

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

**S.F. No. 2350**

(SENATE AUTHORS: EICHORN and by request)

DATE  
04/06/2021

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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 the city of Grand Rapids 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 GRAND RAPIDS; 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 Grand Rapids 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 Grand Rapids to pay the costs of collecting  
 1.16 and administering the tax and to finance up to \$10,980,000 for reconstruction, remodeling,  
 1.17 and upgrades to the Grand Rapids IRA Civic Center. Authorized costs include design,  
 1.18 construction, reconstruction, mechanical upgrades, and engineering costs, as well as the  
 1.19 associated bond costs for any bonds issued under subdivision 3.

1.20 Subd. 3. Bonding authority. (a) The city of Grand Rapids may issue bonds under  
 1.21 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities  
 1.22 authorized in subdivision 2. The aggregate principal amount of bonds issued under this  
 1.23 subdivision may not exceed \$10,980,000, plus an amount to be applied to the payment of

2.1 the costs of issuing the bonds. The bonds may be paid from or secured by any funds available  
2.2 to the city of Grand Rapids, including the tax authorized under subdivision 1. The issuance  
2.3 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and  
2.4 275.61.

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

2.9 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires when the  
2.10 city council determines that \$10,980,000, plus an amount sufficient to pay the costs related  
2.11 to issuance of any bonds authorized under subdivision 3, including interest on the bonds,  
2.12 has been received from the tax to pay the costs of projects authorized under subdivision 2.  
2.13 Any funds remaining after payment of all such costs and retirement or redemption of the  
2.14 bonds shall be placed in the general fund of the city, except for funds required to be retained  
2.15 in the state general fund under Minnesota Statutes, section 297A.99, subdivision 3. The tax  
2.16 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
2.17 ordinance.

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