

Subject Duluth local sales tax

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Date February 21, 2019

Overview

Allows the city of Duluth to raise its existing local sales tax from one percent to 1.5 percent. Revenues from the increased tax must be used to fund street, cutter, curb, sidewalk, bridge, and related lighting and signal improvements. The amount to be raised is unspecified. The tax expires at the earlier of 25 years or when the city council determines sufficient revenues are raised.

Summary

Section	Description
1	<p>City of Duluth local sales tax special law.</p> <p>Paragraph (a). Corrects an obsolete cross reference in the city's existing law.</p> <p>Paragraph (b). Based on approval by the voters at the city's 2017 general election, allows the city to increase its existing local sales tax from one percent to 1.5 percent. Revenues from the additional half cent must be used for the projects listed in paragraph (c).</p> <p>Paragraph (c). Requires the city to spend revenues from the extra one-half cent sales tax on streets, bridges, and associated projects included in the Duluth Street Improvement Plan 2017 as of August 8, 2017.</p> <p>Paragraph (d). Allows the city to issue bonds to fund the projects in subdivision 2 without another referendum until the extra tax terminates. No limit is placed on the amount of bonds to be issued. Excludes the bonds from the city's debt limits.</p> <p>Paragraph (e). Requires the extra one-half cent to terminate at the earlier of 30 years or when the city council determines that it has received sufficient revenues to cover the projects plus associated bond costs. Any extra revenues not needed to pay for the projects or associated bonds go to the city general fund. The city council may terminate the tax early if desired.</p> <p>Effective upon the city complying with the approval and filing requirements for special laws.</p>



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