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**RESOLUTION 2016-005  
CITY OF HOYT LAKES**

**A RESOLUTION IN SUPPORT OF S.F. 3582 – IRRRB REORGANIZATION**

**WHEREAS**, the Iron Range Resources and Rehabilitation Board (IRRRB) was created in 1941 by the Minnesota legislature to provide a structure to promote economic development, assist local communities, townships and school districts within the Taconite Assistance Area (TAA) with needed infrastructure repairs, upgrades and job growth opportunities; and

**WHEREAS**, the funds dedicated to the IRRRB are generated from iron ore and taconite mining operations in lieu of property taxes instead pay a production tax based on tons of ore produced and the industry is also exempt from the corporate franchise tax and instead pays an occupation tax; and

**WHEREAS**, taconite production and occupation taxes are a major revenue source for counties, cities, towns, and school districts located in the “Taconite Assistance Area.” The Taconite Assistance Area includes all or a portion of Cook, Lake, St. Louis, Itasca, Aitkin, Crow Wing, and Koochiching counties. Part of the revenue is also paid to the Iron Range Resources and Rehabilitation Board (IRRRB), a state agency that conducts a variety of operations in northeastern Minnesota; and

**WHEREAS**, a recent audit of the IRRRB by the Minnesota Legislative Auditor has determined that the current structure of the board of the IRRRB may be subject to a challenge under the Minnesota constitution; and

**WHEREAS**, Senate Majority Leader, Tom Bakk has authored Senate File # 3582 which effectively alters the structure of the nine member board of directors of the IRRRB to an advisory board structure and affords the Commissioner of the Agency authority to exercise fiduciary responsibility over utilization of the agency’s annual budget that will require approval of the Governor of the State of Minnesota similar to all other agencies in the state.

**THEREFORE BE IT RESOLVED**, the City of Hoyt Lakes representing residents within the Taconite Assistance Area, an organization created in 1939 to unite TAA communities, schools and townships in their mission to retain the iron ore and taconite tax dollars generated in their region from interest groups attempting to divert the original intent of the enabling legislation and redirect dollars away from the TAA, hereby emphatically endorses S.F. 3582 and stands united in our support to retain local control over the utilization of the taconite revenue entrusted to the IRRRB.

**ADOPTED** this 9<sup>th</sup> day of May, 2016.

  
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Mark Skelton, Mayor

Attest.   
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Rebecca Burich, City Clerk-Treasurer