

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 896  
**Version:** As introduced

**DATE:** March 7, 2011

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**Subject:** City of Medford local sales tax

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### Overview

Allows the city of Medford to impose a 1/2 of one percent local sales tax to repay MPFA loans for improvements for the city's water and wastewater systems.

**1 City of Medford; sales and use tax.** Allows the city to impose a 1/2 of one percent sales tax in the city of Medford to repay Minnesota Public Facility Authority Loans.

**Subd. 1. Sales and use tax authorized.** Allows the city to impose a tax of up to 1/2 of one percent if approved at the next general election.

**Subd. 2. Use of sales and use tax revenues.** Revenues from the taxes must be used to pay the costs of administration and to repay loans from the Minnesota Public Facility Authority to finance \$4.2 million of improvements to the city's water and wastewater systems.

**Subd 3. Termination of taxes.** The local sales tax ends at the earlier of (1) 20 years, or (2) when revenues raised are sufficient to repay the loans, including interest. Because of the timing requirements for termination; any excess revenues will be deposited in the city general fund. The city may choose to end the taxes at an earlier date.