SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 41

1.1   A bill for an act

1.2   relating to taxation; sales and use; authorizing the city of Excelsior to impose a
1.3   local sales and use tax.

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

1.5   Section 1. **CITY OF EXCELSIOR; TAXES AUTHORIZED.**

1.6   Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,

1.7   section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city

1.8   charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half

1.9   of one percent for the purposes specified in subdivision 2, as approved by the voters at the

1.10   November 4, 2014, general election. Any additional bonding authority for the purposes

1.11   specified in subdivision 2 must be approved by the voters at a general election. Except as

1.12   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 city of Excelsior to pay the costs of collecting and

1.17   administering the tax and to finance the capital and administrative costs of improvements

1.18   to the commons as indicated in the Commons Master Plan as adopted by the city council

1.19   on November 20, 2017. Authorized expenses include, but are not limited to, improvements

1.20   for walkability and accessibility, enhancement of beach area and facilities, prevention and

1.21   management of shoreline erosion, redesign of the port and band shell, improvement of

1.22   playground equipment, and securing and paying debt service on bonds issued under

2.1   subdivision 3 or other obligations issued to the improvements listed in this subdivision in

2.2   the city of Excelsior.

2.3   Subd. 3. **Bonding authority.** (a) The city of Excelsior may issue bonds under Minnesota

2.4   Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in

2.5   subdivision 2. The aggregate principal amount of bonds issued under this subdivision may

2.6   not exceed $7,000,000, plus an amount to be applied to the payment of the costs of issuing

2.7   the bonds. The bonds may be paid from or secured by any funds available to the city of

2.8   Excelsior, including the tax authorized under subdivision 1. The issuance of bonds under

2.9   this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

2.10   (b) The bonds are not included in computing any debt limitation applicable to the city

2.11   of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal

2.12   and interest on the bonds is not subject to any levy limitation. A separate election to approve

2.13   the bonds under Minnesota Statutes, section 475.58, is not required.

2.14   Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the later

2.15   of: (1) 25 years after the tax is first imposed; or (2) when the city council determines that

2.16 $7,000,000 has been received from the tax to pay for the cost of the projects authorized

2.17   under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the

2.18   bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining

2.19   after payment of all such costs and retirement or redemption of the bonds shall be placed

2.20   in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier

2.21   time if the city so determines by ordinance.

2.22   **EFFECTIVE DATE.** This section is effective the day after the governing body of the

2.23   city of Excelsior and its chief clerical officer comply with Minnesota Statutes, section

2.24   645.021, subdivisions 2 and 3.