

Subject Scanlon local sales tax

Authors Sundin and others

Analyst Pat Dalton

Date February 28, 2019

## Overview

Allows the city of Scanlon to impose a local sales tax of up to one-half of one percent to finance \$400,000 plus associated bond costs for street improvement and utility infrastructure projects. The tax expires at the earlier of ten years or when allowed revenues are raised.

## Summary

Section	Description
1	<p><b>City of Scanlon tax authorized.</b></p> <p><b>Subd. 1. Sales and use tax authorization.</b> Based on approval by the voters at the 2018 general election, allows the city to impose a local sales and use tax of up to one-half of one percent to fund the projects described in subdivision 2.</p> <p><b>Subd. 2. Use of sales and use tax revenues.</b> Allows the city to finance \$400,000, plus associated bond costs, for city street improvements and utility infrastructure projects, including storm sewer and sanitary sewer improvements.</p> <p><b>Subd. 3. Bonding authority.</b> Allows the city to issue up to \$400,000 in bonds to fund the projects in subdivision 2 without another referendum. Excludes the bonds from the city's debt limits.</p> <p><b>Subd. 4. Termination of tax.</b> The tax terminates at the earlier of ten years or when the city has received an amount equal to \$400,000 plus associated bond costs. Any extra revenues after payment of the projects and bonds, due to the requirement that local taxes terminate at the end of calendar quarter, shall go to the city general fund. The city council may terminate the tax earlier if desired.</p>

Effective upon the city complying with the approval and filing requirements for special laws.



**MN HOUSE  
RESEARCH**

*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn/hrd](http://www.house.mn/hrd) | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155