

HOUSE RESEARCH

Bill Summary

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Subject: Local sales tax in the city of Walker

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Overview

Allows the city of Walker to impose a local sales tax of 1-1/2 percent to pay the costs of underground utility, street, and sidewalk improvements as outlined in the city's 2012 capital improvement plan. The city would be allowed to issue up to \$20 million in bonds for the project, based on a November 6, 2012 referendum approving the tax. The tax would expire at the earlier of 20 years or when revenues are sufficient to pay for the improvements and any related bond costs.

Section

1 City of Walker, local taxes authorized.

Subd. 1. Sales and use tax authorized. Authorizes the city of Walker to impose a sales and use tax of up to 1-1/2 percent based on approval at a referendum at the 2012 general election. The general statutory provisions related to the imposition, administration, and collection of the tax would apply.

Subd. 2. Use of revenues. States that the revenues from the tax imposed in subdivision 1 shall be used to fund costs of underground utility, street, curb, gutter, and sidewalk improvements included in the city engineer's 2012 capital improvement plan.

Subd. 3. Bonding authority. Allows the city to issue up to \$20 million in bonds to fund the projects listed in subdivision 2, without an additional referendum.

Section

Subd. 4. Termination of the tax. The tax terminates at the earlier of 20 years or when revenues are sufficient to fund the projects in subdivision 2, plus associated bond costs. The tax may expire earlier if the city so desires.