

Subject City of Little Falls; local sales tax authority

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Date March 10, 2021

Overview

Allows the city of Little Falls to impose a 0.5 percent local sales tax to fund the construction of a community recreational facility. If approved by the voters, the city may raise up to \$17 million, plus bond costs. The tax will expire at the earlier of: (1) 30 years; or (2) when the necessary amounts are raised for the approved project.

Summary

Section	Description
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1	City of Little Falls; taxes authorized.
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Subd. 1. Sales and use tax authorization. Allows the city of Little Falls to impose a local sales and use tax of 0.5 percent if approved at a general election within two years of the authority being granted.

Subd. 2. Use of sales and use tax revenues. Allows the city to use the tax revenues to fund the construction of a community recreational facility.

Subd. 3. Bonding authority. Allows the city to bond for any project listed in subdivision 2 if the tax is approved by voters. The amount of bonds that may be issued for the project is \$17 million plus capitalized interest and an amount needed to cover the cost of issuing the bonds. Issuance of the bonds is not subject to a separate vote and the bonds are not included in any debt or levy limits.

Subd. 4. Termination of taxes. The tax terminates at the earlier of: (1) 30 years after being imposed; or (2) when revenues are sufficient to pay for the approved project and any associated bond costs, subject to the requirements that the termination occurs at the start of a calendar quarter. Any excess revenue related to the timing of the termination goes into either the state or city general fund. The city may, by ordinance, terminate the tax early.



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