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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4718

03/25/2026 Authored by Murphy
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; authorizing the city of Vergas to impose a local
1.3 sales and use tax.

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

1.5 Section 1. CITY OF VERGAS; TAXES AUTHORIZED.

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.7 section 477A.016, or any other law or ordinance, and if approved by the voters at an election
1.8 as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Vergas
1.9 may impose by ordinance a sales and use tax of one-half percent for the purposes specified
1.10 in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota
1.11 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
1.12 of the tax authorized under this subdivision. The tax authorized under this subdivision is in
1.13 addition to any local sales and use tax imposed under any other special law.

1.14 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.15 under subdivision 1 must be used by the city to pay the costs of collecting and administering
1.16 the tax and to pay up to \$200,000 for the Vergas Park Improvement Plan.

1.17 Subd. 3. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
1.18 subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) five years
1.19 after the tax is first imposed, or (2) when the city council determines that the amount received
1.20 from the tax is sufficient to pay for the project costs authorized under subdivision 2 if
1.21 approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3,
1.22 paragraph (a). Except as otherwise provided in Minnesota Statutes, section 297A.99,
1.23 subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due

2.1 to the timing of the termination of the tax under Minnesota Statutes, section 297A.99,
2.2 subdivision 12, must be placed in the general fund of the city. The tax authorized under
2.3 subdivision 1 may expire at an earlier time if the city so determines by ordinance.

2.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.5 city of Vergas and its chief clerical officer comply with Minnesota Statutes, section 645.021,
2.6 subdivisions 2 and 3.