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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4789

03/26/2026 Authored by Zeleznikar 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 Hermantown local sales tax
1.3 authorization; amending Laws 2021, First Special Session chapter 14, article 8,
1.4 section 8, subdivisions 1, 2, 3.

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 8, subdivision
1.7 1, is amended to read:

1.8 Subdivision 1. Sales and use tax authorization. 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 Hermantown may impose by ordinance a sales
1.12 and use tax of one-half of one percent for the purposes specified in subdivision 2. The
1.13 amendments to subdivisions 2 and 3 made by sections 2 and 3 apply notwithstanding
1.14 Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a) and (b). Except as
1.15 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
1.16 govern the imposition, administration, collection, and enforcement of the tax authorized
1.17 under this subdivision. The tax imposed under this subdivision is in addition to any local
1.18 sales and use tax imposed under any other special law.

1.19 EFFECTIVE DATE. This section is effective the day after the governing body of the
1.20 city of Hermantown and its chief clerical officer comply with Minnesota Statutes, section
1.21 645.021, subdivisions 2 and 3.

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

2.3 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
2.4 under subdivision 1 must be used by the city of Hermantown to pay the costs of collecting
2.5 and administering the tax and paying for the following projects in the city related to a
2.6 Community Recreational Initiative, including securing and paying debt service on bonds
2.7 issued to finance all or part of the following projects:

2.8 (1) ~~\$10,840,000 for~~ an addition of a second ice sheet with locker rooms and other facilities
2.9 and upgrades to the Hermantown Hockey Arena;

2.10 (2) ~~\$4,570,000 for~~ construction of the Hermantown-Proctor trail running from the Essentia
2.11 Wellness Center to the border with Proctor and eventually connecting to the Munger Trail;
2.12 and

2.13 (3) ~~\$3,900,000 for~~ improvements and upgrades to Fichtner Park.

2.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.15 city of Hermantown and its chief clerical officer comply with Minnesota Statutes, section
2.16 645.021, subdivisions 2 and 3.

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

2.19 Subd. 3. **Bonding authority.** (a) The city of Hermantown may issue bonds under
2.20 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
2.21 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
2.22 section 297A.99, subdivision 3, paragraph (a). ~~The aggregate principal amount of bonds~~
2.23 ~~issued under this subdivision may not exceed:~~

2.24 (1) ~~\$10,840,000 for the project listed in subdivision 2, clause (1), plus an amount to be~~
2.25 ~~applied to the payment of the costs of issuing the bonds;~~

2.26 (2) ~~\$4,570,000 for the project listed in subdivision 2, clause (2), plus an amount to be~~
2.27 ~~applied to the payment of the costs of issuing the bonds; and~~

2.28 (3) ~~\$3,900,000 for the project listed in subdivision 2, clause (3), plus an amount to be~~
2.29 ~~applied to the payment of the costs of issuing the bonds.~~

2.30 The bonds may be paid from or secured by any funds available to the city of Hermantown,
2.31 including the tax authorized under subdivision 1. The issuance of bonds under this
2.32 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

3.1 (b) The bonds are not included in computing any debt limitation applicable to the city
3.2 of Hermantown, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
3.3 principal and interest on the bonds is not subject to any levy limitation. A separate election
3.4 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

3.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
3.6 city of Hermantown and its chief clerical officer comply with Minnesota Statutes, section
3.7 645.021, subdivisions 2 and 3.