

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3749

DATE: April 3, 2006

Version: As introduced

Authors: Howes

Subject: Allowing a local sales tax for the city of Breezy Point

Analyst: Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

Allows the city of Breezy Point to impose a local sales tax of one-half of one percent and a \$20 motor vehicle excise tax to fund a number of projects. The taxes expire at the earlier of (1) 15 years, or (2) when revenues are sufficient to pay \$11 million of project costs plus any associated bond costs.

Section

1 City of Breezy Point; taxes authorized. Authorizes the city of Breezy Point 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) 15 years or (2) when funds sufficient to finance the authorized \$11 million in 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. The tax must be approved by voters at the next general election. Imposition and administration requirements under Minnesota Statutes, section 297A.99 apply.

Subd. 2. Excise tax authorized. Allows the city to impose a \$20 excise on all motor vehicles sales made by dealer located in the city.

Subd. 3. Use of Revenues. Allows the city to use revenues from the taxes imposed in subdivisions 1 and 2 to fund the following:

Section

- sanitary sewer infrastructure,
- storm sewer infrastructure
- street sewer infrastructure; and
- public safety improvements.

The voters must approve the specific projects in the authorizing referendum.

Subd. 4. Bonds. Allows the city to issue up to \$11 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 expires at the earlier of (1) 15 years after the tax is imposed or (2) when revenues are raised equal to \$11 million plus associated bond costs.