

Subject Blackduck local sales tax

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### Overview

Allows the city of Blackduck to impose a 0.50 percent local sales tax to fund \$200,000 for a campground, \$300,000 for a walking trail, \$250,000 for a wayside rest, \$150,000 for a golf course, and \$100,000 for a library. Bond costs may be raised for the projects and the tax will expire at the earlier of (1) 20 years after being imposed, or (2) when the necessary amount is raised for the approved projects.

## Summary

| Section | Description |
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| 1 | <b>City of Blackduck; taxes authorized.</b> |
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**Subd. 1. Sales and use tax authorization.** Authorizes the city of Blackduck to impose a local sales and use tax of 0.50 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:

- \$200,000 for improvements to a city campground
- \$300,000 for improvements to a walking trail
- \$250,000 for improvements to a wayside rest
- \$150,000 for golf course irrigation equipment
- \$100,000 for reconstruction of a library

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

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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) 20 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, by ordinance, terminate the tax early.

Effective date: upon local approval and compliance under section 645.021.



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