

# HOUSE RESEARCH

## Bill Summary

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**Authors:** Dill

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

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### Overview

Allows the city of Ely to impose a one percent local sales tax to fund a number of local projects.

#### Section

**1** **City of Ely; taxes authorized.** Authorizes the city of Ely to impose a one percent local sales tax to fund a number of projects. The tax would expire at the earlier of (1) 20 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 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:

- any project that could be funded with special assessments;
- development and redevelopment of the central business district;
- business park development;
- development of a small business incubator;

**Section**

- development of a technology center; and
- improvements to the city hall and community center to comply with the American's with Disability's Act.

**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 earlier of (1) 20 years after the tax is imposed or (2) when revenues are raised equal to \$6 million plus associated bond costs.