



Otter Tail County Aggregate Tax Policy

Otter Tail County is considering a policy to impose an aggregate production tax on all aggregate material produced in Otter Tail County when the aggregate material is transported from the extraction site or sold.

What is the proposed policy?

The proposed policy would allow Otter Tail County to impose an aggregate production tax on every importer and operator at a rate of 21.5 cents per cubic yard or 15 cents per ton of aggregate material removed in compliance with Minnesota Statute §298.75.

Who does the proposed aggregate tax policy directly affect?

If implemented, the tax would be imposed on the importers and operators of aggregate material within Otter Tail County. It is a self-reporting tax that will be collected on a quarterly basis by the Otter Tail County Auditor.

How would the tax dollars be used?

Collected tax dollars would be distributed by a statutorily required formula after a 5 percent administrative fee is retained. The Otter Tail County Auditor would distribute the balance to the following funds:

42.5 percent County Road and Bridge Fund

42.5 percent General Fund of the Township in which the mine is located

15 percent Special Reserve Fund for restoration of abandoned pits, quarries, or deposits*

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

What is the County's responsibility?

Minnesota Statute § 298.75 enables Otter Tail County to establish this aggregate tax. Once established, the County Auditor's Office would be responsible for the administration and distribution of the tax. The Auditor's Office would coordinate the submittal of reporting forms with aggregate producers. Aggregate reporting is due on January 14th, April 14th, July 14th, and October 14th of each year.

Definitions

Aggregate Material Nonmetallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, crushed rock, limestone, granite, and granular borrow, but only if the granular borrow is transported on a public road, street, or highway.

Operator 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, with the use of aggregate material in a marketable product or service.

Importer Any person who buys aggregate material excavated from another state or a county not authorized to impose a tax and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

Extraction Site 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.

Questions?

For any questions or requests for more information, please contact:

Sue Miller, SRF Consulting Group at 763-249-6778 or sgmiller@srfconsulting.com

