

Subject Little Falls local sales tax authority

Authors Kresha

Analyst Pat Dalton

Date March 4, 2020

Overview

Allows the city of Little Falls to impose a 0.5% local sales tax to fund a community recreational facility which will include outdoor aquatic facilities. If approved by the voters, the city may raise \$17 million for the project plus bond costs, including capitalized interest. 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	City of Little Falls; taxes authorized.
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Subd. 1. Sales and use tax authorization. Allows the city of Little Falls to impose a local sales and use tax of 0.5% if approved at a general election within two years of the authority being granted.

Subd. 2. Use of sales tax revenues. Allows the city to use the tax revenues to fund \$17 million for a community recreational facility that includes a gym, indoor track, multi-purpose meeting and education rooms, and outdoor aquatic facilities.

Subd. 3. Bonding authority. Allows the city to bond for the project listed in subdivision 2 if the tax is approved by the voters. The amount of bonds that may be issued for the project is \$17 million plus capitalized interests 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

Section **Description**

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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