

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 631

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**Version:** As introduced

**Authors:** Pelowski

**Subject:** Authorizing a local sales tax for the city of Winona

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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/comp05localsal.htm](http://www.house.leg.state.mn.us/hrd/issinfo/comp05localsal.htm) .]*

### Section

**1 City of Winona; taxes authorized.** Authorizes the city of Winona to impose local sales and use tax and a \$20 excise tax on motor vehicle sales.

**Subdivision 1. Sales and use tax.** Allows the city to impose a local sales and use tax of one-half of one percent, subject to voter approval at the next general election. The statutory local sales tax provisions govern the imposition, administration, and collection of the tax.

**Subd. 2. Excise tax.** Allows the city to, by ordinance, impose an excise tax of \$20 per motor vehicle on sales made by any dealer located in the city.

**Subd. 3. Use of revenues.** Allows the city to use the revenues from the taxes in subdivisions 1 and 2 to pay capital costs for unspecified transportation, cultural, and library projects. The general statute would require that the projects be specified in the authorizing referendum.

**Subd. 4. Bonds.** Would allow the city to issue up to \$20 million in bonds to for the specific projects approved at referendum without a separate referendum. The bonds would be outside of regular debt limits and any property tax levy needed to repay the

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bonds would not be subject to levy limits.

**Subd. 5. Termination of taxes.** The authorized taxes would expire at the later of (1) 15 years, or (2) when sufficient funds have been raised to fund the authorized projects. Any funds not needed to pay for the authorized projects would be placed in a capital fund of the city. The city could choose to terminate the taxes at an earlier date by ordinance.

**Subd. 6. Effective date.** Effective upon the city notifying the secretary of state as required under Minn. Stat. §645.021, subdivision 3.