

State of Minnesota

H. F. No. **3525**

The bill was read for the first time and referred to the Committee on Taxes

2.1 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
2.2 not exceed \$5,000,000 plus an amount to be applied to the payment of the costs of issuing
2.3 the bonds.

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

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

2.11 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.12 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) ten years
2.13 after the tax is first imposed, or (2) when the city council determines that the amount received
2.14 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
2.15 an amount sufficient to pay the costs related to issuance of any bonds authorized under
2.16 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
2.17 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
2.18 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
2.19 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax
2.20 imposed under subdivision 1 may expire at an earlier time if the city so determines by
2.21 ordinance.

2.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.23 city of Caledonia and its chief clerical officer comply with Minnesota Statutes, section
2.24 645.021, subdivisions 2 and 3.

2.25 Sec. 2. **REPEALER.**

2.26 Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 3a, is repealed.

2.27 **EFFECTIVE DATE; APPLICATION.** This section is effective retroactively from
2.28 May 25, 2023.

297A.99 LOCAL SALES TAXES.

Subd. 3a. **Temporary moratorium.** (a) Notwithstanding subdivisions 1, 2, and 3, until after May 31, 2025, a political subdivision may not engage in any of the following activities in connection with imposing a new local sales and use tax or modifying an existing local sales and use tax:

- (1) any activity described in subdivision 1, paragraph (d);
- (2) adopt a resolution; or
- (3) seek voter approval.

(b) Paragraph (a) does not apply to new local sales and use taxes or modifications to existing local sales and use taxes authorized in May, 2023.

(c) This subdivision expires June 1, 2025.