

# HOUSE RESEARCH

## Bill Summary

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**Version:** As introduced

**Authors:** Johnson, R., and Dorn

**Subject:** Allowing a local sales tax for the city of North Mankato

**Analyst:** Pat Dalton, 651-296-7434

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### Overview

Allows the city of North Mankato to impose a one-half of one percent local sales and use tax to fund a number of projects.

#### Section

**1 City of North Mankato; taxes authorized.** Authorizes the city of North Mankato to impose a one-half of one percent local sales tax to fund a number of projects. The tax would expire at the later of (1) 15 years or (2) when funds sufficient to finance the authorized \$6 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, including approval by voters at a general election, apply.

**Subd. 2. Use of revenues.** Authorizes the city to spend revenues raised under subdivision 1 for the following projects:

- the local share of the marked Trunk Highway 14/County State-Aid Highway 41 interchange project;
- development of regional parks and hiking and biking trails;
- expansion of the North Mankato Taylor Library;

**Section**

- redevelopment of the city's central business district; and
- lake improvement projects.

The total project costs that may be funded from these tax revenues is \$6 million plus associated bond costs.

**Subd. 3. Bonds.** Allows the city to issue up to \$6 million in bonds for the projects listed in subdivision 2, based on the referendum for the sales tax.

**Subd. 4. Termination of taxes.** The taxes expires at the later of (1) 15 years after the tax is imposed or (2) when revenues are raised equal to \$6 million plus associated bond costs. Any excess revenues shall be placed in a capital facilities and equipment replacement fund of the city.