

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1766

02/27/2019 Authored by Gunther
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; authorizing the city of Blue Earth to impose a local sales and
1.3 use tax and issue bonds for specified projects.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. CITY OF BLUE EARTH; LOCAL TAX AUTHORIZED.

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.7 section 477A.016, or any other law, ordinance, or city charter, and as approved by the voters
1.8 at the general election of November 6, 2018, the city of Blue Earth may impose by ordinance
1.9 a sales and use tax of one-half of one percent for the purposes specified in subdivision 2.
1.10 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
1.11 297A.99, govern the imposition, administration, collection, and enforcement of the tax
1.12 authorized under this subdivision.

1.13 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.14 under subdivision 1 must be used by the city of Blue Earth to pay the costs of collecting
1.15 and administering the tax and to finance the capital and administrative costs of constructing
1.16 and funding sewer plant improvements, street reconstruction projects, and recreational
1.17 amenities. The total that may be raised from the tax to pay for these projects is limited to
1.18 \$5,000,000, plus the costs related to the issuance and paying debt service on bonds for these
1.19 projects.

1.20 Subd. 3. Bonding authority. (a) The city of Blue Earth may issue bonds under Minnesota
1.21 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
1.22 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
1.23 not exceed \$5,000,000, plus an amount to be applied to the payment of the costs of issuing

2.1 the bonds. The bonds may be paid from or secured by any funds available to the city of
2.2 Blue Earth, including the tax authorized under subdivision 1. The issuance of bonds under
2.3 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

2.4 (b) The bonds are not included in computing any debt limitation applicable to the city
2.5 of Blue Earth, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
2.6 principal and interest on the bonds is not subject to any levy limitation. A separate election
2.7 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

2.8 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
2.9 earlier of : (1) 25 years after the tax is first imposed; or (2) when the city council determines
2.10 that \$5,000,000, plus an amount sufficient to pay the costs related to issuing the bonds
2.11 authorized under subdivision 3, including interest on the bonds, has been received from the
2.12 tax to pay for the cost of the projects authorized under subdivision 2. Any funds remaining
2.13 after payment of all such costs and retirement or redemption of the bonds due to timing of
2.14 the termination under Minnesota Statutes, section 297A.99, shall be placed in the general
2.15 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
2.16 city so determines by ordinance.

2.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.18 city of Blue Earth and its chief clerical officer comply with Minnesota Statutes, section
2.19 645.021, subdivisions 2 and 3.