

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)

Contact: Linda Johnson, 218-274-7007, Linda.L.Johnson@state.mn.us

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

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

Funding: The maximum grant each company is eligible to receive is equal to 25.1 cpt based on each producer's 2018 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 board meeting at Iron Range Resources & Rehabilitation 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 are distributed per statute.

Additional Information

- 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.

Minnesota Statute – Taconite Economic Development Fund 298.227

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28 subd. 9a shall be held by the commissioner of Iron Range Resources & Rehabilitation in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development, concurrent reclamation, plant and stationary mining equipment, facilities for the producer, or for research and development in Minnesota on new mining, taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose. If a proposed expenditure is not approved by the commissioner, after consultation with the advisory board, the funds must be deposited in the taconite environmental protection fund under sections 298.222 to 298.225. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for proposed expenditure within six months after the commissioner approves release of the funds, the funds may be released by the commissioner for deposit in the taconite area environmental protection fund created in section 298.223. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be distributed to the taconite environmental protection fund.