# HOUSE RESEARCH

# Bill Summary

**FILE NUMBER:**  H.F. 520    **DATE:**  April 4, 2005

    **Version:**  As introduced

    **Authors:**  Anderson, B.

    **Subject:**  Allow the city of Clearwater to impose a local sales tax

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[*For a comparison of all local sales tax bills introduced during the 2005 legislative session, go to www.house.leg.state.mn.us/hrd/issinfo/comp05locsal.htm .*]

## Section

1        **City of Clearwater; sales and use tax.** Allows the city to impose a sales and use tax of one half of one percent to fund certain capital projects.

        **Subd. 1. Sales and use tax authorized.** Allows the city to impose a sales and use tax of one-half of one percent if approved by the voters at the next general election or at a special election. The statutory local sales tax provisions regarding imposition, administration, collection and enforcement of the tax would apply.

        **Subd. 2. Use of revenues.** Revenues from the local sales tax would be used to fund capital development of parks, trails, parkland, open space, and land and buildings for a regional community and recreation center. The statutory local tax provisions would require that the specific projects be identified in the authorizing referendum.

        **Subd. 3. Bonds.** Allows the city to issue bonds of up to $3 million to fund the authorized projects without a separate referendum. The bonds would be outside of regular debt limits and any property tax levy needed to repay the bonds would not be subject to levy limits.

        **Subd. 4. Termination of the tax.** The local tax would expire when revenues are

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sufficient to fund the projects plus any associated costs of the bonds that are authorized under the referendum. The city may choose to terminate the tax at an earlier date.