

Subject City of Moorhead; local sales tax authority

Authors Keeler

Analyst Alexandra Haigler

Date March 10, 2021

Overview

Allows the city of Moorhead to impose a 0.5% local sales tax to fund a regional library and community center. If approved by the voters, the city may raise \$29.1 million in total for the projects plus bond costs and the tax will expire at the earlier of (1) 25 years, or (2) when the necessary amounts are raised for the approved project.

Summary

Section	Description
---------	-------------

1	City of Moorhead; taxes authorized.
---	--

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.

Subd. 2. Use of sales tax revenues. Allows the city to use the tax revenues to raise \$29.1 million for construction of a regional library and community center.

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) 25 years, 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, by ordinance, terminate the tax early.