requirements of this section by May 1,  
1.19 ~~2008~~ 2009. The pollution control agency may utilize cooperative agreements with the  
1.20 three pilot counties to meet the requirements of clauses (1) and (2).

**Sec. 2. APPLICATION OF STORM WATER RULES TO COUNTIES.**

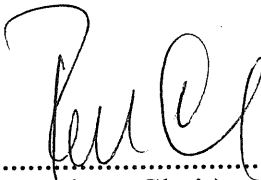


2.1 Until the Pollution Control Agency storm water rules are amended, the provisions of  
2.2 Minnesota Rules, part 7090.1010, subpart 1, item B, subitems (2) and (3) only, shall not  
2.3 apply to counties.

1.1 **Senator Cohen from the Committee on Finance, to which was referred**

1.2 **H.F. No. 2721: A bill for an act relating to environment; extending the individual**  
1.3 **sewage treatment system pilot program; modifying application of storm water rules;**  
1.4 **amending Laws 2003, chapter 128, article 1, section 165.**

1.5 Reports the same back with the recommendation that the bill do pass and be placed  
1.6 on the Consent Calendar. Report adopted.



1.7 .....  
1.8 (Committee Chair)

1.9 May 18, 2006 ..... 5-18-06 .....  
1.10 (Date of Committee recommendation)