

# HOUSE RESEARCH

## Bill Summary

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**Version:** As introduced

**Authors:** Normes (House)/ Hoffman and Ortman (Senate)

**Subject:** Fergus Falls local sales tax

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### Overview

Allows the city of Fergus Falls to impose a local sales tax of 1/2 of one percent to pay for acquisition and improvement of a regional community ice arena.

- 1 City of Fergus Falls; sales and use tax authorized.** Allows the city to impose a local sales tax to finance a regional ice arena.

**Subd. 1. Sales and use tax.** Allows the city of Fergus Falls to impose a local sales tax of up to 1/2 of one percent. The imposition and administration of the tax is subject to the provisions on Minnesota Statutes, section 297A.99, including the requirement for approval by the voters at a general election.

**Subd. 2. Use of revenues.** Revenues from the taxes must be used to pay the costs of administration and to pay for the acquisition and betterment of a regional ice center facility. Allowed costs include furnishing and equipment costs as well as acquisition, design, and construction costs, and associated bond costs. A dollar amount for the project is not specified in the bill.

**Subd. 3. Termination of taxes.** The tax expires when the revenues collected are sufficient to pay for the project and retire any associated bonds and bond costs. 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.