Overview

Allows the City of Proctor to impose a ½ percent local sales and use tax and a $20 excise tax on motor vehicle sales in the city. The revenues from the taxes may be used to pay for construction and improvements of streets and sidewalks, bikeways and trails, and building and equipping the community activity center. The tax expires when $3.6 million plus associated bond costs have been raised. The tax may only be imposed if approved at the first general or special municipal election held after the enactment of this bill.

1 City of Proctor; taxes authorized.

Subd. 1. Sales and use tax. Allows the city of Proctor to impose a ½ percent sales and use tax. Requires that the tax be approved by the voters at the next general or special municipal election in order to impose the tax.

Subd. 2. Excise tax. Allows the city to also impose a $20 excise tax on motor vehicles sales made by a dealer within the city.

Subd. 3. Use of revenues. Allows the city to use revenues raised by these taxes for up to $3.6 million in expenses related to construction and improvements of the following:

- streets and sidewalks;
- bikeways and matching funds for trails; and
- constructing and equipping the Proctor community activity center.

Subd. 4. Bonding authority. Allows the city to levy bonds for these projects without subjecting the bonds to referendum or to debt limits. The total of the bonds authorized under this subdivision plus any direct expenditures for the projects that are paid under subdivision 3 can not exceed $3.6 million. The cost of issuing the bonds, including any interest paid on the bonds, is not included in the $3.6 million.

Subd. 5. Termination of taxes. The taxes authorized under subdivisions 1 and 2 expire when the taxes have raised an amount equal to $3.6 million plus associated bond costs. The city has
the option to terminate the taxes earlier date by ordinance.

Subd. 6. Effective date. Effective the day after local approval by the Proctor city council.