

Subject Cambridge local sales tax

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## Overview

Allows the city of Cambridge to impose a local sales tax of up to one-half of one percent to finance \$8 million plus associated bond costs, for a new library facility and \$14 million plus associated bond cost for street improvement and outdoor park projects. The tax expires at the earlier of December 31, 2043, or when allowed revenues are raised.

## Summary

| Section | Description   |
|---------|---|
| 1       | <p><b>City of Cambridge tax authorized.</b></p> <p><b>Subd. 1. Sales and use tax authorization.</b> Based on approval by the voters at the 2018 general election, allows the city to impose a local sales and use tax of one-half of one percent to fund the projects described in subdivision 2.</p> <p><b>Subd. 2. Use of sales and use tax revenues.</b> Allows the city to finance the following, plus associated bond costs:</p> <ul style="list-style-type: none"><li>▪ \$8 million for a new library facility including the East Central Regional Library headquarters; and</li><li>▪ \$14 million for city street improvements and outdoor park improvements projects, contained in plans approved by the city council January 22, 2019.</li></ul> <p><b>Subd. 3. Bonding authority.</b> Allows the city to issue up to \$8 million in bonds to fund the library and \$14 million in bonds for the other projects in subdivision 2 without another referendum. Excludes the bonds from the city's debt limits.</p> <p><b>Subd. 4. Termination of tax.</b> The tax terminates at the earlier of December 31, 2043, or when the city has received an amount equal to \$22 million plus associated bond costs. Any extra revenues after payment of the projects and bonds, due to the requirement that local taxes terminate at the end of calendar quarter, shall go to the city general fund. The city council may terminate the tax earlier if desired.</p> |

| Section | Description   |
|---------|---|
|         | Effective upon the city complying with the approval and filing requirements for special laws. |



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