

1.1 Senator moves to amend S.F. No. 5435 as follows:

1.2 Page 1, after line 9, insert:

1.3 "Section 1. Minnesota Statutes 2022, section 123B.53, subdivision 1, is amended to read:

1.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
1.5 revenue of a district is defined as follows:

1.6 (1) the amount needed to produce between five and six percent in excess of the amount
1.7 needed to meet when due the principal and interest payments on the obligations of the district
1.8 for eligible projects according to subdivision 2, excluding the amounts listed in paragraph
1.9 (b), minus

1.10 (2) the amount of debt service excess levy reduction for that school year calculated
1.11 according to the procedure established by the commissioner.

1.12 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

1.13 (1) obligations under section 123B.61;

1.14 (2) the part of debt service principal and interest paid from the taconite environmental
1.15 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
1.16 taconite payments from the Iron Range ~~school consolidation and cooperatively operated~~
1.17 ~~school~~ schools and community development account under section 298.28, subdivision 7a;

1.18 (3) obligations for long-term facilities maintenance under section 123B.595;

1.19 (4) obligations under section 123B.62; and

1.20 (5) obligations equalized under section 123B.535.

1.21 (c) For purposes of this section, if a preexisting school district reorganized under sections
1.22 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the
1.23 preexisting district's bonded indebtedness or capital loans, debt service equalization aid
1.24 must be computed separately for each of the preexisting districts.

1.25 (d) For purposes of this section, the adjusted net tax capacity determined according to
1.26 sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
1.27 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

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

1.29 Page 2, after line 29, insert:

2.1 "Sec. 5. Minnesota Statutes 2022, section 276A.01, subdivision 17, is amended to read:

2.2 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to
2.3 25 percent of the areawide levy certified by the commissioner of Iron Range resources and
2.4 rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board,
2.5 to be used for the purposes of the Iron Range ~~school consolidation and cooperatively operated~~
2.6 ~~school~~ schools and community development account under section 298.28, subdivision 7a.

2.7 (b) The allocation under paragraph (a) shall only be made after the commissioner of
2.8 Iron Range resources and rehabilitation, after consultation with the Iron Range Resources
2.9 and Rehabilitation Board, has certified by June 30 that the Iron Range ~~school consolidation~~
2.10 ~~and cooperatively operated~~ schools and community development account has insufficient
2.11 funds to make payments as authorized under section 298.28, subdivision 7a.

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

2.13 Sec. 6. Minnesota Statutes 2022, section 276A.06, subdivision 8, is amended to read:

2.14 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine
2.15 for each county the difference between the total levy on distribution value pursuant to
2.16 subdivision 3, clause (1), including the school fund allocation within the county and the
2.17 total tax on contribution value pursuant to subdivision 7, within the county. On or before
2.18 May 16 of each year, the administrative auditor shall certify the differences so determined
2.19 and the county's portion of the school fund allocation to each county auditor. In addition,
2.20 the administrative auditor shall certify to those county auditors for whose county the total
2.21 tax on contribution value exceeds the total levy on distribution value the settlement the
2.22 county is to make to the other counties of the excess of the total tax on contribution value
2.23 over the total levy on distribution value in the county. On or before June 15 and November
2.24 15 of each year, each county treasurer in a county having a total tax on contribution value
2.25 in excess of the total levy on distribution value shall pay one-half of the excess to the other
2.26 counties in accordance with the administrative auditor's certification. On or before June 15
2.27 and November 15 of each year, each county treasurer shall pay to the administrative auditor
2.28 that county's share of the school fund allocation. On or before December 1 of each year,
2.29 the administrative auditor shall pay the school fund allocation to the commissioner of Iron
2.30 Range resources and rehabilitation for deposit in the Iron Range ~~school consolidation and~~
2.31 ~~cooperatively operated~~ schools and community development account.

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

2.33 Page 4, after line 25, insert:

"Sec. 7. Minnesota Statutes 2022, section 298.17, is amended to read:

298.17 OCCUPATION TAXES TO BE APPORTIONED.

(a) All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university.

(b) Of the money apportioned to the general fund by this section: (1) there is annually appropriated and credited to the mining environmental and regulatory account in the special revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Money in the mining environmental and regulatory account is appropriated annually to the commissioner of natural resources to fund agency staff to work on environmental issues and provide regulatory services for ferrous and nonferrous mining operations in this state. Payment to the mining environmental and regulatory account shall be made by July 1 annually. The commissioner of natural resources shall execute an interagency agreement with the Pollution Control Agency to assist with the provision of environmental regulatory services such as monitoring and permitting required for ferrous and nonferrous mining operations; (2) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund an amount equal to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund for transfer to the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under section 298.28, subdivision 7a, an amount equal to that which would have been generated by a six cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to provide environmental development grants to local governments located within any county

in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (ii) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the commissioner of Iron Range resources and rehabilitation regarding the loans. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(d) Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

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

Sec. 8. Minnesota Statutes 2022, section 298.2215, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A county may establish a scholarship fund from any unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used at a two-year Minnesota State Colleges and Universities institution, or an accredited skilled trades program, within the county. The county shall establish procedures for applying for and distributing the scholarships.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 7a, is amended to read:

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

(1) for distributions beginning in 2015, ten cents per taxable ton of the tax imposed under section 298.24;

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

(3) any other amount as provided by law.

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

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

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

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

Page 4, line 27, delete "0.40" and insert "0.50"

Page 5, line 8, strike everything after "Range" and insert "schools and community development"

Page 7, line 31, before "There" insert "Notwithstanding Minnesota Statutes, section 298.28, subdivision 7a, paragraph (b),"

Page 8, line 21, delete "\$1,200,000" and insert "\$1,255,000"

Page 8, line 22, delete "\$520,000" and insert "\$1,520,000"

Page 9, line 1, delete "\$2,275,000" and insert "\$2,000,000"

Page 9, line 3, delete "\$4,000,000" and insert "\$3,890,000"

Page 9, line 13, delete "\$720,000" and insert "\$850,000"

Page 9, line 20, after "lifts" insert "or an irrigation system,"

Page 11, line 5, delete "\$3,775,000" and insert "\$2,625,000"

Page 11, line 8, delete "and"

Page 11, after line 8, insert:

- 6.1 "(42) \$200,000 to the city of Babbitt for ADA compliance and renovations to the city's
6.2 parks;
- 6.3 (43) \$75,000 to the Vermilion Penguins Snowmobile Club and \$75,000 to the Cook
6.4 Timberwolves Snowmobile Club, to update maintenance equipment and trail programs;
- 6.5 (44) \$500,000 to the Arrowhead Economic Opportunity Agency to design, engineer,
6.6 acquire land, and start construction of a new facility in Hibbing to meet the needs of the
6.7 population on the west end of the Mesabi Iron Range;
- 6.8 (45) \$500,000 to Lone Pine Township to design, engineer, and begin construction for
6.9 its sewage treatment plan in partnership with the city of Nashwauk; and"
- 6.10 Page 11, lines 9 and 10, delete "(42)" and insert "(46)"
- 6.11 Page 12, line 10, delete "\$30,500,000" and insert "\$31,000,000"
- 6.12 Page 12, line 28, before "There" insert "Notwithstanding Minnesota Statutes, section
6.13 298.28, subdivision 7a, paragraph (b),"
- 6.14 Page 13, line 13, after "lifts" insert "or an irrigation system,"
- 6.15 Page 13, line 16, delete "\$600,000" and insert "\$350,000"
- 6.16 Page 13, delete lines 17 and 18
- 6.17 Renumber the clauses in sequence
- 6.18 Page 14, line 6, delete "\$1,820,000" and insert "\$1,770,000" and delete "and"
- 6.19 Page 14, line 7, delete the second period and insert "; and"
- 6.20 Page 14, after line 7, insert:
- 6.21 "(14) \$1,500,000 to the city of Babbitt for renovations to the ice arena."
- 6.22 Renumber the sections in sequence and correct the internal references
- 6.23 Amend the title accordingly