

Subject Bemidji local sales tax authority

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Overview

Allows the city of Bemidji to impose a 0.5% local sales tax to fund three projects—a water treatment plant, a wastewater treatment plant, and repair and replacement of the Sanford Event Center. If all projects are approved by the voters, the city may raise \$27 million in total for the three projects plus bond costs and the tax will expire at the earlier of (1) ten years after being imposed, or (2) when the necessary amounts are raised for the approved projects. This tax is in addition to the city's existing local sales tax of 0.5%.

Summary

| Section | Description |
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| 1 | City of Bemidji; taxes authorized. |
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Subd. 1. Sales and use tax authorization. Allows the city of Bemidji to impose a local sales and use tax of 0.5% if approved at a general election within two years of the authority being granted.

Subd. 2. Use of sales tax revenues. Allows the city to use the tax revenues to fund the following projects:

- \$8 million for a new municipal water treatment plant;
- \$10 million for expansion and improvements to the existing wastewater treatment plant; and
- \$9 million for capital repair and replacement costs for the Sanford Event Center.

The city must have separate questions on the ballot for each project and only the ones approved may be financed with the tax.

Subd. 3. Bonding authority. Allows the city to bond for any project listed in subdivision 2 that is approved by the voters. The amount of bonds that may be

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issued for each project is the amount listed in subdivision 2 plus an amount needed to cover the costs of issuing the bonds. Issuance of the bonds are not subject to a separate vote and the bonds are not included in any debt or levy limits.

Subd. 4. Termination of the tax. The tax terminates at the earlier of (1) ten years after being imposed, or (2) when revenues are sufficient to pay for the approved projects and any associated bond costs, subject to the requirements that the termination occurs at the start of a calendar quarter. Any excess revenue related to the timing of the termination goes into either the state or city general fund. The city may terminate the tax early by ordinance.



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