



The Roots of RAMS – 1939

In 1939 Iron Range cities, villages, schools and townships were threatened by the huge mining companies that were mining in and around the Iron Range and who employed well educated and influential lobbyists at the State Legislature. Under intense lobbying pressure at the State Legislature, Resolution No. 28 was passed by the 1939 legislature that created the Iron Ore Interim Commission which was charged with determining whether or not the taxation of iron ore, and unmined iron ore deposits should be taxed and at what rate and what value the actual properties had. This commission was being lobbied by the Oliver Iron Ore Mining Company to reduce the property values by millions of dollars which would have a devastating impact on Iron Range communities, villages, schools and townships.

Two small organizations, the Range Municipalities Association and the Range Civic Association banded together in December of 1939 to form the Joint Committee of Range Municipalities and Civic Associations in an effort to create a lobbying organization to prepare for the hearings in front of the Iron Ore Interim Commission. The impact of any reduction in the tax on iron ore and iron ore deposits would be further devastating to Iron Range towns, schools and villages so these brave, wise and noble community leaders joined together to combine their resources to prepare for the Committee hearings. The Joint Committee of Range Municipalities and Civic Association, elected Mayor Wheelcor of Chisholm as the chairman and Y.C. Yoder of Virginia as its Secretary/Treasurer. Fred Cina, of Aurora, was employed as executive secretary to the committee and an office was established in the Northland Building in Virginia.

The joint committee was empowered to collect funds, hire employees, collect and prepare for presentation to the Iron Ore Interim Committee all necessary statistical data dealing with iron ore taxation, municipal employment, relief, municipal and school expenditures, or any other matter of concern to the communities of the Iron Ranges as set up by the Iron Ore Interim Committee.

The first hearing of the Iron Ore Interim Committee was held in Grand Rapids on June 19, 1940. The committee actually spent time visiting and touring mining operations. Evidence was presented by Fred Cina on behalf of the Association and Elmer F. Blu and Clarence J. Hartley,

represented the Oliver Iron Ore Mining Company. Additional hearings were held in Hibbing and Virginia where numerous elected officials from the Iron Range, as well as school superintendents, county engineers, State Senator John Blatnik, city and village attorneys even the Postmaster, all testified on behalf of Iron Range cities, townships, villages and schools. The joint commission knew how important these hearings were and convinced St. Louis County to hire an engineer to assist in preparation for the hearings with association members all contributing to pay for his salary. E.W. Johnson was the man hired for that position.

In October of 1940 hearings were held before the Commissioner of Taxation after notification that the Oliver Mining Company had petitioned for revaluation of certain mining properties. An additional hearing was held on December 16, 1940, and once again all Iron Range communities, schools and towns were represented. On December 19, 1940 the Commissioner made his order reducing the full and true value of Range communities by \$9,217,000.00. This was a devastating decision and the Association immediately began discussion with Iron Range leaders to develop a battle plan for the 1941 legislative session. At this time the legislature only met every other year.

Because of the intense efforts by the Oliver Iron Ore Mining Company and other large mining corporations during the legislative session, a decision was made for the Association to establish an office in St. Paul during the session. Another significant and historical decision was made in January of 1941, the Association decided to appeal the ruling of the Commissioner and hired attorney Patrick J. Ryan, of St. Paul, to represent them. Once again, executive secretary Fred Cina assisted. The case was finally heard on December 16, 1941. This case was ultimately won by the Association and the resulting changes in the formula substantially increased the value of iron ore for tax purposes across the Range to the benefit of the home-owner and small business taxpayers.

However, the 1941 legislative session proved to be onerous and very challenging for the Iron Range and the Association. Anti-iron ore tax bills were introduced along with a bill that was called "Cash Basis Bill" which would have put all Range municipalities and schools on a cash basis would have been devastating to the Range. This bill actually passed the House but failed in the Senate, thus saving the Range from more doom and gloom. The Association was kept busy lobbying against multiple bills that had negative effects on the Range and lobbying for those bills introduced that actually protected or provided benefits for Range communities and schools.

Before the 1941 legislature adjourned the report from the Iron Ore Interim Commission was released. Per the records of the Association, it was "the most biased, prejudiced and vicious report ever emanating from a Legislative Committee. Numerous anti-iron ore bills were introduced in concert with the release of the report. The Association and Iron Range communities were kept extremely busy testifying at multiple hearings to minimize the negative impact to the Range. The Tax Committees of both the House and Senate held numerous hearing and normal legislative activities were side-tracked. Because of these many anti-Range bills, the State Legislature sat in unconstitutional session for three days, and during this three day session, the proponents were able to pass the bills further reducing the levies in the Range cities, villages and schools, as set out in the new "Per Capita" Bills. Fortunately, other negative bills to the Range

were defeated and did not become law, but the most damaging and vital bill, – the Per Capita Bill – did become law.

Having achieved a huge victory in the unconstitutional session was still not enough for the Oliver Iron Ore Mining Company. Immediately after the session the company again petitioned the Commissioner of Taxation with a request to reduce the Lake Erie price of ore being used for the Occupation Tax to a price the company claimed to be the actual sale prices of the ore. Had this petitioned been granted, the mineral values of the Range would have been greatly reduced and the valuations of property further reduced from the 1940 ruling. The Association protested vigorously and fortunately for the Range the petition was denied.

In October of 1941, in an attempt to challenge the validity of the Per Capita Law on the grounds it was passed in an unconstitutional session of the Legislature, a lawsuit brought on by the Village of Mt. Iron and the Hanna Iron Ore Company and the Neville Iron Ore Company was heard. The case was heard on November 5th and the ruling provided that a collateral attack upon the statute cannot be made and parole evidence is not admissible to impeach the journals of the legislature. The Per Capita Law would remain intact and the Iron Range towns, villages and schools would lose millions of dollars of property valuations.

Association leaders continued to work hard to restore what had been taken from them, reaching out to Congressional leaders for military projects to be built on the Iron Range, and they secured Federal funding for research into a project involving North Dakota and their natural gas and other minerals with Northeastern Minnesota and their rich iron ore deposits. Over time, the Association achieved many successes at the Legislature to allow for Per Capita increases for schools, cities and villages, to allow excess levies for permanent improvements, recreational purposes, sewer projects, and other means to restore the vitality to our Iron Range. The Association sponsored the Taconite Tax Amendment, the Semi-Taconite Law of 1959, the Copper – Nickel Law of 1967, and the Home- Owner’s Taconite Relief Law of 1969 resulting in millions of dollars of tax relief for home-owner taxpayers.

In 1979, the name of the Association was change to Range Association of Municipalities and Schools and all those Iron Range entities who had been members for over 40 years paid tribute to the man at the center of these battles, Fred Cina. Fred served from 1939 to 1984 in one capacity or another, but no one doubts the wisdom and courage of the man who fought the fight that helped make the Iron Range what it is today despite the battles with our largest employers from time to time.

In 1943 legislation was passed that reads as follows:

471.58 RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS; DUES.

For the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron ranges area of northeast Minnesota, any city, town or school district in which the net tax capacity consists in part of iron ore, or lands containing taconite or

semitaconite or which is located in whole or part in the tax relief area defined by section 273.134, paragraph (b), may pay annual dues in the Range Association of Municipalities and Schools. The association may sue, be sued, intervene and act in a civil action in which the outcome of the action will have an effect upon the interest of any of its members.

During its 43 years of service, the Range Municipalities and Civic Associations was instrumental in the passage of numerous bills at the legislature that enhanced the life of those on the Iron Range. Many educational programs were enhanced through the lobbying efforts of the Association to secure and provide necessary funding for programs including grants for art programs, technology, math and science. Work projects, water and sewer improvements and the ability to levy for operational needs were secured through the efforts of the Association. During those 43 years the following people served as the executive secretary for the Association: Fred Cina – 39 years; Larry Klun 2 years, and Jack Fena and Barney Bischoff 1 year each.

Fred Cina provided services for over 40 years to the Association and should be recognized and credited with helping to shape, formulate and secure the taconite taxing system that has benefited our Range communities and schools to this day. A true pioneer and brave foot soldier in the battle against the corporate giants of his time, Fred was a formidable foe who created the path for future generations to follow.

In 1979, the Association changed its name to Range Association of Municipalities and Schools and moved away from having an executive secretary to an Executive Director. The first Executive Director was Mac Karpen from Eveleth, then Frank Ongaro, Ron Dicklich, Steve Giorgi, Ida Rukavina, and now, Paul Peltier. RAMS is governed by 24 directors, including three officers: President; Vice-President, and Secretary.

RAMS is currently located in the Northeast Service Cooperative Building in Mt. Iron, MN. Regular board meetings are held on the fourth (4th) Thursday of every month at 6:00 p.m. The meetings are open to the public and the Board conducts an annual meeting in mid -November to late December.

