

HOUSE RESEARCH

Bill Summary

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Subject: Allows the city of Marshall to impose several local taxes

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Overview

Allows the city of Marshall to impose a one half cent general sales tax, up to a 1.5 percent lodging tax, and up to a 1.5 percent food and beverage tax. Revenues from the general tax are used for the capital costs of the Minnesota Emergency Response and Industry Training Center and the Southwest Minnesota Regional Amateur Sports Center. The revenues from the other taxes must be used for operating costs of these facilities.

Section

1 City of Marshall; sales and use tax.

Subd. 1. Authorization. Allows the city to impose any of the taxes included in the section with approval by the voters at a general or special election. The referendum must be held within two years of the day of final enactment of this section.

Subd. 2. Sales and use tax authorized. Allows the city to impose up to a one-half of one percent general sales tax. Exempts the city from the general requirements of a local resolution prior to application for the authority, and requirements related to adoption and termination of the tax.

Subd. 3. Use of sales tax revenues. Requires revenues from the sales tax in subdivision 2 to be used to pay for costs of new and existing facilities of the Minnesota Emergency Response and Industry Training Center and the Southwest Minnesota Regional Amateur Sports Center.

Subd. 3. Bonds. Allows the city to issue \$17.29 million in bonds to fund the projects listed in subdivision 3 based on a successful referendum to impose the sales tax in subdivision 2. The bonds are not including in any debt levy on the city and any property taxes needed to pay the bonds are exempt from levy limits.

Subd. 5. Lodging taxes. Allows the city to impose a 1.5 percent local lodging tax without a referendum within a city-defined tax district. The areas included in the tax district need not be contiguous.

Subd. 6. Use of lodging tax revenues. Requires revenues from a tax imposed under subdivision 5 be used for operating costs of the Minnesota Emergency Response and Industry Training Center and the Southwest Minnesota Regional Amateur Sports Center. Revenues may also be used to help pay for bonds issued in subdivision 4 if sufficient revenues are not raised through the general sales tax.

Subd. 7. Food and beverage taxes. Allows the city to impose up to a 1.5 percent food and beverage tax in the city without a referendum. The general statutory provisions regarding administration, collection, and enforcement apply.

Subd. 8. Use of food and beverages tax. Requires revenues from a tax imposed under subdivision 7 be used for operating costs of the Minnesota Emergency Response and Industry Training Center and the Southwest Minnesota Regional Amateur Sports Center. Revenues may also be used to help pay for bonds issued in subdivision 4 if sufficient revenues are not raised through the general sales tax.

Subd. 9. Termination of taxes. All the taxes imposed under this section expire at the earlier of (1) 15 years after the tax is first imposed, or (2) when revenues are sufficient to meet the capital operating and administrative costs of the facilities funded under this bill. Note: there is no limit on operating costs that may be funded through the lodging and food and beverage taxes.