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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 5071

04/23/2026 Authored by Schwartz
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; sales and use; modifying the city of St. Peter local sales tax;
1.3 amending Laws 2021, First Special Session chapter 14, article 8, section 17,
1.4 subdivisions 1, 2, 3, 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Laws 2021, First Special Session chapter 14, article 8, section 17, subdivision
1.7 1, is amended to read:

1.8 Subdivision 1. Sales and use tax authorization. (a) Notwithstanding Minnesota Statutes,
1.9 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
1.10 and if approved by the voters at a general election as required under Minnesota Statutes,
1.11 section 297A.99, subdivision 3, the city of St. Peter may impose by ordinance a sales and
1.12 use tax of one-half of one percent for the purposes specified in subdivision 2.

1.13 (b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a)
1.14 and (b), the city may modify the tax authorized under paragraph (a) as provided in
1.15 subdivisions 2 to 4.

1.16 (c) Except as otherwise provided in this section, the provisions of Minnesota Statutes,
1.17 section 297A.99, govern the imposition, administration, collection, and enforcement of the
1.18 tax authorized under this subdivision. The tax imposed under this subdivision is in addition
1.19 to any local sales and use tax imposed under any other special law.

2.1 Sec. 2. Laws 2021, First Special Session chapter 14, article 8, section 17, subdivision 2,
2.2 is amended to read:

2.3 Subd. 2. **Use of sales and use tax revenues.** Notwithstanding Minnesota Statutes, section
2.4 297A.99, subdivision 3, paragraph (a), the revenues derived from the tax authorized under
2.5 subdivision 1 must be used by the city of St. Peter to pay the costs of collecting and
2.6 administering the tax and paying for up to the following projects in the city, plus an amount
2.7 needed for securing and paying debt service on bonds issued to finance all or part of the
2.8 projects:

2.9 \$9,121,000 (1) \$9,900,000 for construction of a new fire station, plus an amount needed
2.10 for securing and paying debt service on bonds issued to finance the project; and

2.11 (2) \$1,950,000 for Phase 2 of Gorman Park improvements.

2.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.13 city of St. Peter and its chief clerical officer comply with Minnesota Statutes, section 645.021,
2.14 subdivisions 2 and 3.

2.15 Sec. 3. Laws 2021, First Special Session chapter 14, article 8, section 17, subdivision 3,
2.16 is amended to read:

2.17 Subd. 3. **Bonding authority.** (a) The city of St. Peter may issue bonds under Minnesota
2.18 Statutes, chapter 475, to finance the costs of the facility projects authorized in subdivision
2.19 2. The aggregate principal amount of bonds issued under this subdivision may not exceed
2.20 \$9,121,000 \$11,850,000 for the project projects listed in subdivision 2, plus an amount to
2.21 be applied to the payment of the costs of issuing the bonds. The bonds may be paid from
2.22 or secured by any funds available to the city of St. Peter, including the tax authorized under
2.23 subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
2.24 Statutes, sections 275.60 and 275.61.

2.25 (b) The bonds are not included in computing any debt limitation applicable to the city
2.26 of St. Peter; and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
2.27 and interest on the bonds is not subject to any levy limitation. A separate election to approve
2.28 the bonds under Minnesota Statutes, section 475.58, is not required.

2.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.30 city of St. Peter and its chief clerical officer comply with Minnesota Statutes, section 645.021,
2.31 subdivisions 2 and 3.

3.1 Sec. 4. Laws 2021, First Special Session chapter 14, article 8, section 17, subdivision 4,
3.2 is amended to read:

3.3 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
3.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 40 years
3.5 after the tax is first imposed; or (2) when the city council determines that the amount received
3.6 from the tax is sufficient to pay for ~~\$9,121,000~~ \$11,850,000 in project costs authorized
3.7 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any
3.8 bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise
3.9 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
3.10 remaining after payment of the allowed costs due to the timing of the termination of the tax
3.11 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general
3.12 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
3.13 city so determines by ordinance.

3.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
3.15 city of St. Peter and its chief clerical officer comply with Minnesota Statutes, section 645.021,
3.16 subdivisions 2 and 3.