

Taconite Economic Development Fund

The Taconite Economic Development Fund (TEDF) is one way the agency supports our local mining industry which comprises over 30% of our regional economy. Each iron ore producer is eligible for a tax rebate of \$0.251 per ton of iron concentrate produced annually. The producer must match the tax rebate dollar for dollar. The Taconite Production Tax, paid by each mining company in lieu of property taxes, is based on the annual amount of tonnage plus chips and fines produced by each company. The TEDF Grant program funds operating or capital improvement projects that meet these goals. TEDF is a legislatively mandated program (Minnesota Statute 298.227).

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Eligible Applicants: Minnesota iron ore producers qualifying under Section 298.98 subdivision 9a.

Eligible Projects: Research and development on new mining, taconite, iron, or steel production technology. Acquisition of stationary plant mining equipment and facilities. And workforce development and associated public facility improvements.

Funding: The maximum grant each company is eligible to receive is equal to 25.1 cpt based on each producer's 2017 taxable taconite production tonnage as determined by the Minnesota Department of Revenue's Minerals Tax Office.

Statutory Requirements

Application Process and Review

Producer must meet the statutory requirements as outlined in Minnesota Statute 298.227.

Producer must pay both installments (February and August) of their production tax.

Producer must match the rebate 1:1

Producer must form a TEDF committee to review and recommend projects. This committee must consist of an equal number of salaried and non-salaried production and maintenance employees.

After completing the TEDF committee approval process, approved projects should be sent to the agency accompanied by the TEDF Grant Program application and additional documents.

Proposed projects will be reviewed by staff and presented at the next scheduled meeting of the Iron Range Resources & Rehabilitation Board for approval. If a proposed project is not approved by the Board, the funds must be distributed as per statute.

If a producer does not have a Board approved project within 12 months, funds will be distributed as per statute.

Post Grant Award Requirements

- **Awarded projects must meet Minnesota Prevailing Wage Statutes and the agency's board policy.**
- **Project information is subject to Minnesota Data Practices Act, Minnesota Statute Chapter 13.**
- A progress report is required if the grant period exceeds 12 months.
- A final report is required upon completion of the entire project and before final payment is made.