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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 514

01/28/2021 Authored by Igo, Sandstede and Bliss
The bill was read for the first time and referred to the Committee on Taxes

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

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

1.5 Section 1. ITASCA COUNTY; 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 or ordinance and if approved
1.8 by the voters at a general election as required under Minnesota Statutes, section 297A.99,
1.9 subdivision 3, Itasca County may impose by ordinance a sales and use tax of one percent
1.10 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
1.11 the 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 Itasca County to pay the costs of collecting and
1.15 administering the tax and paying for up to \$75,000,000 for new construction of or upgrades
1.16 to correctional facilities, new construction of or upgrades to court facilities including ancillary
1.17 support accommodations, and new construction of or upgrades to county offices, plus an
1.18 amount needed for securing and paying debt service on bonds issued for the project.

1.19 Subd. 3. Bonding authority. (a) Itasca County may issue bonds under Minnesota Statutes,
1.20 chapter 475, to finance the costs of the facility authorized in subdivision 2. The aggregate
1.21 principal amount of bonds issued under this subdivision may not exceed \$75,000,000 for
1.22 the project listed in subdivision 2, plus an amount to be applied to the payment of the costs
1.23 of issuing the bonds. The bonds may be paid from or secured by any funds available to the

2.1 county, including the tax authorized under subdivision 1. The issuance of bonds under this
2.2 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

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

2.7 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.8 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
2.9 after the tax is first imposed, or (2) when the county board determines that the amount
2.10 received from the tax is sufficient to pay \$75,000,000 in project costs authorized under
2.11 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
2.12 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided
2.13 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
2.14 after payment of the allowed costs due to the timing of the termination of the tax under
2.15 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
2.16 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county
2.17 so determines by ordinance.

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