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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4033

03/05/2026 Authored by Dotseth, Davids, Kozlowski, Warwas and Johnson, P., 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 taxes; local sales and use; authorizing the Cloquet Area Fire District to
1.3 impose a local sales tax.

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

1.5 Section 1. CLOQUET AREA FIRE DISTRICT; TAXES AUTHORIZED.

1.6 Subdivision 1. Sales and use tax authorization. (a) Notwithstanding Minnesota Statutes,
1.7 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
1.8 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
1.9 Cloquet Area Fire District may impose by majority vote of the governing body of the district
1.10 a sales and use tax of up to one-half of one percent for the purpose specified in subdivision
1.11 2.

1.12 (b) A separate election to approve the tax must be conducted in the city of Cloquet and
1.13 the city of Scanlon. The tax under this section only applies in a city in which the tax is
1.14 approved by voters at an election and does not apply in any other political subdivision.

1.15 (c) Except as otherwise provided in this section, the provisions of Minnesota Statutes,
1.16 section 297A.99, govern the imposition, administration, collection, and enforcement of the
1.17 tax authorized under this subdivision. Notwithstanding the imposition of the tax in the city
1.18 of Cloquet, the city of Scanlon, or both, and in accordance with section 297A.99, subdivision
1.19 11, the commissioner of revenue must remit the proceeds of the tax, less refunds and a
1.20 proportionate share of the cost of collection, to the Cloquet Area Fire District. The tax
1.21 imposed under this subdivision is in addition to any local sales and use tax imposed under
1.22 any other special law.

2.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
2.2 under subdivision 1 must be used by the Cloquet Area Fire District to pay the costs of
2.3 collecting and administering the tax, and to finance up to \$31,000,000 for the construction
2.4 of Ambulance and Fire Station I for the district, as well as securing and paying debt service
2.5 on bonds issued to finance all or part of this project.

2.6 Subd. 3. Bonding authority. (a) The Cloquet Area Fire District may issue bonds under
2.7 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project
2.8 authorized in subdivision 2 and approved by voters as required under Minnesota Statutes,
2.9 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
2.10 issued under this subdivision may not exceed \$31,000,000, plus an amount applied to the
2.11 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
2.12 funds available to the Cloquet Area Fire District, including the tax authorized under
2.13 subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
2.14 Statutes, sections 275.60 and 275.61.

2.15 (b) The bonds are not included in computing any debt limitation applicable to the Cloquet
2.16 Area Fire District. Any levy of taxes under Minnesota Statutes, section 475.61, to pay
2.17 principal of and interest on the bonds is not subject to any levy limitation. A separate election
2.18 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

2.19 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
2.20 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
2.21 after the tax is first imposed, or (2) when the Cloquet Area Fire District determines that the
2.22 amount received from the tax is sufficient to pay for the project cost authorized under
2.23 subdivision 2 if approved by voters as required under Minnesota Statutes, section 297A.99,
2.24 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
2.25 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
2.26 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
2.27 any funds remaining after payment of the allowed costs due to the timing of the termination
2.28 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
2.29 general fund of the district. The tax imposed under subdivision 1 may expire at an earlier
2.30 time if the governing body of the district so determines.

2.31 EFFECTIVE DATE. This section is effective the day after the governing body of the
2.32 Cloquet Area Fire District and its chief clerical officer comply with Minnesota Statutes,
2.33 section 645.021, subdivisions 2 and 3.