

HOUSE RESEARCH

Bill Summary

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Authors: Hilty

Subject: Allowing a local sales tax for the city of Cloquet

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Section

1 City of Cloquet; taxes authorized. Authorizes the city of Cloquet to impose a one-half of one percent local sales tax to fund a number of projects. The tax would expire at the earlier of (1) ten years or (2) when funds sufficient to finance the authorized \$13.2 million in projects have been raised.

Subdivision 1. Sales and use tax authorized. Authorizes the city to impose a sales and use tax of one-half of one percent. Requirements under Minn. Stat. §297A.99 apply, except the city may get approval at a special election. No date is specified for holding the election.

Subd. 2. Excise tax. Allows the city to impose a \$20 per vehicle sales tax on motor vehicles sold by licensed dealers in the city.

Subd. 3. Use of revenues. Authorizes the city to spend revenues raised under subdivisions 1 and 2 for extension of utilities to and improvements of the Cloquet industrial park, and the following park and recreation projects:

- reconstruction of the Pinehurst Park swimming pool complex;
- St. Louis River Riverfront improvements;
- Veteran's Park construction;
- enhancements to the Hilltop Park soccer complex; and
- enhancements to the Braun Park baseball complex.
- No dollar limits are listed for the individual projects or the projects as a whole.

Section

Subd. 4. Bonds. Allows the city to issue up to \$9 million in bonds for the projects listed in subdivision 3, based on the referendum for the sales tax.

Subd. 5. Termination of taxes. The taxes under subdivisions 1 and 2 expire at the earlier of (1) 18 years after the tax is imposed or (2) when sufficient revenues are raised to fund the authorized projects and any related bonds.