



**LOCAL SALES AND USE TAX  
City of Minnetonka**

April 20, 2026

|                                  | Yes | No |
|----------------------------------|-----|----|
| DOR Administrative Costs/Savings |     | X  |

Department of Revenue  
Analysis of S.F. 3694 (Johnson Stewart) / H.F. 3457 (Acomb)

The bill authorizes the city of Minnetonka, if approved by the voters at a general election, to impose a sales and use tax of up to 0.5%.

The proceeds would be used to finance the following projects plus associated bonding costs: \$13 million for the new construction of Fire Station 2, \$17.6 million for the new construction of Fire Station 3, \$34 million for the construction of missing trail segments, \$35 million for renovations to the Marsh health and wellness center, and \$16.5 million for the construction of the Opus Area community park and open space. The bill also authorizes the city to issue up to \$116.1 million worth of bonds, plus bond issuance costs.

The tax would terminate at the earlier of 30 years after the tax is first imposed or after the city council determines that the amount received from the tax is sufficient to pay for the projects listed above plus bond issuance costs and interest. The tax could expire earlier if the city so determines by ordinance.

The bill would have no direct impact on state taxes.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>

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