HOUSE RESEARCH

Bill Summary

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Subject: Expanding the use of the existing Owatonna local sales tax

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Overview

Amends the allowed uses of revenue from the existing Owatonna local sales tax to cover $5.04 million in capitol projects. Requires a referendum at a general election to expand the use of the tax. Authorizes the city to issue bonds for the new projects and delays the expiration date, currently at 10 years, by one year for every $1.1 million or fraction thereof of additional projects authorized by the referendum.

Section

1 **Use of revenues.** Allows the following projects to be funded by the city's local sales tax provided they are approved by the voters at a general election:

- $1.05 million for the development of the Lake Chase Park and North Straight River trail projects;
- $1.49 million for additional West Hill and library complex improvement projects;
- $1 million for the Maple Creek Basin study and mitigation project; and
- $1.5 million for the 800 megahertz public safety radio system and associated outdoor warning sirens.

2 **Bonds.** Allows the city to issue bonds for the new projects in section 1 that are approved by voters at a general election without an additional referendum for the bond issuance.

3 **Termination of taxes.** Extends the existing ten years before the tax terminates by one year for every $1.1 million, or fraction thereof of projects approved by the voters under section 1.