

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2189

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Subject: Modifying the revenue use of the Rochester sales tax

Analyst: Pat Dalton

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Overview

Expands the cities that qualify for a portion of the \$5 million in Rochester local sales tax revenues set aside for economic development purposes in surrounding communities.

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Use of revenues. Expands the cities specifically enumerated as being eligible for a portion of the \$5 million of Rochester's local sales tax revenue set aside for economic development purposes in surrounding communities to include any other city with a population of at least 1,000 that is:

- within 25 miles of the geographic center of Rochester, and
- is closer to Rochester than to any other nonmetro city with a population of 20,000 or more.

The only city that qualifies is Wanamingo.

In 2011 the city of Rochester was allowed to extend its existing 1/2-cent local sales tax to raise an additional \$139.5 million for various projects, including \$10 million for economic development purposes; however, they are required to give one-half of the economic development money to fund economic development in surrounding communities.

Effective the day after final enactment.