

Subject Itasca County local sales tax authority

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## Overview

Allows Itasca County to impose a 1.0% local sales tax to fund a correctional facility and related construction or upgrades to court facilities and other county offices. If the project is approved by the voters, the city may raise \$75 million for the project plus bond costs and the tax will expire at the earlier of (1) 30 years after being imposed, or (2) when the necessary amounts are raised for the approved project.

## Summary

Section	Description
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1	<b>Itasca County; taxes authorized.</b>
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**Subd. 1. Sales and use tax authorization.** Allows Itasca County to impose a local sales and use tax of 1.0% if approved at a general election within two years of the authority being granted.

**Subd. 2. Use of sales and use tax revenues.** Allows the county to use the tax revenues to fund the \$75 million for construction of a correctional facility and construction or upgrades to related court facilities and county offices.

**Subd. 3. Bonding authority.** Allows the county to bond for the project in subdivision 2 if approved by the voters. The amount of bonds that may be issued for each project is the amount listed in subdivision 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.

**Subd. 4. Termination of the tax.** The tax terminates at the earlier of (1) 30 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 county may terminate the tax early by ordinance.



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