

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3410

DATE: April 3, 2006

Version: As Introduced

Authors: Poppe and Dorman

Subject: Allows the city of Austin to impose a local sales tax

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Overview

Allows the city of Austin to impose a one-half of one percent local sales and use tax to fund mitigation projects. The tax expires at the earlier of 20 years or when sufficient funds have been raised for the projects.

Section

1 City of Austin; taxes authorized. Authorizes the city of Austin to impose a one-half of one percent local sales tax to fund flood mitigation projects. The tax would expire at the earlier of (1) 20 years or (2) when funds sufficient to finance the authorized projects have been raised.

Subd. 1. Sales and use tax authorized. Authorizes the city to impose a sales and use tax of one-half of one percent, based on a referendum passed at the next general election or at a special election held before January 1, 2007. Imposition and administration requirements under Minnesota Statutes, section 297A.99 apply.

Subd. 2. Use of revenues. Authorizes the city to spend revenues raised under subdivision 1 to fund capital and administration costs of flood mitigation projects.

Subd. 3. Termination of taxes. The tax under subdivision 1 expires at the earlier of (1) 20 years after the tax is imposed or (2) when sufficient revenues are raised to fund the specified projects.