A bill for an act

relating to taxation; authorizing the city of Moose Lake to impose a local sales and use tax.

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

Section 1. **CITY OF MOOSE LAKE; SALES AND USE TAX.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, as approved by the voters at the next general election, the city of Moose Lake may impose, by ordinance, a sales and use tax up to one-half of one percent for the purposes specified in subdivision 2. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Moose Lake to pay the costs of collecting and administering the tax and to finance the costs of: (1) improvements to the city's park system of benefit to regional residents and of benefit to regional tourism, including the Earl Ellen's Park-Riverside Arena project, and the Historic Trail Depot Project; (2) street and related infrastructure improvements; and (3) municipal library improvements. Authorized costs include construction and engineering costs and associated bond costs.

Subd. 3. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters, the city of Moose Lake may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2, and may issue bonds to refund bonds previously issued. The aggregate principal amount of bonds

issued under this subdivision may not exceed $3,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Moose Lake, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

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

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines that $3,000,000 has been received from the tax to pay for the capital and administrative costs of the facilities under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the bonds under subdivision 3, including interest on the bonds. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after compliance by the governing body of the city of Moose Lake with Minnesota Statutes, section 645.021, subdivision 3.