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**Subject:** Allows the city of Fairmont to impose a local sales tax for various projects

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## Overview

Allows the city of Fairmont to impose a local sales tax of up to one-half of one percent to fund up to \$15 million capital and administrative costs for recreational amenities, trails, and a community center. The voters approved this at the 2016 general election. The city would be authorized to issue bonds for these projects without an additional vote. The tax would expire at the earlier of 25 years or when revenues are sufficient to cover the \$15 million plus any associated bond costs.

### Section

#### **1 City of Fairmont; taxes authorized.**

**Subd. 1. Sales and use tax authorization.** Allows the city of Fairmont to impose up to a one-half of one percent local sales tax, based on voter approval at the 2016 general election.

**Subd. 2. Use of sales and use tax revenue.** Allows the city to use revenue from the local sales tax to fund up to \$15 million in capital and administrative costs of constructing and funding recreational amenities, trails, and a community center.

**Subd. 3. Bonding authority.** Allows the city to issue up to an amount equal to \$15 million without additional voter approval. The bonds are not included in computing the city's debt limit.

**Subd. 4. Termination of tax.** The tax terminates at the earlier of 25 years after imposition or when funds are sufficient to pay the \$15 million plus associated bond costs. The council may choose to terminate the tax at an earlier date.