



Administrative Services Office

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Rep. Greg Davids
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Sen. Carla Nelson
3235 Minnesota Senate Bldg.
St. Paul, MN 55155

Sen. Ann Rest
2217 Minnesota Senate Bldg.
St. Paul, MN 55155

January 29, 2021

To: Senate Committee Chairs, Representative Committee Chairs

Thank you for considering a special legislative sales tax for constructing a public works building. Attached is the signed County Board resolution.

Regional significance for a public works building is as follows:

- Mille Lacs County currently has shared responsibility agreements with four neighboring counties;
- Mille Lacs County maintains a portion of the Soo Line Trail which benefits regional users as it run through several counties;
- Mille Lacs County maintains a Minnesota Department of Transportation (MnDOT) area GPS repeater which benefits adjacent counties and anyone on the north end of the county;
- Mille Lacs County has a mutual aid agreement with MnDOT to assist with snowplowing should there be a situation in which DOT crews become shorthanded;
- The most recent relationship with DOT is to assist potential Covid-19 outbreak for either agency crews.

The estimated total cost for the public works building project is \$ 10,000,000, expected revenue for a ½ of 1 % special legislative sales is approximately \$ 1,500,000 year. The estimated time to raise the projected revenue in order to pay off the bond debt service is 8 years depending on the bond debt service amortization schedule.

Sincerely,

Pat Oman
County Administrator

MILLE LACS COUNTY, MINNESOTA

RESOLUTION NO. 12-29-2020-02

**A RESOLUTION APPROVING A LOCAL SALES TAX AND
AUTHORIZING ACTIONS TO BE TAKEN BY THE COUNTY IN
CONNECTION WITH SUCH TAXES**


BE IT RESOLVED By the Board of Commissioners (the "Board") of Mille Lacs County, Minnesota (the "County"), as follows:

1. The County has several proposed projects and improvements the capital and operating costs of which cannot be adequately funded with existing resources. The County desires to submit a proposal to the Minnesota Legislature to allow the County to propose a 0.5% local sales tax to be imposed on the gross receipts from retail sales in the County. The proceeds of the sales taxes would be used to pay the capital costs of constructing the projects described below.
2. Minnesota Statutes, Section 297A.99 provides, in part, that a political subdivision may impose a local sales tax if permitted by special law and if approved by the voters of the political subdivision, and that before a governing body requests legislative approval of a special law for a local sales tax, the governing body must adopt a resolution indicating approval of the tax. The resolution must also provide the following: the proposed tax rate; how the revenues will be used; documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside the jurisdiction; the total revenue that will be raised before the tax expires; and the estimated length of time the tax will be in effect.
3. The Board hereby approves a local sales tax in the amount of 0.5%, if approved by the voters of the County.
4. The revenues derived from imposition of the sales tax will be used to pay the capital costs of constructing a public works building.
5. The public works building has regional significance due to the fact that the County completes plowing and road maintenance in all seven counties that are adjacent to the County through mutual aid agreements or similar agreements. In addition, the County is a party to various mutual aid agreements with the State of Minnesota to conduct road maintenance and plowing on state roads located outside the County.
6. The total revenue that will be raised before the sales tax expires is estimated to be \$10,000,000 for the length of time the sales tax will be in effect. The sales tax will be in effect until the capital and operating costs of the projects referenced above are paid or ___ years after imposition of the sales, whichever is earlier.
7. The Administrator of the County is hereby authorized to take all actions which the Administrator determines to be necessary or appropriate, and in accordance with applicable laws of the State of Minnesota, to prepare and submit to the Minnesota Legislature for enactment a special law authorizing the local sales tax referred to in this resolution.

Approved by the Board of Commissioners of Mille Lacs County, Minnesota this 29th day of December, 2020.



Roger Tellinghuisen
County Board Chairman



Pat Oman
County Administrator

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