

HOUSE RESEARCH

Bill Summary

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Subject: Modify Proctor's existing local sales tax

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Overview

This bill allows the city of Proctor to impose an additional one-half cent sales tax on top of their existing one-half-cent sales tax to pay for various capital improvement projects including streets, public utilities, sidewalks, bikeways and trails, and parks and recreation. Allows them to bond for up to \$7.2 million for the projects.

The existing law requires the Proctor tax to expire when authorized bonds and associated bond costs are repaid. The current tax expires when sufficient revenues are raised to pay off \$3.6 million in debt on existing projects. It is unclear if the two parts of the tax can expire at different times.

Section

- 1 Proctor sales and use tax.** Allows the city of Proctor to impose an additional one-half cent sales tax on top of their existing one-half-cent sales tax if approved at the next general election. Although not explicitly stated, all the provisions of the general statute apply to the imposition, collection, and administration of the tax.
- 2 Use of Revenues.** States that the proceeds from the additional tax must be used to fund various capital improvement projects including streets, public utilities, sidewalks, bikeways and trails, and parks and recreation. The general statute requires that a specific capital project be identified at least 90 days before the required referendum.
- 3 Bonding authority.** Allows the city to issue up to \$7.2 million in bonds, based on the authorizing referendum to fund the new projects.