

Subject City of Blue Earth local sales tax

Authors Gunther

Analyst Pat Dalton

Date March 1, 2019

## Overview

Allows the city of Blue Earth to impose a local sales tax of one-half of one percent to finance \$5 million plus associated bond costs for sewer plant improvements, street reconstruction projects, and recreational amenities. The tax expires at the earlier of 25 years or when allowed revenues are raised.

## Summary

Section	Description
1	<p><b>City of Blue Earth tax authorized.</b></p> <p><b>Subd. 1. Sales and use tax authorization.</b> Based on approval by the voters at the 2018 general election, allows the city to impose a local sales and use tax of one-half of one percent to fund the projects described in subdivision 2.</p> <p><b>Subd. 2. Use of sales and use tax revenues.</b> Allows the city to finance \$5 million, plus associated bond costs, for the following projects:</p> <ul style="list-style-type: none"><li>• sewer improvements;</li><li>• street reconstruction; and</li><li>• recreational amenities.</li></ul> <p><b>Subd. 3. Bonding authority.</b> Allows the city to issue up to \$5 million in bonds to fund the projects in subdivision 2 without another referendum. Excludes the bonds from the city's debt limits.</p> <p><b>Subd. 4. Termination of tax.</b> The tax terminates at the earlier of 25 years or when the city has received an amount equal to \$5 million plus associated bond costs. Any extra revenues after payment of the projects and bonds, due to the requirement that local taxes terminate at the end of calendar quarter, shall go to the city general fund. The city council may terminate the tax earlier if desired.</p> <p>Effective upon the city complying with the approval and filing requirements for special laws.</p>



**MN HOUSE  
RESEARCH**

*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn/hrd](http://www.house.mn/hrd) | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155