

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2253

(SENATE AUTHORS: EKEN)

DATE
03/27/2017

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; sales and use; authorizing the city of Detroit Lakes to impose
1.3 a local sales and use tax to fund specified capital improvements.

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

1.5 Section 1. **CITY OF DETROIT LAKES; TAX AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax. Notwithstanding Minnesota Statutes, section 297A.99,
1.7 subdivision 3, paragraph (a), or 477A.016, or any other provision of law, ordinance, or city
1.8 charter, the city of Detroit Lakes, if approved by the voters at a general election or special
1.9 election held on the first Tuesday after the first Monday in November held within two years
1.10 from the date of final enactment of this section, may impose by ordinance a sales and use
1.11 tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as
1.12 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
1.13 imposition, administration, collection, and enforcement of the tax authorized under this
1.14 subdivision.

1.15 Subd. 2. Use of revenues. (a) Revenues received from taxes authorized by subdivision
1.16 1 must be used by the city to pay the cost of collecting the taxes and to pay for all or a part
1.17 of the following:

1.18 (1) \$8,000,000 for wastewater treatment plant improvements;

1.19 (2) \$3,200,000 for construction and improvement to and equipment incorporated into
1.20 regional recreational facilities including Washington Ballfield, Kent Freeman Sports Arena,
1.21 Detroit Lakes Community and Cultural Center, and Detroit Mountain Recreation Area;

2.1 (3) \$6,100,000 for construction and improvement to regional service facilities including
2.2 Detroit Lakes Public Library, Detroit Lakes Police Department, and Boys and Girls Club
2.3 of Detroit Lakes;

2.4 (4) \$2,000,000 for engineering and construction of storm sewer infrastructure
2.5 improvements;

2.6 (5) \$3,300,000 for Detroit Lake lakefront development including improvement to the
2.7 pavilion and city park; and

2.8 (6) \$3,400,000 for street, lighting, parking, sidewalk, and trail improvements to
2.9 Washington Avenue and West Lake Drive.

2.10 (b) Authorized expenses include, but are not limited to, acquiring property, engineering,
2.11 and construction expenses related to these improvements, and paying debt service on bonds
2.12 or other obligations issued to finance acquisition and construction of these improvements.

2.13 Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
2.14 chapter 475, to pay capital and administrative expenses for the improvements described in
2.15 subdivision 2 in an amount that does not exceed \$26,000,000. An election to approve the
2.16 bonds under Minnesota Statutes, section 475.58, is not required.

2.17 (b) The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
2.18 sections 275.60 and 275.61.

2.19 (c) The debt represented by the bonds is not included in computing any debt limitation
2.20 applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to
2.21 pay principal of and interest on the bonds is not subject to any levy limitation.

2.22 Subd. 4. **Termination of tax.** The tax imposed under subdivision 1 expires at the earlier
2.23 of (1) 25 years, or (2) when the city council determines that the amount of revenues received
2.24 from the taxes to finance the improvements described in subdivision 2 first equals or exceeds
2.25 \$26,000,000, plus the additional amount needed to pay the costs related to issuance of bonds
2.26 under subdivision 3, including interest on the bonds. Any funds remaining after completion
2.27 of the project and retirement or redemption of the bonds may be placed in the general fund
2.28 of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
2.29 determines by ordinance.

2.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.31 city of Detroit Lakes and its chief clerical officer comply with Minnesota Statutes, section
2.32 645.021, subdivisions 2 and 3.