

Subject City of Cloquet; local sales tax authority

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Overview

Allows the city of Cloquet to impose a 0.5 percent local sales tax to fund two projects—the renovation and expansion of the Pine Valley Regional Park Project, and the restoration of the Cloquet Ice Arena. If approved by the voters, the city may raise up to \$8,150,200, plus bond costs. The tax will expire at the earlier of 1) ten years, or 2) when the necessary amounts are raised for the approved project.

This will be in addition to the city's existing 0.5 percent local sales tax.

Summary

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| 1 | City of Cloquet; taxes authorized. |
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Subd. 1. Sales and use tax authorization. Allows the city of Cloquet to impose a local sales and use tax of 0.5 percent if approved at a general election within two years of the authority being granted.

Subd. 2. Use of sales tax revenues. Allows the city to use the tax revenues to fund the following projects:

- \$2,124,700 for the Pine Valley Regional Park Project which includes ski jump repairs, chalet replacement, and infrastructure improvements; and
- \$6,025,500 for the restoration and repair of the Cloquet Ice Arena.

The city must have separate questions on the ballot for each project and only the ones approved may be financed with the tax.

Subd. 3. Bonding authority. Allows the city to bond for any project listed in subdivision 2 if the tax is approved by voters. The amount of bonds that may be issued for the project is \$8,150,200 plus capitalized interest and an amount needed to cover the cost of issuing the bonds. Issuance of the bonds is not

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subject to a separate vote and the bonds are not included in any debt or levy limits.

Subd. 4. Termination of taxes. The tax terminates at the earlier of (1) ten years after being imposed, or (2) when revenues are sufficient to pay for the approved project and any associated bond costs, subject to the requirements that the termination occurs at the start of a calendar quarter.

Any excess revenue related to the timing of the termination goes into either the state or city general fund. The city may, by ordinance, terminate the tax early.



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