

Subject Moorhead local sales tax authority

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## Overview

Allows the city of Moorhead to impose a 0.5% local sales tax to fund (1) a regional community and aquatics center, (2) a library and city hall complex, (3) regional transportation improvements, (4) a regional inclusive playground, and (5) the Moorhead River Corridor Trail. If all projects are approved by the voters, the city may raise \$131.5 million in total for the projects plus bond costs and the tax will expire at the earlier of (1) December 31, 2048, or (2) when the necessary amounts are raised for the approved projects.

## Summary

Section	Description
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1	<b>City of Moorhead; taxes authorized.</b>
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**Subd. 1. Sales and use tax authorization.** Allows the city of Moorhead to impose a local sales and use tax of 0.5% if approved at a general election no later than November 8, 2022, which is more than two years after the authority would be granted if enacted this session.

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

- \$25 million for a regional community and aquatics center;
- \$25.3 million for a regional library and city hall complex;
- \$75.5 million for regional transportation improvements (individual roads are listed in the resolution);
- \$1 million for a regional inclusive playground serving persons of all abilities; and

**Section**   **Description**

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- \$4.7 million for the Moorhead River Corridor Trail (various segments listed in the resolution).

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 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) December 31, 2048, 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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