

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 1387

(SENATE AUTHORS: RARICK)

DATE
02/25/2021

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Introduction and first reading
 Referred to Taxes
 See First Special Session 2021, HF9

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; authorizing Carlton County to impose a local sales and use
 1.3 tax.

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

1.5 Section 1. **CARLTON COUNTY; LOCAL SALES AND USE TAX AUTHORIZED.**

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

1.13 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
 1.14 under subdivision 1 must be used by Carlton County to pay the costs of collecting and
 1.15 administering the tax, and to finance up to \$40,000,000 for the construction of a new law
 1.16 enforcement center and jail serving a regional female offender program. Authorized costs
 1.17 include related parking, design, construction, reconstruction, mechanical upgrades, and
 1.18 engineering costs, as well as the associated bond costs for any bonds issued under subdivision
 1.19 3.

1.20 Subd. 3. Bonding authority. (a) Carlton County may issue bonds under Minnesota
 1.21 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 1.22 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 1.23 not exceed \$40,000,000, plus an amount applied to the payment of costs of issuing the

bonds. The bonds may be paid from or secured by any funds available to the county, 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 county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of 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 county determines that it has received from this tax \$40,000,000 to fund the project listed in subdivision 2, plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized in subdivision 3. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the county determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Carlton County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.