

# HOUSE RESEARCH

## Bill Summary

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

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### Overview

Allows the city of Marshall to impose a 1/2 of one percent local sales tax to pay for the Minnesota Emergency Response and Industry Training Center and the Southwest Minnesota Amateur Sports Center.

- 1 City of Marshall; sales and use tax.** Allows the city to impose a 1/2 of one percent sales tax in the city of Marshall for the indicated projects.

**Subd. 1. Authorization.** Allows the city to impose the tax in subdivision 2 at a general or special election held within two years of enactment of this section. Exempts the tax from charter limits and from subdivisions 1, 2, and 3 of Minnesota Statutes, section 297A.99, which are the statutory provisions that (1) prohibited new local taxes after May 20, 2010, (2) prohibited cities from spending money from May 2008 to May 2010 to promote a local sales tax; (3) requires a local resolution prior to seeking a local sales tax authorization; and (4) lays out the general provisions for adopting, using, and terminating a local tax such as the requirement for approval at a general election and that the tax terminate for one year after the completion of authorized projects before being re-imposed.

**Subd. 2. Sales and use tax authorized.** Allows the city to impose a tax of up to 1/2 of one percent. Includes the same exemptions from existing law and charter provisions found in subdivision 1.

**Subd. 3. Use of sales and use tax revenues.** Revenues from the taxes must be used to pay the costs of administration and to pay for new and existing facilities of the Minnesota Emergency Response and Industry Training Center and all or parts of the costs of new facilities of the Southwest Minnesota Regional Amateur Sports Center. In addition to acquisition, design, and construction costs and associated bond costs, the revenue may also be used for furnishing and equipment costs.

**Subd. 4. Bonds.** Allows the city to issue up to \$17.29 million in bonds for the projects listed in subdivision 3, based on the voter approval of the sales tax imposition. No separate vote is required for issuing the bonds and the bonds are not included in any debt or levy limit on the city.

**Subd. 5. Termination of taxes.** The local sales tax ends at the earlier of (1) 15 years, or (2) when revenues raised are sufficient to pay for the projects, including all associated 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.