

*Minneapolis, except that the authority granted thereby may be exercised by such a city only within its corporate limits.*

Sec. 2. *This act is effective upon its approval by the governing body of the city of Minneapolis and upon compliance with Minnesota Statutes, Section 645.021.*

Approved May 22, 1967.

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CHAPTER 670—S. F. No. 2331

[Not Coded]

*An act relating to Scott county; authorizing the board of commissioners to fix their own salaries.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Scott county; commissioners' salaries.** Notwithstanding the provisions of any general law enacted prior hereto to the contrary, whether effective before or after this act, in the county of Scott the yearly salaries of the members of the board of county commissioners shall be set by said board and shall be payable in equal monthly installments.

Sec. 2. **Approval.** This act shall become effective upon its approval by the board of commissioners of Scott county and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 22, 1967.

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CHAPTER 671—H. F. No. 2391

[Coded in Part]

*An act relating to the taxation of copper-nickel ores as defined herein and the concentrates produced therefrom, the mining, production or beneficiation of such ores and the facilities used in connection therewith and persons, corporations and others engaged in the mining, production and beneficiation of such ores; imposing an income tax on income realized from the mining and beneficiation of copper-nickel ores; providing for a credit against the income tax for occupation taxes paid in respect of the mining or beneficiation of*

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*copper-nickel ores, authorizing a deduction from gross income for depletion allowance and an allowance for exploration and development expenditures with respect to copper-nickel; imposing an occupation tax on the mining and beneficiation of copper-nickel ores; providing for the taxation of copper-nickel ores and concentrates and facilities used in the mining, production or beneficiation of such ores; imposing a tax on royalties from copper-nickel; providing for the collection, payment and distribution of such taxes and penalties for violations; and declaring the policy of the state with respect to the taxation of copper-nickel ores and concentrates, the mining, production or beneficiation of such ores, facilities used in connection therewith and persons or corporations and others engaged therein; amending Minnesota Statutes 1965, Sections 290.05; 290.09, Subdivision 8; 290.09, by adding a new subdivision; 290.19, Subdivision 1; 290.20; Chapter 290, by adding a new section.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1965, Section 290.05, is amended to read:

**290.05 Taxation; copper-nickel; exempt individuals, organizations, estates, trusts.** The following corporations, individuals, estates, trusts, and organizations shall be exempted from taxation under this chapter, provided that every such person or corporation claiming exemption under this chapter, in whole or in part, must establish to the satisfaction of the commissioner the taxable status of any income or activity:

(1) National and state banks, except as such banks are subject to the excise tax imposed by sections 290.085 and 290.361;

(2) Corporations, individuals, estates, and trusts engaged in the business of mining or producing iron ore and other ores the mining or production of which is subject to the occupation tax imposed by Minnesota Statutes, ~~Chapter 298~~, *Sections 298.01 and 298.011*; but if any such corporation, individual, estate, or trust engages in any other business or activity or has income from any property not used in such business it shall be subject to this tax computed on the net income from such property or such other business or activity. Royalty (as defined in section 299.02) shall not be considered as income from the business of mining or producing iron ore within the meaning of this section;

(3) Farmers' mutual insurance companies organized and existing under the laws of the state and credit unions organized under chapter 52;

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(4) Fraternal beneficiary associations wherever organized, and public department relief associations of public employees of this state or of any of its political subdivisions;

(5) Cooperative or mutual rural telephone associations; and cooperative associations organized under the provisions of Laws 1923, Chapter 326, as amended, which are engaged in the transmission and distribution of electrical heat, light or power upon a mutual and cooperative plan in areas outside the corporate limits of any city or village; but if any such cooperative association engages in supplying electrical heat, light or power to consumers within the corporate limits of any city, village or borough, then such association shall be subject to this tax computed on that portion of its net income which its gross receipts from consumers within such corporate limits bears to its total gross receipts;

(6) Labor, agricultural, and horticultural organizations, no part of the net income of which inures to the benefit of any private member, stockholder, or individual;

(7) Farmers', fruit growers', or like associations organized and operated on a cooperative basis (a) for the purpose of processing or marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary expenses, on the basis of either the quantity or the value of the products furnished by them, or (b) for the purpose of purchasing supplies and equipment for the use of members or other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses; exemption shall not be denied any such association because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the state of incorporation or eight percent per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than non-voting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the association, upon dissolution or otherwise, beyond the fixed dividends) is owned by producers who process or market their products or purchase their supplies and equipment through the association; nor shall exemption be denied any such association because there is accumulated and maintained by it a reserve required by state law or a reasonable reserve for any necessary purpose; such an association may market the products of non-members in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for non-members in an amount the value of which does not exceed the value of the supplies and equip-

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ment purchased for members, provided the value of the purchases made for persons who are neither members nor producers does not exceed 15 percent of the value of all its purchases; business done for the United States or any of its agencies shall be disregarded in determining the right to exemption under this clause;

(8) Corporations operating or conducting public burying grounds, public schoolhouses, public hospitals, academies, colleges, universities, seminaries of learning, churches, houses of worship, and institutions of purely public charity, no part of the net income of which inures to the benefit of any private member, stockholder, or individual;

(9) Any corporation, fund, foundation, trust or association organized for exclusively scientific, literary, religious, charitable, educational, or artistic purposes, or for the purpose of making contributions to or for the use of the United States of America, the State of Minnesota or any of its political subdivisions for exclusively public purposes, or for any combination of the above enumerated purposes, if no part of the net income of any such corporation, fund, foundation, trust or association inures to the benefit of any private member, stockholder, or individual;

(10) Business leagues and commercial clubs, not organized for profit and no part of the net income of which inures to the benefit of any private member, stockholder, or individual;

(11) Clubs organized and operated exclusively for pleasure, recreation, or other non-profitable purposes, no part of the net income of which inures to the benefit of any private member stockholder, or individual;

(12) Any corporation all the stock of which is owned by the United States or which may be exempt from a state franchise or income tax by federal law;

(13) The United States of America, the State of Minnesota or any political subdivision of either agencies or instrumentalities, whether engaged in the discharge of governmental or proprietary functions;

(14) Corporations organized by an association exempt under the provisions of clause (7), or members thereof, for the purpose of financing the ordinary crop operations of such members or other producers, and operated in conjunction with such association; exemption shall not be denied any such corporation because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the state of incorporation or eight per-

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cent per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than non-voting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the corporation, upon dissolution or otherwise, beyond the fixed dividends) is owned by such association, or members thereof; nor shall exemption be denied any such corporation because there is accumulated and maintained by it a reserve required by state law or a reasonable reserve for any necessary purpose;

(15) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this chapter;

(16) Voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents if no part of their net earnings inures (other than through such payments) to the benefit of any private shareholder or individual.

Sec. 2. Minnesota Statutes 1965, Chapter 290, is amended by adding a new section to read:

**[290.082] Credit for occupation tax on the mining or production of copper-nickel ores.** *The amount of occupation tax paid or accrued during the taxable year by any taxpayer in respect of mining or producing of copper-nickel ores in this state shall be a credit against the amount of taxes payable under this chapter in respect of such taxable year, provided that in any year in which such tax exceeds the amount of taxes under this chapter, the amount of such excess may be applied as credit against the tax imposed under this chapter during any succeeding taxable years, not exceeding three, until used.*

Sec. 3. Minnesota Statutes 1965, Section 290.09, Subdivision 8, is amended to read:

Subd. 8. **Depletion.** (a) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion. In the cases of leases the deduction shall be equitably apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiaries and the trustee in ac-

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cordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each.

*(b) In the case of copper, nickel, copper-nickel listed in subsection (b) of section 613 of the Internal Revenue Code of 1954, as amended, the allowance for depletion shall be determined in accordance with the provisions of sections 613 and 614 of the Internal Revenue Code of 1954, as amended.*

Sec. 4. Minnesota Statutes 1965, Section 290.09, is amended by adding a new subdivision to read:

*Subd. 25. Exploration and development expenditures. (a) Expenditures paid or incurred during the taxable year for the purposes of ascertaining the existence, location, extent, or quality of any deposit of copper, nickel or copper-nickel ore or other mineral, and paid or incurred before the beginning of the development stage of the mine or deposit shall be allowed as a deduction in computing taxable income in accordance with and to the extent provided in section 615 and section 617 of the Internal Revenue Code of 1954, as amended.*

*(b) Expenditures paid or incurred during the taxable year for the development of a copper, nickel or copper-nickel mine or other natural deposit (other than an oil or gas well) if paid or incurred after the existence of ores or minerals in commercially marketable quantities has been disclosed shall be allowed as a deduction in computing taxable income in accordance with and to the extent provided in section 616 of the Internal Revenue Code of 1954, as amended. This section shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in Minnesota Statutes 1965, Section 290.09, Subdivision 7, but allowances for depreciation shall be considered, for purposes of this section, as expenditures.*

Sec. 5. Minnesota Statutes 1965, Section 290.19, Subdivision 1, is amended to read:

**290.19 Net income; allocation to state, methods.** Subdivision 1. **Computation, business conducted partly within state; apportionment.** The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt

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of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the *mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture* in Minnesota or within and without Minnesota of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state and through, from or by offices, agencies, branches or stores within this state is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or used by the taxpayer in this state in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or used by the taxpayer in connection with such trade or business; and,

(c) The percentage which the taxpayer's total pay-rolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total pay-rolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sale, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or used by the taxpayer in this state in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or used by the taxpayer in connection with such trade or business; and

(3) The percentage which the taxpayer's total pay-rolls paid

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or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total pay-rolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a), 15 percent of the percentage determined under clause (2) (b), and 15 percent of the percentage determined under clause (2) (c);

(b) If the methods prescribed under clause 2 (2) (a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method;

(3) The sales, pay-rolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or used by the taxpayer during the taxable year in respect of which the tax is being computed;

(4) For the purposes of this section, in determining the amount of sales made within Minnesota, there shall be excluded therefrom sales negotiated or effected in behalf of the taxpayer by agents or agencies chiefly situated at, connection with, or sent out from premises for the transaction of business owned or rented by the taxpayer or by his agents or agencies outside the state and sales otherwise determined by the commissioner to be attributable to the business conducted on such premises. If the commissioner finds that the taxpayer maintains an office, warehouse or other places of business outside the state for the purpose of reducing its tax under this section it shall in determining the amount of taxable net income include therein the proceeds of sales attributed by the taxpayer to the business conducted at such place outside the state.

Sec. 6. Minnesota Statutes 1965, Section 290.20, is amended to read:

**290.20 Net income; allocation to state, petition for other methods.** *Subdivision 1.* The methods prescribed by section 290.19 shall be presumed to determine fairly and correctly the taxpayer's net income allocable to this state. Any taxpayer feeling ag-

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grieved by the application to his case of the methods so prescribed may petition the commissioner for determination of such net income by the use of some other method, including separate accounting. Thereupon, if the commissioner finds that the application of the methods prescribed by section 290.19 will be unjust to the taxpayer, he may allow the use of the methods so petitioned for by the taxpayer, or may determine such net income by other methods if satisfied that such other methods will fairly reflect such net income. A petition within the meaning of this section shall be deemed to have been filed by the taxpayer if the taxpayer in his return uses a method other than the methods prescribed by section 290.19, and if such return shall have attached thereto a statement setting forth the reasons for the use of such other method.

*Subd. 2. The methods prescribed by subdivision 1 shall not be applicable wherever and insofar as the taxpayer's business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores.*

**Sec. 7. [298.51] Occupation tax on mining or producing copper-nickel ores; exemption from tax under Minnesota Statutes 1965, Sections 298.01 and 298.011; tax in lieu thereof: apportionment and distribution of proceeds.** *Subdivision 1. Every person engaged in the business of mining or producing copper-nickel ores in this state shall be exempt from the occupation taxes imposed under Minnesota Statutes 1965, Sections 298.01 and 298.011, but, in lieu of the taxes under said sections, shall pay to the state of Minnesota an occupation tax equal to one percent of the valuation of all such ores mined or produced. Said tax shall be in addition to all other taxes provided for by law and shall be due and payable from such person as provided in section 9.*

*Subd. 2. The proceeds of the tax imposed by this section shall be deposited in the state treasury and apportioned and distributed in accordance with Minnesota Constitution, Article IX, Section 1A, in the following manner: 50 percent to the general revenue fund, 40 percent for the support of elementary and secondary schools and 10 percent for the general support of the university.*

**Sec. 8. [298.52] Valuation of ore; how ascertained.** *Subdivision 1. The valuation of copper-nickel ores for the purposes of determining the amount of tax to be paid under the provisions of section 7 of this act shall be ascertained by subtracting from the value of such ore, at the place where the same is brought to the surface of the earth, such value to be determined by the commissioner of taxation:*

*(1) The reasonable cost of supplies used and labor per-*

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formed at the mine in separating the ore from the ore body, including hoisting, elevating or conveying the same to the surface of the earth;

(2) *If the ore is taken from an open pit mine, an amount for each ton of ore mined or produced during the year equal to the cost of removing the overburden, divided by the number of tons of ore uncovered, the number of tons or ore uncovered in each case to be determined by the commissioner of taxation;*

(3) *If the ore is taken from an underground mine, an amount for each ton of ore mined or produced during the year equal to the cost of sinking and constructing shafts and running drifts, divided by the number of tons of ore that can be advantageously taken out through such shafts and drifts, the number of tons of ore than can be advantageously taken out in each case to be determined by the commissioner of taxation;*

(4) *The amount of royalties paid on the ore mined or produced during the year; and*

(5) *The tax payable under section 12 of this act on the ore transported to and entering the concentrating mill in said year and any other specific taxes payable in respect of such operations.*

*The amount or amounts of all of the foregoing subtractions shall be ascertained and determined by the commissioner of taxation.*

Sec. 9. [298.53] **Collection and payment.** *The tax provided in section 7 of this act shall be collected and paid in the same manner and at the same time as provided by law for the collection and payment of the occupation taxes imposed under Minnesota Statutes 1965, Sections 298.01 and 298.011. Reports shall be made and hearings held upon the determination of the tax at the same times and in the same manner as provided by law for the occupation taxes imposed under sections 298.01 and 298.011. The commissioner of taxation shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such regulations may require the production of such information as may be reasonably necessary or convenient for the determination of the tax. All the provisions of the law with reference to the assessment, determination and collection of the occupation tax imposed under sections 298.01 and 298.011 including all provisions for penalties and for appeals from or review of the orders of the commissioner of taxation relative thereto, are hereby made applicable to the tax imposed by section 7 of this act except to the extent such provisions are inconsistent herewith.*

Sec. 10. [298.54] **Credit for processing in state.** *There*

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*shall be allowed a credit against the occupation tax assessed under section 7 of this act against any mine of two-thirds of one percent of the amount of such tax for each one percent of the total production of copper-nickel ore from said mine which is converted into semi-refined or refined metal, blister copper, copper powder, nickel powder, ferro-nickel, nickel sinter, or other primary or intermediate forms of copper, nickel or copper-nickel metals within the limits of the state of Minnesota.*

**Sec. 11. [298.55] Credit for research, experimentation and exploration.** *A tax credit shall be allowed to each taxpayer against the taxes payable by such taxpayer as computed each year under sections 7 and 8 of this act for the cost of all research, experimentation, pilot plant tests and exploration work performed in Minnesota in such year for the express purpose of furthering the discovery, development or beneficiation of Minnesota copper-nickel ores.*

*Such credit shall be computed by applying to such costs and allowances the net effective rate of the occupation tax applicable to such taxpayer for such year imposed pursuant to section 7 of this act after the application of the credits against such occupation tax allowed under section 10 hereof, but before the application of the credit herein provided.*

*Any such credit shall be applied against the tax for the year for which such credit is computed except that any such credit in excess of such tax shall be applied in like manner in the next year and thereafter from year to year, but not exceeding two years, until the entire credit has been so applied.*

*The determination as to what type of costs will qualify under this section and the amount allowable, will be made by the commissioner of taxation who may use the services of the University of Minnesota School of Mines and Metallurgy which is hereby established as a technical consultant to the commissioner for the purposes hereof.*

**Sec. 12. [298.61] Tax on copper-nickel.** *Subdivision 1. There is hereby imposed upon copper-nickel ore, and upon the mining and quarrying thereof, and upon the production of concentrates therefrom, and upon the concentrates so produced, a base tax of two and one-half cents per gross ton of copper-nickel ore transported to and entering the concentrating mill plus ten percent of the base tax per ton for each one-tenth of one percent that the average copper-nickel content per gross ton of such ore during the period for which the tax is being computed, exceeds one percent, when dried at 212 degrees Fahrenheit.*

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*Subd. 2. The rate determined in accordance with subdivision 1 shall be increased in a ratio equal to any increase in the index of Wholesale Prices for all commodities prepared for the Joint Economic Committee by the Council of Economic Advisors, and distributed by the Superintendent of Documents, Government Printing Office, which shall be computed as follows:*

*The base index in such determination shall be the average monthly index of all commodities for 1967. The rate of increase, if any, shall be determined by applying the average monthly index of all commodities for the taxable year in which the concentrate is produced, to the base index.*

**Sec. 13. [298.62] Tax as additional to other taxes.** *The tax imposed under section 12 of this act shall be in addition to the occupation tax imposed under section 7 hereof, the tax imposed under section 17 hereof upon royalties received for permission to mine and produce copper-nickel ore, and the income tax under chapter 290, Minnesota Statutes 1965, as amended by this act. Except as herein otherwise provided, such tax shall be in lieu of all other taxes upon such copper-nickel ores, or the lands in which they are contained, or upon the mining or quarrying thereof, or the production of concentrates therefrom, or upon the concentrates produced, or upon the machinery, equipment, tools, supplies and buildings used in such mining, quarrying or production, or upon lands occupied by, or used in connection with, such mining, quarrying or production facilities. Nothing herein shall prevent the assessment and taxation of the surface of reserve land containing copper-nickel ores and not occupied by such facilities or used in connection therewith at the value thereof without regard to the copper-nickel ores therein, nor the assessment and taxation of merchantable iron ore or other minerals, other than copper-nickel minerals and minerals associated therewith in the copper-nickel ores, in such lands in the manner provided by law, nor the assessment and taxation of facilities used in producing sulphur or sulphur products, from iron sulphide concentrates, or in refining such sulphur products, under the general property tax laws. Nothing herein shall except from general taxation or from taxation as provided by other laws any property used for residential or townsite purposes, including utility services thereto.*

**Sec. 14. [298.63] Collection and payment of tax.** *The tax provided by section 12 of this act shall be collected and paid in the same manner and at the same time as provided by law for the collection and payment of the occupation tax under Minnesota Statutes 1965, Sections 298.01 and 298.011. Reports shall be made and hearings held upon the determination of the tax at the same times and in the same manner as provided by law for the occupation tax*

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*under sections 298.01 and 298.011. The commissioner of taxation shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such regulations may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment, determination and collection of the occupation tax, including all provisions for penalties and for appeals from or review of the orders of the commissioner of taxation relative thereto, are hereby made applicable to the tax imposed by section 12 hereof, except insofar as inconsistent herewith.*

**Sec. 15. [298.64] Division of proceeds.** *Subdivision 1. The proceeds of the tax collected under section 12 of this act shall be distributed by the state treasurer in the same ratio and in the same manner as the tax imposed by Minnesota Statutes 1965, Section 298.24. All of the provisions of Minnesota Statutes 1965, Section 298.28, except those inconsistent herewith, are hereby made applicable to the tax imposed by section 12.*

**Sec. 16. [298.65] Division of proceeds in certain area.** *Notwithstanding the provisions of section 15, that portion of the proceeds of any tax collected under section 12 from the mining or concentrating of copper-nickel ore in townships T 61 N—R 10 W, T 61 N—R 11 W, T 62 N—R 10 W, T 62 N—R 11 W, Lake County, distributable to school districts and cities, villages and towns, shall be distributed as follows:*

(a) *The portion of the proceeds distributable under section 15 to school districts shall be distributed between Independent School Districts 381 and 696 in the following manner: 50 percent to Independent School District 696 and 50 percent to Independent School District 381.*

(b) *The portion of the proceeds distributable to cities, villages and towns shall be distributed to the nearest city to said mine, or concentrating facility.*

**Sec. 17. [299.013] Tax on copper-nickel royalty.** *Royalty received from and after the effective date of this act for permission to explore, mine, take out and remove copper-nickel ore from land in this state shall be exempt from the tax imposed thereon under Minnesota Statutes 1965, Sections 299.01 and 299.011, and in lieu thereof, there shall be levied and collected upon all such royalty a tax of one percent plus an additional one percent of the amount of royalty paid on gold, silver, platinum and other precious metals.*

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Sec. 18. [298.66] **Mining, production or beneficiation of copper-nickel ore: declaration of state policy; limitations on taxation.** *During the period prescribed in Minnesota Constitution, Article XXI, the combined occupation and royalty taxes imposed or required to be paid under sections 7 and 17 of this act and the income and excise or franchise taxes imposed or required to be paid under Minnesota Statutes 1965, Chapter 290, as amended by sections 1 thru 6 of this act, with respect to the mining, production or beneficiation of copper-nickel ore by any person or corporation engaged in such mining, production or beneficiation shall not be increased so as to exceed the combined amount of such taxes if such taxes were computed under the laws in existence as of the effective date of this act, unless income, excise and franchise taxes imposed on manufacturing corporations transacting business within this state as of the effective date of this act are also increased and then only to the same extent and in the same proportion that income, excise and franchise taxes on such manufacturing corporations are increased, nor shall any other taxes be imposed upon the mining, production or beneficiation of copper-nickel ore or upon any person or corporation engaged in such mining, production or beneficiation unless such other taxes are also imposed with equal effect on such manufacturing corporations. Nothing contained herein shall restrict the power of the legislature to amend, repeal, modify, increase or decrease the taxes imposed or required to be paid with respect to the mining, production or beneficiation of copper-nickel ore by any person or corporation engaged in the mining, production or beneficiation thereof under section 12 of this act.*

Sec. 19. [298.67] **Copper-nickel ore defined.** *As used in this act the term "copper-nickel ore" means any ore in which copper or nickel, or both, constitute the major element or elements of value thereof.*

Approved May 22, 1967.

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CHAPTER 672—H. F. No. 2431

*An act relating to misbranding of food; amending Minnesota Statutes 1965, Section 31.01, Subdivision 5.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1965, Section 31.01, Subdivision 5, is amended to read:

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**