

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

**S.F. No. 1678**

(SENATE AUTHORS: REST, Klein, Weber and Hauschild)

DATE  
02/16/2023

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; minerals; modifying distributions to the Iron Range school  
1.3 consolidation and cooperatively operated school account; amending Minnesota  
1.4 Statutes 2022, section 298.28, subdivision 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 7a, is amended to read:

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

1.11 (1)(i) for distributions in 2015 through ~~2023~~ 2033, ten cents per taxable ton of the tax  
1.12 imposed under section 298.24; and

1.13 (ii) for distributions beginning in ~~2024~~ 2034, five cents per taxable ton of the tax imposed  
1.14 under section 298.24;

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

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

1.17 (b) Expenditures from this account may be approved as ongoing annual expenditures  
1.18 and shall be made only to provide disbursements to assist school districts with the payment  
1.19 of bonds that were issued for qualified school projects, or for any other school disbursement  
1.20 as approved by the commissioner of Iron Range resources and rehabilitation after consultation  
1.21 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,  
1.22 "qualified school projects" means school projects within the taconite assistance area as

2.1 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;  
2.2 and (2) approved by the commissioner of education pursuant to section 123B.71.

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

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

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