

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

**S.F. No. 2785**

(SENATE AUTHORS: GREEN)

DATE  
03/09/2023

D-PG  
1477

Introduction and first reading  
Referred to Taxes  
See HF1938

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to local taxes; authorizing the city of Blackduck to impose a local sales  
1.3 and use tax.

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

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

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

1.13 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
1.14 under any other special law.

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 Blackduck to pay the costs of collecting  
1.17 and administering the tax, including associated bond costs on bonds issued under subdivision  
1.18 3, and securing and paying debt service on the bonds, and to finance all or part of the  
1.19 following projects:

1.20 (1) \$200,000 for electricity and utility improvements at the city campground;

1.21 (2) \$250,000 for construction of a playground and ADA-compliant restroom at the city  
1.22 wayside rest;

2.1 (3) \$300,000 for trail extensions and improvements adjacent to Wayside Rest Park;

2.2 (4) \$150,000 for irrigation improvements at the city golf course; and

2.3 (5) \$100,000 for rehabilitation of the Blackduck Community Library.

2.4 Subd. 3. **Bonding authority.** (a) The city of Blackduck may issue bonds under Minnesota  
2.5 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
2.6 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
2.7 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
2.8 under this subdivision may not exceed:

2.9 (1) \$200,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
2.10 applied to the payment of the costs of issuing the bonds;

2.11 (2) \$250,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
2.12 applied to the payment of the costs of issuing the bonds;

2.13 (3) \$300,000 for the project listed in subdivision 2, clause (3), plus an amount to be  
2.14 applied to the payment of the costs of issuing the bonds;

2.15 (4) \$150,000 for the project listed in subdivision 2, clause (4), plus an amount to be  
2.16 applied to the payment of the costs of issuing the bonds; and

2.17 (5) \$100,000 for the project listed in subdivision 2, clause (5), plus an amount to be  
2.18 applied to the payment of the costs of issuing the bonds.

2.19 (b) The bonds may be paid from or secured by any funds available to the county, including  
2.20 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
2.21 subject to Minnesota Statutes, sections 275.60 and 275.61.

2.22 (c) The bonds are not included in computing any debt limitation applicable to the county.  
2.23 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
2.24 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
2.25 under Minnesota Statutes, section 475.58, is not required.

2.26 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
2.27 earlier of: (1) 20 years after the tax is first imposed; or (2) when the county determines that  
2.28 the amount it has received from this tax is sufficient to pay for the project costs authorized  
2.29 under subdivision 2 for projects approved by voters as required under Minnesota Statutes,  
2.30 section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs  
2.31 related to issuance of any bonds authorized under subdivision 3, including interest on the  
2.32 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision

3.1 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of  
3.2 the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall  
3.3 be placed in the county's general fund. The tax imposed under subdivision 1 may expire at  
3.4 an earlier time if the county determines by ordinance.

3.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
3.6 city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section  
3.7 645.021, subdivisions 2 and 3.