

April 21, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 4197 (Boldon) / H.F. 4194 (Hicks)

In 1998 the City of Rochester was authorized to impose a sales and use tax of up to 0.5% and an excise tax of up to \$20 per motor vehicle to finance various projects. The authorization was amended in 2005, 2011, 2013 and 2023. In 2023 the authorization was amended to include additional projects, one of which was \$65 million for a sports and recreation complex, and extend the duration of the tax to the earlier of 24 years from the 2023 extension or after 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 mandate that the city of Rochester not collect funds for the sports and recreation complex after June 30, 2026. Any funds generated by the tax would be used to fund street construction, flood control and water quality, and for expenses eligible to be paid from the economic vitality fund.

The bill also lowers the amount of bond issuance allowed from \$205 million to \$140 million plus bond issuance costs. The tax would terminate at the earlier of 20 years from when last extended or when the city council determines that the amount received from the tax is sufficient to pay for the costs of the authorized projects plus bond issuance costs and interest.

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>