

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2279

(SENATE AUTHORS: RUUD)

DATE	D-PG	OFFICIAL STATUS
03/04/2014	5959	Introduction and first reading Referred to Taxes

A bill for an act

1.1 relating to taxation; local sales and use; extending the local sales and use taxes in
 1.2 the cities of Baxter and Brainerd; amending Laws 2006, chapter 259, article 3,
 1.3 sections 10, subdivisions 3, 4, 5; 11, subdivisions 3, 4, 5.
 1.4

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

1.6 Section 1. Laws 2006, chapter 259, article 3, section 10, subdivision 3, is amended to
 1.7 read:

1.8 Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized by
 1.9 subdivisions 1 and 2 must be used to pay the cost of collecting and administering the tax
 1.10 and to finance the acquisition and betterment of water and wastewater facilities to serve the
 1.11 cities of Brainerd and Baxter, building and equipping a fire substation, as approved by the
 1.12 voters at the referendum authorizing the tax. Authorized costs include, but are not limited
 1.13 to, acquiring property and paying construction and engineering costs related to the projects.

1.14 (b) In addition to the projects authorized in paragraph (a), the city of Baxter may, if
 1.15 approved by the voters at an election under subdivision 5, paragraph (b), allocate up to
 1.16 \$32,000,000 of the revenues received from the taxes authorized by subdivisions 1 and 2
 1.17 to a capital infrastructure fund. Money from this fund may only be used to finance (1)
 1.18 sanitary sewer, storm sewer, water, and street infrastructure, and (2) transportation safety
 1.19 improvements.

1.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 1.21 the city of Baxter and its chief clerical officer comply with Minnesota Statutes, section
 1.22 645.021, subdivisions 2 and 3.

1.23 Sec. 2. Laws 2006, chapter 259, article 3, section 10, subdivision 4, is amended to read:

2.1 Subd. 4. **Bonds.** The city of Baxter, pursuant to the approval of the voters at the
2.2 November 2, 2004, referendum authorizing the imposition of the taxes in this section, may
2.3 issue general obligation bonds of the city, in one or more series, in the aggregate principal
2.4 amount not to exceed \$15,000,000 to finance the projects listed in subdivision 3, paragraph
2.5 (a). The debt represented by the bonds is not included in computing any debt limitations
2.6 applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61,
2.7 to pay the principal of and interest on the bonds is not subject to any levy limitation or
2.8 included in computing or applying any levy limitation applicable to the city of Baxter.

2.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.10 Sec. 3. Laws 2006, chapter 259, article 3, section 10, subdivision 5, is amended to read:

2.11 Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2
2.12 expire at the earlier of a date 12 years after the imposition of the tax or when the Baxter
2.13 City Council first determines that the amount of revenues raised from the taxes to pay for
2.14 the projects under subdivision 3 equals or exceeds \$15,000,000 plus any interest on bonds
2.15 issued for the projects under subdivision 4. Any funds remaining after the expiration of
2.16 the taxes and retirement of the bonds shall be placed in a capital project fund of the city of
2.17 Baxter. The taxes imposed under subdivisions 1 and 2 may expire at an earlier time if the
2.18 city of Baxter so determines by ordinance.

2.19 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any
2.20 other contrary provision of law, ordinance, or city charter, the city of Baxter may, by
2.21 ordinance, extend the taxes authorized under subdivisions 1 and 2 beyond the termination
2.22 date in paragraph (a) if approved by the voters of the city at a general election held
2.23 in 2014. The question put to the voters must indicate that an affirmative vote would
2.24 extend the imposition of the taxes until 2031 or until an additional \$32,000,000 above the
2.25 initial amount authorized to pay for \$15,000,000 in bonds is raised. If extended under
2.26 this paragraph, the taxes authorized in subdivisions 1 and 2 will terminate at the earlier
2.27 of (1) when an additional \$32,000,000 above the amount authorized under paragraph
2.28 (a) is raised, or (2) December 31, 2031.

2.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of
2.30 the city of Baxter and its chief clerical officer comply with Minnesota Statutes, section
2.31 645.021, subdivisions 2 and 3.

2.32 Sec. 4. Laws 2006, chapter 259, article 3, section 11, subdivision 3, is amended to read:

3.1 Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized by
 3.2 subdivisions 1 and 2 must be used to pay the cost of collecting and administering the tax
 3.3 and to finance all or part of the costs of constructing upgraded water and wastewater
 3.4 treatment facilities to serve the cities of Brainerd and Baxter, water infrastructure
 3.5 improvements, and trail development, contingent on approval by Brainerd voters at the
 3.6 November 7, 2006, referendum. Authorized costs include, but are not limited to, acquiring
 3.7 property and paying construction and engineering costs related to the projects.

3.8 (b) In addition to the projects authorized in paragraph (a), the city of Brainerd may,
 3.9 if approved by the voters at an election under subdivision 5, paragraph (b), spend up to an
 3.10 additional \$15,000,000 from revenues raised from the taxes authorized in subdivisions 1
 3.11 and 2 on the following projects:

3.12 (1) an upgraded waste treatment facility jointly serving the cities of Brainerd and
 3.13 Baxter;

3.14 (2) with any funds not needed for the project in clause (1), water infrastructure
 3.15 improvements; and

3.16 (3) with any funds not needed for the projects in clauses (1) and (2), trail
 3.17 improvements.

3.18 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 3.19 the city of Brainerd and its chief clerical officer comply with Minnesota Statutes, section
 3.20 645.021, subdivisions 2 and 3.

3.21 Sec. 5. Laws 2006, chapter 259, article 3, section 11, subdivision 4, is amended to read:

3.22 Subd. 4. **Bonds.** The city of Brainerd, contingent on approval of the voters at
 3.23 the November 7, 2006, referendum authorizing the imposition of taxes in this section,
 3.24 may issue general obligation bonds of the city, in one or more series, in the aggregate
 3.25 principal amount not to exceed \$22,030,000 to finance the projects listed in subdivision 3,
 3.26 paragraph (a). The debt represented by the bonds is not included in computing any debt
 3.27 limitations applicable to Brainerd, and the levy of taxes required by Minnesota Statutes,
 3.28 section 475.61, to pay the principal and interest on the bonds is not subject to any levy
 3.29 limitation or included in computing any levy limitation applicable to the city of Brainerd.

3.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.31 Sec. 6. Laws 2006, chapter 259, article 3, section 11, subdivision 5, is amended to read:

3.32 Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and
 3.33 2 expire at the earlier of a date 12 years after the imposition of the tax or when the city

4.1 council first determines that the amount of revenues raised from the taxes to pay for
4.2 projects under subdivision 3 equals or exceeds \$22,030,000 plus any interest on bonds
4.3 issued for the projects under subdivision 4. Any funds remaining after the expiration of
4.4 the taxes and retirement of the bonds shall be placed in a capital project fund of the city of
4.5 Brainerd. The taxes imposed under subdivision 1 and 2 may expire at an earlier time if the
4.6 city of Brainerd so determines by ordinance.

4.7 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any
4.8 other contrary provision of law, ordinance, or city charter, the city of Brainerd may, by
4.9 ordinance, extend the taxes authorized under subdivisions 1 and 2 beyond the termination
4.10 date in paragraph (a) if approved by the voters of the city at a general election held in 2014.
4.11 The question put to the voters must indicate that an affirmative vote would extend the
4.12 imposition of the taxes for an additional 12 years or until an additional \$15,000,000 above
4.13 the initial amount authorized to pay for \$22,030,000 in bonds is raised. If extended under
4.14 this paragraph, the taxes authorized in subdivisions 1 and 2 will terminate at the earlier of
4.15 (1) when an additional \$15,000,000 above the amount authorized under paragraph (a) is
4.16 raised, or (2) 12 years after the taxes would have expired under paragraph (a).

4.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of
4.18 the city of Brainerd and its chief clerical officer comply with Minnesota Statutes, section
4.19 645.021, subdivisions 2 and 3.