

HOUSE RESEARCH

Bill Summary

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Subject: Local sales tax authority for East Grand Forks

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Overview

Allows the city of East Grand Forks to impose up to a one percent sales tax to finance improvements to the city swimming pool. The voters already approved the tax at a March 7, 2016, special election. Allows the city to bond for up to \$2.82 million for the project without additional approval. The tax expires at the later of (1) five years or (2) when revenues from the tax are sufficient to pay for the \$2.82 million in improvements plus associated bond costs.

Section

1 City of East Grand Forks; taxes authorized.

Subdivision 1. Authorization. Allows the city of East Grand Forks to impose a local sales and use tax of up to one percent based on voter approval at a special election held on March 7, 2016.

Subd. 2. Use of revenues. Allows the city to use revenues from the local sales tax to fund improvements to the city swimming pool and to pay associated bond costs.

Subd. 3. Bonding authority. Allows the city to issue up to \$2.82 million in bonds to fund the swimming pool improvements without another going to the voters again. The debt is outside the city's general debt limits.

Subd. 4. Termination of taxes. The sales and use tax terminates at the later of (1) five years or (2) when revenues are sufficient to pay for \$2.82 million for the project plus the amount needed to cover associated bond costs. The city may terminate the tax earlier if it desires.