

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 531

DATE: April 4, 2005

Version: As introduced

Authors: Moe and others

Subject: Allows the city of Bemidji to impose a local sales tax

Analyst: Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

[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/comp05local.htm .]

Section

1 City of Bemidji; 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 based on voter approval at the general election held November 5, 2002. 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 the following capital costs associated with the city's parks, open space, and trail system plan adopted by the Bemidji city council on November 21, 2001.

Subd. 3. Bonds. Allows the city to issue bonds of up to \$9.826 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 \$9.826 million plus any associated costs of the bonds is raised. The city may choose to terminate the

Section

tax at an earlier date.