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**RICE COUNTY, MINNESOTA
AGGREGATE MATERIAL
REMOVAL PRODUCTION TAX
ORDINANCE No. 150**

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150.01 Title
This ordinance shall be known and referenced as "Aggregate Material Removal Production Tax".

150.02 Statutory Authority
This ordinance is enacted pursuant to Minn. Stat. §298.75.

150.03 Severability
150.03.1 If any court of competent jurisdiction shall adjudge any provision of this ordinance to be invalid, such judgment shall not affect any other provisions of this ordinance not specifically included in said judgment.

150.03.2 If any court of competent jurisdiction shall adjudge invalid the application of any provision of this ordinance to a particular pit, quarry, deposit, operator or importer, such judgment shall not affect the application of said provision to any other pit, quarry, deposit, operator or importer not specifically included in said judgment.

150.04 Provisions are Cumulative
The provisions of this ordinance are cumulative to all other laws, ordinances, and regulations heretofore passed, or which may be passed hereafter, covering any subject matter in this ordinance.

150.05 Definitions
The following words and phrases, when used in this ordinance, unless the content clearly indicates otherwise, shall have the meanings given them in this section.

County means the County of Rice.

County Board means the Rice County Board of Commissioners and their authorized representatives.

Aggregate material means nonmetallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, crushed rock, limestone, granite, and borrow, but only if the borrow is transported on a public road, street, or highway, provided that nonmetallic aggregate material does not include dimension stone and dimension granite. Aggregate material must be measured or weighed after it has been extracted from the pit, quarry, or deposit.

Person means any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

Operator means any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

Extraction site means a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

Importer means any person who buys aggregate material excavated from a site on which the tax under this section is not imposed and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

Borrow means granular borrow, consisting of durable particles of gravel and sand, crushed quarry or mine rock, crushed gravel or stone, or any combination thereof, the ratio of the portion passing the (#200) sieve divided by the portion passing the (1 inch) sieve may not exceed 20 percent by mass.

150.06 Tax Imposed

The county shall impose upon every operator a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate material excavated in the county except that the county board may decide not to impose this tax if it determines that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards of aggregate material from that county.

150.06.1 The tax shall not be imposed on aggregate material excavated in the county until the aggregate material is transported from the extraction site or sold, whichever occurs first. When aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road or street is not used for transporting the aggregate material, the tax shall not be imposed until either when the aggregate material is sold, or when it is transported from the stockpile site, or when it is used from the stockpile, whichever occurs first.

150.06.2 The county shall impose upon every importer a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate material imported into the county. The tax shall be imposed when the aggregate material is imported from the extraction site or sold. When imported aggregate material is stored in a stockpile within the state of Minnesota and a public highway, road, or street is not used for transporting the aggregate material, the tax shall be imposed either when the aggregate material is sold, when it is transported from the stockpile site, or when it is used from the stockpile, whichever occurs first. The tax shall be imposed on an importer when the aggregate material is imported into the county.

150.06.3 If the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.

150.07 Report and Remittance

By the 14th day following the last day of each calendar quarter, every operator or importer shall make and file with the County Auditor/Treasurer of the county in which the aggregate material is removed or imported, a correct report under oath, in such form and containing such information as the auditor shall require relative to the quantity of aggregate material removed or imported during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

150.07.1 If any of the proceeds of the tax is to be apportioned pursuant to Section 150.06, *et seq.* of this ordinance, the operator or importer shall also include in the report any relevant information concerning the amount of aggregate material transported, the tax and the county of destination. The County Auditor/Treasurer shall remit the tax to the appropriate county within 30 days.

150.07.2 If the County Auditor/Treasurer has not received the report required by this ordinance by the 15th day after the last day of each calendar quarter from the operator or importer, or has received an erroneous report, the County Auditor/Treasurer shall estimate the amount of tax due and notify the operator or importer by registered mail of the amount of tax so estimated within the next 14 days. An operator or importer may, within 30 days from the date of mailing the notice, and upon payment of the amount of tax determined to be due, file in the office of the County Auditor/Treasurer a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of Minnesota Statutes Chapter 278 and shall be governed by Minnesota Statutes §§278.02 and 278.13.

150.08 Failure to File and Pay; Penalty

Failure to file the report and submit payment shall result in a penalty of \$5 for each of the first 30 days, beginning on the 15th day after the last day of each calendar quarter, for which the report and payment is due and no statement of objection has been filed as provided in this ordinance, and a penalty of \$10 for each subsequent day shall be assessed against the operator or importer who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax and credited to the county revenue fund. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the operator or importer who is required to file the report is guilty of a misdemeanor.

150.08.1 It is a misdemeanor for any operator or importer to remove aggregate material from a pit, quarry, or deposit or for any importer to import aggregate material unless all taxes due under this section for all previous reporting periods have been paid or objections thereto have been filed pursuant to this ordinance.

150.08.2 It is a misdemeanor for the operator or importer who is required to file a report to file a false report with intent to evade the tax.

150.08.3 Any person who shall violate this ordinance shall be guilty of a misdemeanor and upon conviction thereof, punished by a fine or by imprisonment or both.

150.09 Examination and Maintenance of Records

The County Auditor/Treasurer or its duly authorized agent may examine records, including computer records, maintained by an importer or operator. The term "record" includes, but is not limited to, all accounts of an importer or operator. The County Auditor/Treasurer or its duly authorized agent must have access at all reasonable times to inspect and copy all business records related to an importer's or operator's collection, transportation, and disposal of aggregate material to the extent necessary to ensure that all aggregate material production taxes required to be paid have been remitted to the county. The records must be maintained by the importer or operator for no less than six (6) years.

150.10 Proceeds of Taxes

All money collected as taxes under this section on aggregate material as defined herein, shall be deposited in the county treasury and credited according to this Section.

150.10.1 The County Auditor/Treasurer may retain an annual administrative fee of up to five percent of the total taxes collected in any year.

150.10.2 The balance of the taxes, after any deduction under 150.10.1 shall be credited as follows:

150.10.2.1 42.5 percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges;

150.10.2.2 42.5 percent to the general fund of the city or town in which the mine is located, or to the county, if the mine is located in an unorganized town, to be expended for maintenance, construction and reconstruction of roads, highways and bridges; and

150.10.2.3 15 percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned pits, quarries, or deposits located within the county.

150.10.3 If there are no abandoned pits, quarries or deposits located within the county, this portion of the tax shall be used for any other unmet reclamation need or for conservation or other environmental needs.

150.11 Amendment

Ordinance 150, "AGGREGATE MATERIAL REMOVAL PRODUCTION TAX ORDINANCE No. 150 enacted on January 1, 2008 shall be amended as provided herein and shall supersede and supplant the prior ordinance.

150.12 Effective Date

This ordinance shall be in full force and effect April 1, 2020.