

Subject St. Cloud local sales tax authority

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Overview

Allows the city of St. Cloud to impose a 0.5 percent local sales tax to fund five projects – four specified road projects and expansion and improvement to the Municipal Athletic Complex. If all projects are approved by the voters, the city may raise \$113.8 million in total for the five projects plus bond costs. The tax will expire at the earlier of (1) March 31, 2041, 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 0.5 percent imposed as part of the Central Minnesota Cities sales tax.

Summary

Section	Description
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1	City of St. Cloud; taxes authorized.
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Subd. 1. Sales and use tax authorization. Allows the city of St. Cloud to impose a local sales and use tax of 0.5 percent 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 the following projects:

- \$24 million for improvements on a segment of 2nd/ 3rd Street North;
- \$23 million for improvements on a contiguous project encompassing 16th Street S./Traverse Road/22nd Street S.;
- \$16.5 million for improvements on a contiguous project encompassing County Road 136/Oak Grove Road/ Marine Prairie Road;
- \$21.6 million for improvements for a contiguous project encompassing Lincoln Ave./4th Street SE/7th Street SE; and

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- \$28.7 million for expansion and improvements of the Municipal Athletic Complex.

The city must have separate questions on the ballot for each of the three projects 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 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 is 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) March 31, 2041, 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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