

2024 MINERAL TAXES LEGISLATIVE BULLETIN



Appeals, Legal Services, and Disclosure Division
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8/21/24 FINAL

Unless otherwise noted, the provisions discussed in this bulletin can be found in 2024 Minn. Laws, Ch. 127, Art. 69.

Iron Range school account references. The following Minnesota statutory provisions, that previously referenced the account by the name Iron Range school consolidation and cooperatively operated school account, now reference the account by the name Iron Range schools and community development account:

- **Debt Service Equalization Program; Definitions.** Minn. Stat. § 123B.53, subd. 1. Effective May 25, 2024. Section 1.
- **Tax Relief Area Revenue Distribution; School fund allocation.** Minn. Stat. § 276A.01, subd. 17. Effective May 25, 2024. Section 5.
- **Tax Relief Area Revenue Distribution; Certification of values; Payment.** Minn. Stat. § 276A.06, subd. 8. Effective May 25, 2024. Section 6.
- **Occupation Taxes to be Apportioned.** Minn. Stat. § 298.17. Effective May 25, 2024. Section 8.
- **Distribution of Production Tax; Iron Range school account.** Minn. Stat. § 298.28, subd. 7a. Effective May 25, 2024. Section 10.
- **Distribution of Production Tax; Transfer.** Minn. Stat. § 298.28, subd. 16. Effective May 25, 2024. Section 12.

Taconite Tax Relief Area. The following Minnesota statutory provisions relate to property taxes in the Taconite Tax Relief Area:

- **Homestead Property Taxes; Reduction amount.** Minn. Stat. § 273.135, subd. 2, was amended to increase the maximum reduction of the tax to \$515 from \$315.10 for

homestead property in the Taconite Tax Relief Area that is funded by the Taconite Production Tax. Effective beginning with property taxes payable in 2025. Section 2.

- **Commercial-Industrial Property; Notice of proposed taxes and contents of tax statements.** Minn. Stat. § 275.065, was amended by adding subdivision 3c, relating to notices of proposed property taxes for commercial-industrial property covered under the Iron Range fiscal disparities program, and Minn. Stat. § 276.04, was amended by adding subdivision 2a, relating to property tax statements for such property. The net tax capacity portion of the taxes shown for each taxing jurisdiction is based on the property's total net tax capacity multiplied by the jurisdiction's net tax capacity tax rate. An additional line shown as the "fiscal disparities adjustment" is equal to the total gross tax payable for the property minus the sum of the tax amounts shown for each jurisdiction. Effective beginning with proposed notices for property taxes payable in 2025. Sections 3 and 4.

Distribution of Gross Proceeds Tax. Minn. Stat. § 298.018, subd. 1, was amended to provide that the distribution of ten percent of the Gross Proceeds Tax on non-ferrous minerals to the cities of Aurora, Babbitt, Ely, Hoyt Lakes, Biwabik, and Embarrass Township only applies to tax paid by mining companies within the Taconite Assistance Area as that area was defined prior to 2023. Effective beginning with the 2025 distribution. Section 7.

Taconite Production Tax. The following Minnesota statutory provisions relate to the distribution of the Production Tax on Taconite:

- **County scholarship fund.** Minn. Stat. § 298.2215, subd. 1, was amended to allow scholarships funded with unencumbered revenue received from certain mineral taxes to also be used at an accredited skilled trades program. Effective retroactively from July 1, 2017. Section 9.
- **Iron Range schools and community development account.** Minn. Stat. § 298.28, subd. 7a, was amended to change the amount distributed to the Iron Range schools and community development account as follows: (1) from 2024 through 2032, 24 cents per taxable ton of the Production Tax; and (2) beginning in 2033, ten cents per taxable ton of such tax. Effective May 25, 2024. Section 10.
- **Range Association of Municipalities and Schools.** Minn. Stat. § 298.28, subd. 8, was amended to increase the amount distributed to the Range Association of Municipalities and Schools to 0.50 cents (from 0.30 cents) per taxable ton of the Production Tax. Effective beginning with the 2024 distribution. Section 11.
- **Taconite municipal aid account.** Minn. Stat. § 298.282, subd. 1, was amended to increase the amount of the Production Tax distributed to Breitung Township to \$25,000 annually (from \$15,000). Effective beginning with the 2024 distribution. Section 13.

Minnesota Gas and Oil Resources Technical Advisory Committee. This uncodified law directs the commissioner of natural resources to appoint a Minnesota Gas and Oil Resources Technical Advisory Committee (“Committee”) to make recommendations regarding gas and oil production, including extraction and beneficiation, in the state. It further provides that:

- The commissioner of natural resources may appoint representatives to the Committee from several state agencies, including the Department of Revenue, as well other state entities and federal agencies. A majority of the representatives must be from state agencies, and all representatives must have expertise in an area related to gas and oil production, including taxation.
- The Committee must make recommendations to the commissioner relating to the production of gas and oil in the state to guide the creation of a temporary regulatory framework that will govern permitting of such production before rules are adopted by state agencies for that purpose. The temporary framework must include recommendations on statutory and policy changes that govern, among other things, taxation of the production of gas and oil. The recommendations must include draft legislation.
- The Committee must hold at least one public meeting and consider public testimony from stakeholders and Tribes.
- By January 15, 2025, the commissioner of natural resources must submit to chairs and ranking minority members of legislative committees with jurisdiction over environment recommendations for statutory and policy changes to facilitate gas and oil production and to support the issuance of temporary permits issued under the temporary framework in a manner that adequately protects the state’s natural resources.

Effective May 22, 2024. 2024 Minn. Laws, Ch. 116, Art.3, § 55.