

Subject City of Waite Park; local sales tax authority

Authors Theis

Analyst Alexandra Haigler

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Overview

Allows the city of Waite Park to impose a 0.5 percent local sales tax to fund three projects – a 10th Ave. regional corridor project, regional trail connections, and construction of a public safety facility. If approved by the voters, the city may raise up to \$37.5 million, plus bond costs. The tax will expire at the earlier of (1) 25 years, or (2) when the necessary amounts are raised for the approved project.

This tax is in addition to the existing local sales tax of 0.5 percent imposed in the city as part of the Central Minnesota Cities sales tax.

Summary

Section	Description
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1	City of Waite Park; taxes authorized.
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Subd. 1. Sales and use tax authorization. Allows the city of Waite Park to impose a local sales and use tax of 0.5 percent 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:

- \$10 million for the 10th Ave. regional corridor project;
- \$7.5 million for regional trail connections; and
- \$20 million for construction of a public safety facility.

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 if the tax is approved by voters. The amount of bonds that may be issued for the project is \$37.5 million plus capitalized interest and an amount

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needed to cover the cost of issuing the bonds. Issuance of the bonds is not subject to a separate vote and the bonds are not included in any debt or levy limits.

Subd. 4. Termination of taxes. The tax terminates at the earlier of (1) 25 years after being imposed, or (2) when revenues are sufficient to pay for the approved project 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, by ordinance, terminate the tax early.



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