

HOUSE RESEARCH

Bill Summary

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Authors: Davids (House) / Miller (Senate)

Subject: City of Lanesboro local sales tax

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Overview

Allows the city of Lanesboro to impose a 1/2 of one percent local sales tax to pay for \$800,000 of improvements for a number of specified capital projects.

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

Subd. 1. Sales and use tax authorized. Allows the city to impose a tax of up to 1/2 of one percent. The imposition of the tax was already approved by voters at the 2010 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 pay for the following projects:

- street and utility improvements along a number of specified streets,
- street lighting on State Highways 250 and 16;
- wastewater treatment facility improvements;
- utility improvements to the Lanesboro High Hazard Dam; and
- improvements to the community center, library, and city hall.

Total improvements under this section are limited to \$800,000 and associated bond costs.

Subd. 3. Bonds. Allows the city to issue up to \$800,000 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. 4. Termination of taxes. The local sales tax ends 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.