

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-SECOND SESSION**

**S.F. No. 3471**

(SENATE AUTHORS: DAHMS and Weber)

DATE  
02/24/2022

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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; local sales and use; extending the authority for the city of  
 1.3 Marshall local sales and use tax; amending Laws 2011, First Special Session  
 1.4 chapter 7, article 4, section 14.

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

1.6 Section 1. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended  
 1.7 to read:

1.8 Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

1.9 Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99,  
 1.10 subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of  
 1.11 Marshall, if approved by the voters at a general election held within two years of the date  
 1.12 of final enactment of this section, may impose the tax authorized under subdivision 2. Two  
 1.13 separate ballot questions must be presented to the voters, one for each of the two facility  
 1.14 projects named in subdivision 3.

1.15 Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance  
 1.16 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision  
 1.17 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2,  
 1.18 govern the imposition, administration, collection, and enforcement of the tax authorized  
 1.19 under this subdivision.

1.20 Subd. 2a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section  
 1.21 297A.99, subdivisions 1 and 3, paragraph (d), or 477A.016, or any other law, ordinance,  
 1.22 or city charter, after payment of the bonds authorized under subdivision 4, and if approved

2.1 by the voters at a general election as required under Minnesota Statutes, section 297A.99,  
 2.2 subdivision 3, the city of Marshall may extend the sales and use tax of one-half of one  
 2.3 percent authorized under subdivision 2 for the purposes specified in subdivision 3a. Except  
 2.4 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,  
 2.5 govern the imposition, administration, collection, and enforcement of the tax authorized  
 2.6 under this subdivision. The tax imposed under this subdivision is in addition to any local  
 2.7 sales and use tax imposed under any other special law.

2.8 Subd. 3. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 2.9 under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and  
 2.10 administering the sales and use tax and to pay all or part of the costs of the new and existing  
 2.11 facilities of the Minnesota Emergency Response and Industry Training Center and all or  
 2.12 part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports  
 2.13 Center. Authorized expenses include, but are not limited to, acquiring property, predesign,  
 2.14 design, and paying construction, furnishing, and equipment costs related to these facilities  
 2.15 and paying debt service on bonds or other obligations issued by the city of Marshall under  
 2.16 subdivision 4 to finance the capital costs of these facilities.

2.17 Subd. 3a. **Use of sales and use tax revenues; aquatic center.** The revenues derived  
 2.18 from the extension of the tax authorized under subdivision 2a must be used by the city of  
 2.19 Marshall to pay the costs of collecting and administering the tax and paying for \$16,000,000  
 2.20 plus associated bonding costs for the construction of a new municipal aquatic center in the  
 2.21 city, including securing and paying debt service on bonds issued to finance the project.

2.22 Subd. 4. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,  
 2.23 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all  
 2.24 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds  
 2.25 to refund bonds previously issued. The aggregate principal amount of bonds issued under  
 2.26 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment  
 2.27 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds  
 2.28 available to the city of Marshall, including the tax authorized under subdivision 2.

2.29 (b) The bonds are not included in computing any debt limitation applicable to the city  
 2.30 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
 2.31 and interest on the bonds, is not subject to any levy limitation. A separate election to approve  
 2.32 the bonds under Minnesota Statutes, section 475.58, is not required.

2.33 Subd. 4a. **Bonds; additional use and extension of tax.** (a) After payment of the bonds  
 2.34 authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota

3.1 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
3.2 subdivision 2a and approved by the voters as required under Minnesota Statutes, section  
3.3 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
3.4 under this subdivision may not exceed \$16,000,000, plus an amount to be applied to the  
3.5 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any  
3.6 funds available to the city of Marshall, including the tax authorized under subdivision 2a.  
3.7 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections  
3.8 275.60 and 275.61.

3.9 (b) The bonds are not included in computing any debt limitation applicable to the city  
3.10 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
3.11 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
3.12 the bonds under Minnesota Statutes, section 475.58, is not required.

3.13 **Subd. 5. Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the  
3.14 earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines  
3.15 that the amount of revenues received from the tax to pay for the capital and administrative  
3.16 costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to  
3.17 be spent for the facilities plus the additional amount needed to pay the costs related to  
3.18 issuance of the bonds under subdivision 4, including interest on the bonds. Any funds  
3.19 remaining after payment of all such costs and retirement or redemption of the bonds shall  
3.20 be placed in the general fund of the city. The tax imposed under subdivision 2 may expire  
3.21 at an earlier time if the city so determines by ordinance.

3.22 (b) The tax imposed under subdivision 2a expires at the earlier of (1) 30 years after the  
3.23 tax under subdivision 2 is first imposed, or (2) when the city council determines that the  
3.24 amount of revenues received from the tax is sufficient to pay for the project costs authorized  
3.25 under subdivision 3a for the project approved by the voters as required under Minnesota  
3.26 Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay  
3.27 the costs related to issuance of the bonds under subdivision 4a, including interest on the  
3.28 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision  
3.29 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing  
3.30 of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12,  
3.31 shall be placed in the general fund of the city. The tax imposed under subdivision 2a may  
3.32 expire at an earlier time if the city so determines by ordinance.

3.33 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing  
3.34 body of the city of Marshall with Minnesota Statutes, section 645.021, subdivisions 2 and  
3.35 3.