

Subject City of Owatonna; local sales tax authorized

Authors Sexton

Analyst Alexandra Haigler

Date April 14, 2026

Summary

Section	Description
---------	-------------

1	City of Owatonna; taxes authorized.
---	--

Subd. 1. Sales and use tax authorization. Authorizes the city to impose a .50% local sales tax for the project listed in subdivision 2.

Subd. 2. Use of sales and use tax revenues. Requires the tax revenues to be used for collecting and administering the tax and to finance the following project, plus associated bonding costs:

- \$75,000,000 for construction of a community center.

Subd. 3. Bonding authority. Authorizes the city to issue bonds to finance the project listed in subdivision 2 if approved by the voters as required under current law.

Subd. 4. Termination of taxes. Requires the tax to terminate after the earlier of 25 years or when the city determines sufficient funds have been raised to pay for project and financing costs.

Subd. 5. Formerly authorized local sales and use tax. Authorizes the city to use revenues from its existing local sales tax for the project specified in subdivision 2. This tax was originally authorized in 2006 to fund various projects including parks, trails, a firehall, and transportation projects.

Effective upon filing of local approval with the secretary of state.