

April 15, 2026

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

Department of Revenue
Analysis of H.F. 4789 (Zeleznikar) / S.F. 5011 (Hauschild)

The city of Hermantown was authorized to impose a sales and use tax of 0.5% in 2021. The proceeds are to be used to finance up to \$10.84 million for an addition of a second ice sheet and upgrades to the Hermantown Hockey Arena, \$4.57 million for construction of the Hermantown-Proctor trail, and \$3.9 million for improvements and upgrades to Fichtner Park, plus associated bonding costs. The city was also authorized to issue bonds to finance all or a portion of the costs. The tax expires at the earlier of 20 years after being first imposed or when the city council determines that the amount received from the tax is sufficient to pay for the costs of the projects plus bond issuance costs and interest.

The bill would remove the project costs outlined above. The bill would also remove the bond limits.

The bill would have no direct impact on state taxes.

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

hf4789(sf5011) Hermantown local sales tax authorization modified_1 / mk