

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 388

(SENATE AUTHORS: RUUD)

DATE
01/26/2017

D-PG

Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; authorizing the Garrison, Kathio, West Mille Lacs Lake
1.3 Sanitary District to impose a local sales and use tax.

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

1.5 Section 1. **GARRISON, KATHIO, WEST MILLE LACS LAKE SANITARY**
1.6 **DISTRICT; TAXES AUTHORIZED.**

1.7 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.8 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, and as approved by
1.9 the voters at the November 8, 2016, general election, the Garrison, Kathio, West Mille Lacs
1.10 Lake Sanitary District may impose, by majority vote of the governing body of the district,
1.11 a sales and use tax of up to one percent for the purposes specified in subdivision 2. Except
1.12 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
1.13 govern the imposition, administration, collection, and enforcement of the tax authorized
1.14 under this subdivision.

1.15 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.16 under subdivision 1 must be used by the Garrison, Kathio, West Mille Lacs Lake Sanitary
1.17 District to pay the costs of collecting and administering the tax and to repay general obligation
1.18 revenue notes issued or other debt incurred for the construction of the wastewater collection
1.19 system through the Minnesota Public Facilities Authority, general obligation disposal system
1.20 bonds issued to finance the expense incurred in financing construction of sewer system
1.21 improvements, and notes payable issued for costs associated with the sewer services
1.22 agreement between the Garrison, Kathio, West Mille Lacs Lake Sanitary District and ML
1.23 Wastewater Inc., and any other costs associated with system maintenance and improvements,

2.1 including extension of the system to unserved customers as determined by the governing
2.2 body of the district.

2.3 Subd. 3. **Bonds.** The Garrison, Kathio, West Mille Lacs Lake Sanitary District, pursuant
2.4 to the approval of the voters at the November 8, 2016, referendum authorizing the imposition
2.5 of the tax under this section, may issue general obligation disposal system bonds for financing
2.6 construction of sewer system improvements without a separate election required under
2.7 Minnesota Statutes, section 442.25 or 475.58. The amount of bonds that may be issued
2.8 without a separate election is equal to \$10,000,000 minus the amount of the tax revenue
2.9 under this section committed to repay other notes as allowed under subdivision 2.

2.10 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
2.11 earlier of: (1) 20 years after the tax is first imposed; or (2) when the governing body of the
2.12 Garrison, Kathio, West Mille Lacs Lake Sanitary District determines that \$10,000,000 has
2.13 been received from the tax to pay for the costs authorized under subdivision 2. Any funds
2.14 remaining after payment of all such costs and retirement or redemption of the bonds shall
2.15 be placed in the general fund of the district. The tax imposed under subdivision 1 may expire
2.16 at an earlier time if the governing body of the district so determines.

2.17 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing
2.18 body of the Garrison, Kathio, West Mille Lacs Lake Sanitary District with Minnesota
2.19 Statutes, section 645.021, subdivisions 2 and 3.