

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4225

(SENATE AUTHORS: WESTROM)

DATE
03/11/2020

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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; authorizing the city of Breckenridge to
 1.3 impose a local sales and use tax.

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

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

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
 1.7 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 1.8 and if approved by the voters at a general election as required under Minnesota Statutes,
 1.9 section 297A.99, subdivision 3, the city of Breckenridge may impose by ordinance a sales
 1.10 and use tax of one percent for the purposes specified in subdivision 2. Except as otherwise
 1.11 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
 1.12 imposition, administration, collection, and enforcement of the tax authorized under this
 1.13 subdivision.

1.14 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
 1.15 under subdivision 1 must be used by the city of Breckenridge to pay the costs of collecting
 1.16 and administering the tax and paying up to \$1,800,000 for the city's share of construction
 1.17 of the Three Rivers Activity Complex, plus an amount needed for securing and paying debt
 1.18 service on bonds issued to finance the project.

1.19 Subd. 3. Bonding authority. (a) The city of Breckenridge may issue bonds under
 1.20 Minnesota Statutes, chapter 475, to finance the city's share of the costs of the facility
 1.21 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 1.22 subdivision may not exceed \$1,800,000 for the project listed in subdivision 2, plus an amount
 1.23 to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from

2.1 or secured by any funds available to the city of Breckenridge, including the tax authorized
2.2 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
2.3 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 Breckenridge, 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.** Subject to Minnesota Statutes, section 297A.99,
2.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 12 years
2.10 after the tax is imposed, or (2) when the city council determines that the amount received
2.11 from the tax is sufficient to pay for the \$1,800,000 in project costs authorized under
2.12 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
2.13 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided
2.14 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
2.15 after payment of the allowed costs due to the timing of the termination of the tax under
2.16 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
2.17 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
2.18 determines by ordinance.

2.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.20 city of Breckenridge and its chief clerical officer comply with Minnesota Statutes, section
2.21 645.021, subdivisions 2 and 3.