

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 2530: A bill for an act relating to natural resources; facilitating the orderly and environmentally responsible development of the state's gas resources; requiring rulemaking; appropriating money; providing criminal penalties; amending Minnesota Statutes 2024, sections 11A.236; 86A.05, subdivision 6; 93.513, subdivision 1; 93.514; 93.516, subdivision 3, by adding a subdivision; 93.55, subdivision 1a; 103I.001; 103I.005, subdivisions 9, 21, by adding subdivisions; 103I.601, subdivision 1, by adding subdivisions; 272.02, subdivision 97; 272.03, subdivision 1; 273.12; 289A.02, subdivision 6; 289A.12, by adding a subdivision; 289A.19, subdivision 2; 290.0134, subdivision 9; 290.0135; 290.05, subdivision 1; 290.923, subdivision 1; 297A.68, subdivision 5; 297A.71, subdivision 14; 298.001, subdivision 3a, by adding subdivisions; 298.01, subdivisions 3, 3a, 3b, 4a, 4b, 5, 6; 298.015, subdivision 1; 298.016, subdivisions 1, 2, 3, 4, by adding a subdivision; 298.018, subdivisions 1, 1a, 2, by adding a subdivision; 298.17; proposing coding for new law in Minnesota Statutes, chapters 93; 103I; repealing Minnesota Statutes 2024, section 93.513, subdivision 2.

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

Page 3, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2024, section 93.513, is amended to read:

93.513 PROHIBITION ON PRODUCTION OF GAS OR OIL WITHOUT PERMIT.

Subdivision 1. **Permit required.** Except as provided in section 103I.681, a person must not engage in or carry out production of ~~gas or~~ oil from consolidated or unconsolidated formations in the state unless the person has first obtained a permit for the production of ~~gas or~~ oil from the commissioner of natural resources. Any permit under this section must be protective of natural resources and require a demonstration of control of the extraction area through ownership, lease, or agreement. ~~For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases.~~ For purposes of this section, "production" includes extraction and beneficiation of ~~gas or~~ oil.

~~Subd. 2. **Moratorium.** Until rules are adopted under section 93.514, the commissioner may not grant a permit for the production of gas or oil unless the legislature approves a temporary permit framework that allows issuance of temporary permits."~~

Page 7, line 18, delete "rights" and insert "interests"

Page 8, line 1, delete "rights" and insert "interests"

Page 8, line 5, after "includes" insert "individuals,"

Page 10, line 29, after "share" insert "of the gas resources underlying the pool or source of supply"

2.1 Page 11, line 10, delete everything after "(b)" and insert "Until the commissioner adopts
2.2 rules regarding applications for pooling orders, an application for a pooling order must
2.3 include at least:"

2.4 Page 22, line 10, delete "temporary"

2.5 Page 24, after line 19, insert:

2.6 "Sec. 16. [93.5179] WORK WITH TRIBAL GOVERNMENTS AND RESPECT FOR
2.7 HUMAN BURIAL GROUNDS.

2.8 Sections 93.517 to 93.5182 must be implemented in a manner that is consistent with
2.9 sections 10.65 and 307.08."

2.10 Page 26, line 22, after "commissioner" insert "under sections 93.517 to 93.5182, or the
2.11 rules adopted thereunder,"

2.12 Page 28, delete section 21

2.13 Page 36, line 2, delete everything after "well" and insert a period

2.14 Page 36, delete line 3

2.15 Page 39, line 14, before "A" insert "Notwithstanding any provision of chapter 93, or the
2.16 rules adopted thereunder, to the contrary," and delete everything after "well" and insert a
2.17 period

2.18 Page 39, delete lines 15 and 16

2.19 Page 40, after line 6, insert:

2.20 "Section 1. Minnesota Statutes 2024, section 270B.161, is amended to read:

2.21 **270B.161 DATA AND INFORMATION ON MINE VALUE OF ORE AND WELL**
2.22 **VALUE OF OIL OR GAS.**

2.23 Data collected from taxpayers and maintained by the commissioner for the purpose of
2.24 determining the mine value of ore and the well value of oil or gas under section 298.01 are
2.25 nonpublic data as defined in section 13.02, subdivision 9.

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

2.27 Page 42, after line 15, insert:

3.1 "Sec. 5. [273.1343] HELIUM RELIEF AREAS.

3.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
3.3 the meanings given.

3.4 (b) "City" means a statutory or home rule charter city located in Minnesota.

3.5 (c) "Commissioner" means the commissioner of revenue.

3.6 (d) "County" means a county located in Minnesota.

3.7 (e) "Gas" has the meaning given in section 298.001, subdivision 14.

3.8 (f) "Helium relief area" means a geographic area within the state of Minnesota that falls
3.9 within the boundaries of any school district that has a boundary within 15 miles of a well,
3.10 mine, structure, or building in Minnesota used for gas or oil production that was subject to
3.11 the tax under sections 298.015 and 298.016 during the preceding calendar year.

3.12 (g) "Oil" has the meaning given in section 298.001, subdivision 15.

3.13 (h) "Producing" has the meaning given in section 298.001, subdivision 10a.

3.14 (i) "Structure or building" means a structure or building that is used directly for drilling,
3.15 extracting, separating, or benefiting gas or oil.

3.16 (j) "Town" means a township located in Minnesota.

3.17 Subd. 2. **Establishment.** (a) By August 1 of each year, the commissioner must establish
3.18 helium relief areas as defined in subdivision 1, paragraph (f).

3.19 (b) Each subsequent helium relief area established that is overlapping or contiguous
3.20 with an existing helium relief area is added to the existing helium relief area. Each subsequent
3.21 helium relief area established that is not overlapping and not contiguous with an existing
3.22 helium relief area is established as a separate helium relief area.

3.23 (c) By September 1 of each year, the commissioner must make publicly available: (1)
3.24 the geographic boundaries of the helium relief area or helium relief areas; (2) a list of the
3.25 school districts located entirely in a helium relief area, for each helium relief area; and (3)
3.26 a list of all towns, cities, and counties that have a boundary within a helium relief area, for
3.27 each helium relief area.

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

4.1 Sec. 6. **[273.1361] HELIUM HOMESTEAD CREDIT.**

4.2 Subdivision 1. **Eligibility.** Class 1a property under section 273.13, subdivision 22, is
4.3 eligible to receive the credit under this section provided that the property is located within
4.4 a helium relief area under section 273.1343.

4.5 Subd. 2. **Credit amount.** For each qualifying property, the helium homestead credit
4.6 equals

4.7 Subd. 3. **Credit certification.** Each county auditor having jurisdiction over a helium
4.8 relief area must determine the tax reductions allowed under this section within the county
4.9 for each taxes payable year and must certify that amount to the commissioner of revenue
4.10 as part of the data required under section 270C.85, subdivision 2, clause (4). Any prior year
4.11 adjustments must also be certified as part of the data required under section 270C.85,
4.12 subdivision 2, clause (4). The commissioner of revenue must review the certifications for
4.13 accuracy, and may make such changes as are deemed necessary, or return the certification
4.14 to the county auditor for correction. The credit under this section must be used to
4.15 proportionately reduce the net tax capacity-based property tax payable to each local taxing
4.16 jurisdiction as provided in section 273.1393.

4.17 Subd. 4. **Payment.** (a) The commissioner of revenue shall reimburse each local taxing
4.18 jurisdiction, other than school districts, for the tax reductions granted under this section in
4.19 two equal installments on October 31 and December 26 of the taxes payable year for which
4.20 the reductions are granted, including in each payment the prior year adjustments certified
4.21 under section 270C.85, subdivision 2, clause (4), for that taxes payable year.

4.22 (b) The commissioner of revenue shall certify the total of the tax reductions granted
4.23 under this section for each taxes payable year within each school district to the commissioner
4.24 of education and the commissioner of education must pay the reimbursement amounts to
4.25 each school district as provided in section 273.1392.

4.26 Subd. 5. **Appropriation.** An amount sufficient to make the payments required by this
4.27 section to taxing jurisdictions other than school districts is annually appropriated from the
4.28 helium property tax relief account under section 273.1362 to the commissioner of revenue.
4.29 An amount sufficient to make the payments required by this section for school districts is
4.30 annually appropriated from the helium property tax relief account under section 273.1362
4.31 to the commissioner of education.

4.32 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2027.

5.1 Sec. 7. **[273.1362] HELIUM PROPERTY TAX RELIEF ACCOUNT.**

5.2 The helium property tax relief account is created in the special revenue fund in the state
5.3 treasury. Earnings, such as interest, dividends, and any other earnings arising from the assets
5.4 of the account, are credited to the account. Money remaining in the account at the end of a
5.5 fiscal year is not canceled to the general fund but remains available until expended.

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

5.7 Sec. 8. Minnesota Statutes 2024, section 273.1392, is amended to read:

5.8 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

5.9 The amounts of bovine tuberculosis credit reimbursements under section 273.113;
5.10 conservation tax credits under section 273.119; disaster or emergency reimbursement under
5.11 sections 273.1231 to 273.1235; helium homestead credit under section 273.1361; agricultural
5.12 credits under sections 273.1384 and 273.1387; aids and credits under section 273.1398;
5.13 enterprise zone property credit payments under section 469.171; metropolitan agricultural
5.14 preserve reduction under section 473H.10; and electric generation transition aid under
5.15 section 477A.24 for school districts, shall be certified to the Department of Education by
5.16 the Department of Revenue. The amounts so certified shall be paid according to section
5.17 127A.45, subdivisions 9, 10, and 13.

5.18 **EFFECTIVE DATE.** This section is effective July 1, 2026.

5.19 Sec. 9. Minnesota Statutes 2024, section 273.1393, is amended to read:

5.20 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

5.21 Notwithstanding any other provisions to the contrary, "net" property taxes are determined
5.22 by subtracting the credits in the order listed from the gross tax:

5.23 (1) disaster credit as provided in sections 273.1231 to 273.1235;

5.24 (2) powerline credit as provided in section 273.42;

5.25 (3) agricultural preserves credit as provided in section 473H.10;

5.26 (4) enterprise zone credit as provided in section 469.171;

5.27 (5) disparity reduction credit;

5.28 (6) conservation tax credit as provided in section 273.119;

5.29 (7) the school bond credit as provided in section 273.1387;

5.30 (8) agricultural credit as provided in section 273.1384;

- 6.1 (9) taconite homestead credit as provided in section 273.135;
- 6.2 (10) supplemental homestead credit as provided in section 273.1391; ~~and~~
- 6.3 (11) helium homestead credit as provided in section 273.1361; and
- 6.4 (12) the bovine tuberculosis zone credit, as provided in section 273.113.

6.5 The combination of all property tax credits must not exceed the gross tax amount.

6.6 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2027.

6.7 Sec. 10. Minnesota Statutes 2024, section 276.04, subdivision 2, is amended to read:

6.8 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of

6.9 the tax statements. The commissioner of revenue shall prescribe the form of the property

6.10 tax statement and its contents. The tax statement must not state or imply that property tax

6.11 credits are paid by the state of Minnesota. The statement must contain a tabulated statement

6.12 of the dollar amount due to each taxing authority and the amount of the state tax from the

6.13 parcel of real property for which a particular tax statement is prepared. The dollar amounts

6.14 attributable to the county, the state tax, the voter approved school tax, the other local school

6.15 tax, the township or municipality, and the total of the metropolitan special taxing districts

6.16 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The

6.17 amounts due all other special taxing districts, if any, may be aggregated except that any

6.18 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,

6.19 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly

6.20 under the appropriate county's levy. If the county levy under this paragraph includes an

6.21 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,

6.22 the amount attributable for that purpose must be separately stated from the remaining county

6.23 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes

6.24 an amount for public library service under section 134.07, the amount attributable for that

6.25 purpose may be separated from the remaining county levy amount. The amount of the tax

6.26 on homesteads qualifying under the senior citizens' property tax deferral program under

6.27 chapter 290B is the total amount of property tax before subtraction of the deferred property

6.28 tax amount. The amount of the tax on contamination value imposed under sections 270.91

6.29 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar

6.30 amount of any special assessments, may be rounded to the nearest even whole dollar. For

6.31 purposes of this section whole odd-numbered dollars may be adjusted to the next higher

6.32 even-numbered dollar.

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value under section 273.11, subdivision 1;

(2) the property's homestead market value exclusion under section 273.13, subdivision 35;

(3) the property's taxable market value under section 272.03, subdivision 15;

(4) the property's gross tax, before credits;

(5) for agricultural properties, the credits under sections 273.1384 and 273.1387;

(6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135; 273.1361; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief" and the amount of the credit received under section 273.1361 must be separately stated and identified as "helium tax relief"; and

(7) the net tax payable in the manner required in paragraph (a).

(d) If the county uses envelopes for mailing property tax statements and if the county agrees, a taxing district may include a notice with the property tax statement notifying taxpayers when the taxing district will begin its budget deliberations for the current year, and encouraging taxpayers to attend the hearings. If the county allows notices to be included in the envelope containing the property tax statement, and if more than one taxing district relative to a given property decides to include a notice with the tax statement, the county treasurer or auditor must coordinate the process and may combine the information on a single announcement.

EFFECTIVE DATE. This section is effective beginning with taxes payable in 2027."

Page 42, line 25, delete "tax"

Page 43, line 7, delete "tax"

Page 49, line 17, after "effective" insert "retroactively"

8.1 Page 49, line 18, delete "2025" and insert "2024"

8.2 Page 50, line 5, after "effective" insert "retroactively"

8.3 Page 50, line 6, delete "2025" and insert "2024"

8.4 Page 50, line 25, delete "ground" and insert "earth"

8.5 Page 51, line 12, delete "ground" and insert "earth"

8.6 Page 51, line 19, delete "ground" and insert "earth"

8.7 Page 54, delete section 25 and insert:

8.8 "Sec. 32. Minnesota Statutes 2024, section 298.015, subdivision 1, is amended to read:

8.9 Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a person engaged
8.10 in the business of mining shall pay to the state of Minnesota for distribution as provided in
8.11 section 298.018 a gross proceeds tax equal to 0.4 percent of the gross proceeds from mining
8.12 in Minnesota. The tax applies to all ores, metals, ~~and~~ minerals, gas, or oil mined, extracted,
8.13 produced, or refined within the state of Minnesota, when the resources are extracted, in
8.14 their natural state, from beneath the surface of the earth in Minnesota, except for sand, silica
8.15 sand, gravel, building stone, crushed rock, limestone, granite, dimension granite, dimension
8.16 stone, horticultural peat, clay, soil, iron ore, and taconite concentrates. The tax is in addition
8.17 to all other taxes provided for by law.

8.18 (b) For carbon dioxide products, helium products, and hydrogen products, the following
8.19 tax rates apply:

8.20 (1) for a period of 24 months from the month in which oil or gas was first extracted from
8.21 the mine or well, a gross proceeds tax equal to seven percent of the gross proceeds; and

8.22 (2) after the first 24 months, a gross proceeds tax equal to nine percent of the gross
8.23 proceeds.

8.24 (c) A person engaged in the business of producing gas or oil in this state is not subject
8.25 to the minimum payment under subdivision 3.

8.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
8.27 31, 2024."

8.28 Page 57, delete section 31 and insert:

9.1 "Sec. 38. Minnesota Statutes 2024, section 298.018, subdivision 1, is amended to read:

9.2 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under
9.3 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
9.4 taconite assistance area defined in section 273.1341, shall be allocated as follows:

9.5 (1) except as provided under paragraph (b), five percent to the city or town within which
9.6 the ores, metals, minerals, or energy resources are mined or extracted, or within which the
9.7 concentrate was produced. If the mining and concentration, or different steps in either
9.8 process, are carried on in more than one taxing district, the commissioner shall apportion
9.9 equitably the proceeds among the cities and towns by attributing 50 percent of the proceeds
9.10 of the tax to the operation of mining or extraction, and the remainder to the concentrating
9.11 plant and to the processes of concentration, and with respect to each thereof giving due
9.12 consideration to the relative extent of the respective operations performed in each taxing
9.13 district;

9.14 (2) ten percent to the taconite municipal aid account to be distributed as provided in
9.15 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

9.16 (3) ten percent to the school district within which the ores, metals, minerals, or energy
9.17 resources are mined or extracted, or within which the concentrate was produced. If the
9.18 mining and concentration, or different steps in either process, are carried on in more than
9.19 one school district, distribution among the school districts must be based on the
9.20 apportionment formula prescribed in clause (1);

9.21 (4) 20 percent to a group of school districts comprised of those school districts wherein
9.22 the ore, metal, mineral, or energy resource was mined or extracted or in which there is a
9.23 qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion
9.24 to school district indexes as follows: for each school district, its pupil units determined
9.25 under section 126C.05 for the prior school year shall be multiplied by the ratio of the average
9.26 adjusted net tax capacity per pupil unit for school districts receiving aid under this clause
9.27 as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior
9.28 to distribution to the adjusted net tax capacity per pupil unit of the district. Each district
9.29 shall receive that portion of the distribution which its index bears to the sum of the indices
9.30 for all school districts that receive the distributions;

9.31 (5) ten percent to the county within which the ores, metals, minerals, or energy resources
9.32 are mined or extracted, or within which the concentrate was produced. If the mining and
9.33 concentration, or different steps in either process, are carried on in more than one county,
9.34 distribution among the counties must be based on the apportionment formula prescribed in

clause (1), provided that any county receiving distributions under this clause shall pay one percent of its proceeds to the Range Association of Municipalities and Schools;

(6) five percent to St. Louis County acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;

(7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the purposes of section 298.22;

(8) three percent to the Douglas J. Johnson economic protection trust fund;

(9) seven percent to the taconite environmental protection fund; and

(10) ten percent to the commissioner of Iron Range resources and rehabilitation for capital improvements to Giants Ridge Recreation Area.

(b) If the ~~materials~~ ores, metals, minerals, or energy resources are mined, extracted, or concentrated in School District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township must each receive ten percent of the amount.

(c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is distributed under this subdivision, ten percent of the total proceeds distributed in each year must first be distributed pursuant to this paragraph. The remaining 90 percent of the total proceeds distributed in each of those years must be distributed as outlined in paragraph (a). Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent. Of the amount available under this paragraph, the city of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies only to tax paid by a person engaged in the business of mining within the area described in section 273.1341, clauses (1) and (2).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024."

Page 59, delete sections 32 to 34 and insert:

"Sec. 39. Minnesota Statutes 2024, section 298.018, subdivision 1a, is amended to read:

Subd. 1a. **Distribution date.** The proceeds of the tax allocated under ~~subdivision~~ subdivisions 1 , 1b, and 3 shall be distributed on December 15 each year. Any payment of proceeds received after December 15 shall be distributed on the next gross proceeds tax distribution date.

11.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
11.2 31, 2024.

11.3 Sec. 40. Minnesota Statutes 2024, section 298.018, is amended by adding a subdivision
11.4 to read:

11.5 Subd. 1b. **Gas or oil produced within taconite assistance area.** Ten percent of the
11.6 proceeds of the tax paid under sections 298.015 and 298.016 on gas or oil produced within
11.7 the taconite assistance area defined in section 273.1341 during the preceding calendar year,
11.8 is allocated to the commissioner of Iron Range resources and rehabilitation for the purposes
11.9 of section 298.22.

11.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
11.11 31, 2024.

11.12 Sec. 41. Minnesota Statutes 2024, section 298.018, is amended by adding a subdivision
11.13 to read:

11.14 Subd. 3. **Within a helium relief area.** (a) For a helium relief area established under
11.15 section 273.1343, subdivision 2, the proceeds of the tax paid under sections 298.015 and
11.16 298.016 on gas or oil produced within the helium relief area, and that are not allocated under
11.17 subdivision 1b, are allocated as follows:

11.18 (1) 8.33 percent to school districts located entirely within Lake County, distributed to
11.19 each school district in proportion to the school district's pupil units determined under section
11.20 126C.05, subdivision 1, for the prior school year relative to the total pupil units determined
11.21 under section 126C.05, subdivision 1, for all school districts within Lake County. If Lake
11.22 County does not have a boundary within the helium relief area, the funds allocated to this
11.23 clause must be distributed under clause (2);

11.24 (2) 16.67 percent to school districts located entirely within the helium relief area,
11.25 distributed to each school district in proportion to the school district's pupil units determined
11.26 under section 126C.05, subdivision 1, for the prior school year relative to the total pupil
11.27 units determined under section 126C.05, subdivision 1, for all school districts in the helium
11.28 relief area;

11.29 (3) 4.25 percent distributed to counties that have a boundary within the helium relief
11.30 area, distributed in equal amounts to each county;

11.31 (4) 8.25 percent to counties that both have a boundary within the helium relief area and
11.32 within which gas or oil products subject to the tax under sections 298.015 and 298.016 are

12.1 produced within the helium relief area in the preceding calendar year. If production occurs
12.2 in more than one county, the commissioner must attribute 50 percent of the proceeds of the
12.3 tax to the drilling and extraction, and the remainder to the processes of separating and
12.4 beneficiating. If neither drilling nor extraction occur within the helium relief area, all proceeds
12.5 must be attributable to the processes of separating and beneficiating. If neither separating
12.6 nor beneficiating occur within the helium relief area, all proceeds must be attributable to
12.7 the processes of drilling and extraction. The commissioner must distribute amounts to each
12.8 county proportionally to the relative extent of respective operations performed within the
12.9 helium relief area in each county;

12.10 (5) 2.875 percent to cities that have a boundary within the helium relief area, distributed
12.11 in equal amounts to each city;

12.12 (6) 5.875 percent to cities that both have a boundary within the helium relief area and
12.13 have a boundary within 25 miles of a mine, well, structure, or building located entirely
12.14 within the helium relief area where gas or oil products subject to the tax under sections
12.15 298.015 and 298.016 are produced in the preceding calendar year. If more than one city has
12.16 a boundary within the helium relief area and has a boundary within 25 miles of a mine,
12.17 well, structure, or building located entirely within the helium relief area where gas or oil
12.18 products subject to the tax under sections 298.015 and 298.016 are produced in the preceding
12.19 calendar year, the commissioner must attribute 50 percent of the proceeds of the tax to the
12.20 drilling and extraction, and the remainder to the processes of separating and beneficiating.
12.21 If neither drilling nor extraction occur within the helium relief area within 25 miles of a
12.22 boundary of a city that has a boundary within the helium relief area, all proceeds must be
12.23 attributable to the processes of separating and beneficiating. If neither separating nor
12.24 beneficiating occur within the helium relief area within 25 miles of any city that has a
12.25 boundary within the helium relief area, all proceeds must be attributable to the processes
12.26 of drilling and extraction. The commissioner must distribute amounts to each city
12.27 proportionally to the relative extent of respective operations performed within the helium
12.28 relief area within 25 miles of a boundary of each city. If there are no eligible recipients for
12.29 distributions under this clause, the funds allocated to this clause must be distributed under
12.30 clause (5). If there are no eligible recipients under this clause and under clause (5), the funds
12.31 allocated to this clause must be distributed under paragraph (b);

12.32 (7) 1.375 percent to towns that have a boundary within the helium relief area, distributed
12.33 in equal amounts to each town;

12.34 (8) 2.375 percent to towns that both have a boundary within the helium relief area and
12.35 have a boundary within 25 miles of a mine, well, structure, or building located entirely

13.1 within the helium relief area where gas or oil products subject to the tax under sections
 13.2 298.015 and 298.016 are produced in the preceding calendar year. If more than one town
 13.3 included in the helium relief area has a boundary within 25 miles of a mine, well, structure,
 13.4 or building located entirely within the helium relief area where gas or oil products subject
 13.5 to the tax under sections 298.015 and 298.016 are produced in the preceding calendar year,
 13.6 the commissioner must attribute 50 percent of the proceeds of the tax to the drilling and
 13.7 extraction, and the remainder to the processes of separating and beneficiating. If neither
 13.8 drilling nor extraction occur within the helium relief area within 25 miles of any town that
 13.9 has a boundary within the helium relief area, all proceeds must be attributable to the processes
 13.10 of separating and beneficiating. If neither separating nor beneficiating occur within the
 13.11 helium relief area within 25 miles of any town that has a boundary within the helium relief
 13.12 area, all proceeds must be attributable to the processes of drilling and extraction. The
 13.13 commissioner must distribute amounts to each town proportionally to the relative extent of
 13.14 respective operations performed within 25 miles of a boundary of each town. If there are
 13.15 no eligible recipients for distributions under this clause, the funds allocated to this clause
 13.16 must be distributed under clause (7). If there are no eligible recipients under this clause and
 13.17 under clause (7), the funds allocated to this clause must be distributed under paragraph (b);
 13.18 and

13.19 (9) 50 percent to the helium property tax relief account under section 273.1362.

13.20 (b) If there are no eligible recipients for distributions of an allocation under a clause
 13.21 under paragraph (a), the funds allocated to that clause must be distributed among other
 13.22 clauses for which there are eligible distribution recipients, in proportion to each clause's
 13.23 percentage of total allocations for which there are eligible recipients under paragraph (a).

13.24 (c) For purposes of this subdivision, "structure or building" means a structure or building
 13.25 that is used directly for drilling, extracting, separating, or beneficiating gas or oil.

13.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 13.27 31, 2024."

13.28 Page 60, delete section 35 and insert:

13.29 "Sec. 42. Minnesota Statutes 2024, section 298.17, is amended to read:

13.30 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

13.31 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock
 13.32 companies, corporations, and associations, however or for whatever purpose organized,
 13.33 engaged in the business of mining or producing iron ore ~~or~~ other ores, metals, minerals,

gases, or oils, 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) Except as provided in paragraph (e), 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 and production 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 and production 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 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

15.1 recommendations to the commissioner of Iron Range resources and rehabilitation regarding
15.2 the loans. Payment to the Iron Range resources and rehabilitation account shall be made by
15.3 May 15 annually.

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

15.6 (e) Of the money apportioned to the general fund under this section, the proceeds of the
15.7 tax paid under section 298.01, subdivision 3, on gas or oil produced must be allocated as
15.8 follows:

15.9 (1) 50 percent must be distributed in equal amounts to counties that have a boundary
15.10 within a helium relief area established under section 273.1343, subdivision 2; and

15.11 (2) 50 percent must be distributed in equal amounts to any of the 11 federally recognized
15.12 Indian Tribes located in Minnesota with ceded treaty lands that have a boundary within a
15.13 helium relief area established under section 273.1343, subdivision 2. If none of the 11
15.14 federally recognized Indian Tribes located in Minnesota are eligible for distributions under
15.15 this clause, the funds allocated to this clause must be distributed under clause (1).

15.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
15.17 31, 2024."

15.18 Renumber the sections in sequence

15.19 Amend the title numbers accordingly

15.20 And when so amended the bill be re-referred to the Committee on Judiciary and Public
15.21 Safety without recommendation. Amendments adopted. Report adopted.

15.22
15.23 (Committee Chair)

15.24 March 20, 2025.....
15.25 (Date of Committee recommendation)