

Subject East Grand Forks local sales tax authority

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Overview

Allows the city of East Grand Forks to impose a 1 percent local sales tax to fund two projects – construction and improvement to indoor and outdoor ice arenas, and construction of new, and improvements to, existing softball and baseball fields. If both projects are approved by the voters, the city may raise \$26.5 million in total for the two projects 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 projects. This tax is in addition to the city's existing local sales tax of 1 percent.

Summary

Section	Description
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1	City of East Grand Forks; taxes authorized.
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Subd. 1. Sales and use tax authorization. Allows the city of East Grand Forks to impose a local sales and use tax of 1 percent if approved at a general election within two years of the authority being granted. This is in addition to the city's existing 1 percent sales tax.

Subd. 2. Use of sales tax revenues. Allows the city to use the tax revenues to fund the following projects:

- \$24 million for construction of improvements to indoor and outdoor ice arenas, the Civic Center, the VFW Arena, and the Blue Line Arena; and
- \$2.5 million for construction of new baseball and softball fields and improvements to existing softball and baseball fields.

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

Subd. 3. Bonding authority. Allows the city to bond for any project listed in subdivision 2 that is approved by the voters. The amount of bonds that may be

Section **Description**

issued for each project is the amount listed in subdivision 2 plus capitalized interest and 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 projects 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 city may terminate the tax early by ordinance.



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