

**Subject** Rochester local sales tax

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## Overview

Allows the city of Rochester to extend its currently authorized 0.50 percent local sales tax to fund \$50 million for a housing fund, \$50 million for street reconstruction, \$40 million for flood control, and \$65 million for a community and recreation complex, and \$65 million for a community and recreation complex. Bond costs may be raised for the projects and the tax will expire at the earlier of (1) 24 years after being imposed, or (2) when the necessary amount is raised for the approved projects.

The city also currently imposes a 0.25 percent tax authorized in 2013 for the city's share of the destination medical center infrastructure costs.

## Summary

Section	Description
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1	<b>Authorization; extension.</b>
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Authorizes the city of Rochester to impose a local sales and use tax of 0.50 percent if approved at a general election within two years of the authority being granted.

2	<b>Use of sales tax revenues; additional projects.</b>
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Allows the city to use the tax revenues to fund the following projects:

- \$50 million for the housing vitality fund
- \$50 million for street reconstruction
- \$40 million for flood control and water qualify
- \$65 million for a regional community and recreation complex.

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

Section	Description
3	<p><b>Bonding authority; additional projects and extension of tax.</b></p> <p>Allows the city to bond for any project listed in section 2 that is approved by the voters. The amount of bonds that may be issued for each project is the amount listed in section 2 plus an amount needed to cover the costs of issuing the bonds. Issuance of the bonds are not subject to a separate vote and the bonds are not included in any debt or levy limits.</p>
4	<p><b>Termination of taxes.</b></p> <p>The tax terminates at the earlier of (1) 24 years after being imposed, or (2) when revenues are sufficient to pay for the approved projects and any associated bond costs, subject to the requirements that the termination occurs at the start of a calendar quarter.</p> <p>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.</p> <p>Effective date: upon local approval and compliance under section 645.021.</p>



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