

# HOUSE RESEARCH

## Bill Summary

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**Subject:** IRRRB funds expenditure approval process

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### Overview

This bill makes changes to sections of Minnesota Statutes, chapter 298 (minerals taxes), to modify the approval process required for fund expenditures of the Commissioner of Iron Range resources and rehabilitation. It also allows the commissioner to lease certain surface and mineral interests for up to 50 years and appropriates \$12.5 million from the general fund for transfer to the 21<sup>st</sup> century minerals fund in July 1, 2007.

#### Section

- 1 Office of the commissioner of Iron Range resources and rehabilitation.** States that the Iron Range Resources and Rehabilitation Board (IRRRB or board) is a state agency. Clarifies the expenses of the commissioner and allows those commissioner to pay these expenses using amounts paid to the IRRRB from the tax on taconite and iron sulphides (as is already permitted under current law) *and* also amounts otherwise appropriated to the commissioner by law. Authorizes the commissioner to appoint and compensate the members of advisory task forces. Makes this section effective the day following final enactment.
- 2 Spending priority.** Authorizes the commissioner to lease, for up to 50 years, surface and mineral interests within those portions of the taconite assistance area impacted by the closure of LTV Steel Mining Company. Requires payments and royalties from such leases to be deposited in the Douglas J. Johnson Economic Protection Trust Fund. Makes this section effective the day following final enactment.
- 3 Budgeting.** Requires the commissioner to annually prepare a budget of operating

**Section**

expenditures, programs, and projects, to be submitted to the board and the governor for approval. Authorizes the commissioner to expend available funds approved in the budget for operational expenses, projects, and programs.

- 4** **Project approval.** Requires the board and the commissioner to prepare a list of projects to be funded from the Northeast Minnesota Economic Development Fund by August 1 each year. (Current law requires the board to prepare this list.) Strikes language referring to board proposals of projects. Makes this section effective the day following final enactment.
- 5** **Administration.** Modifies references to the "Taconite Environmental Protection Fund" to refer to the "Taconite Area Environmental Protection Fund".
- 6** **Appropriation.** Modifies references to the "Taconite Environmental Protection Fund" to refer to the "Taconite Area Environmental Protection Fund". Expands reference to "projects" to include "projects and programs."
- 7** **Project approval.** Requires the board and the commissioner to identify projects to be funded from the Economic Protection Trust Fund. (Current law requires the board to identify these projects.) Strikes language referring to board proposals of projects. Makes this section effective the day following final enactment.
- 8** **Long-range plan.** Updates requirements for a long-range plan for the use of the Douglas J. Johnson Economic Protection Trust Fund. Requires the IRRRB and the commissioner to prepare and present a plan to the legislature and the governor by December 31, 2006. Strikes language requiring annual reports from the IRRRB to the legislature and the governor. Makes this section effective the day following final enactment.
- 9** **Minnesota Minerals 21<sup>st</sup> Century Fund; Appropriation.** Appropriates \$12,500,000 from the general fund to the commissioner of employment and economic development for transfer to the Minnesota Minerals 21<sup>st</sup> Century Fund, effective July 1, 2007.