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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3473

02/19/2026 Authored by Hill
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 Oak Park Heights to
1.3 impose a local sales and use tax; authorizing use of certain other revenues.

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

1.5 Section 1. CITY OF OAK PARK HEIGHTS; TAXES AUTHORIZED.

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

1.15 Subd. 2. Use of sales and use tax revenues. Notwithstanding Minnesota Statutes, section
1.16 297A.99, subdivision 2, paragraph (d), the revenues derived from the tax authorized under
1.17 subdivision 1 must be used by the city of Oak Park Heights to pay the costs of collecting
1.18 and administering the tax, and to finance \$41,000,000, plus associated bonding costs, for
1.19 water infrastructure.

1.20 Subd. 3. Bonding authority. (a) The city of Oak Park Heights may issue bonds under
1.21 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the water
1.22 infrastructure facilities and systems authorized in subdivision 2 and approved by the voters
1.23 as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The

2.1 aggregate principal amount of bonds issued under this subdivision may not exceed
2.2 \$41,000,000 for the project listed in subdivision 2 plus an amount to be applied to the
2.3 payment of the costs of issuing the bonds.

2.4 (b) The bonds may be paid from or secured by any money available to the city of Oak
2.5 Park Heights, including the tax authorized under subdivision 1 and the full faith and credit
2.6 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
2.7 sections 275.60 and 275.61.

2.8 (c) The bonds are not included in computing any debt limitation applicable to the city
2.9 of Oak Park Heights and any levy of taxes under Minnesota Statutes, section 475.61, to pay
2.10 principal and interest on the bonds is not subject to any levy limitation. A separate election
2.11 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

2.12 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.13 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
2.14 after being first imposed, or (2) when the city council determines that \$41,000,000 has been
2.15 received from the tax to fund the project authorized under subdivision 2, plus an amount
2.16 sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3,
2.17 including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section
2.18 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed
2.19 costs due to the timing of the termination of the tax under Minnesota Statutes, section
2.20 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed
2.21 under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

2.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.23 city of Oak Park Heights and its chief clerical officer comply with Minnesota Statutes,
2.24 section 645.021, subdivisions 2 and 3.