

HOUSE RESEARCH

Bill Summary

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Subject: Allowing the city of Moose Lake to impose a local sales tax

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Overview

Allows the city of Moose Lake to impose up to ½ of one percent local sales tax to fund various city improvements. The city residents have already approved imposition of the tax at the 2012 general election. Allows the city to issue up to \$3 million in bonds for the projects without an additional referendum. The tax expires at the earlier of 20 years or when revenues are sufficient to repay the bonds, including associated bond costs.

Section

1 City of Moose Lake; taxes authorized.

Subdivision 1. Sales and use tax authorization. Allows the city to impose up to a 0.5 % sales and use tax based on voter approval at the 2012 general election. General law applies to its imposition, administration, collection and enforcement.

Subd. 2. Use of sales and use tax revenues. Allows the city to use revenues from the tax imposed in subdivision 1 for improvements to the following items:

- the city park system,
- street and related infrastructure; and
- the municipal library.

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

Section

Subd. 4. Termination of taxes. The tax in subdivision 1 terminates at the earlier of (1) 20 years after its imposition or (2) when revenues raised are sufficient to pay \$3 million in project costs plus the amount needed to cover the associated bond costs.