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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1485

02/21/2019 Authored by Hamilton 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; authorizing the city of Worthington to impose a local sales
1.3 and use tax and an excise tax for specified projects.

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

1.5 Section 1. CITY OF WORTHINGTON; TAX AUTHORIZED.

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.7 sections 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
1.8 and as approved by the voters at the November 6, 2018, general election, the city of
1.9 Worthington may impose, by ordinance, a sales and use tax of one-half of one percent for
1.10 the purposes specified in subdivision 3. 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. Excise tax authorized. Notwithstanding Minnesota Statutes, section 477A.016,
1.14 or any other contrary provision of law, ordinance, or city charter, the city of Worthington
1.15 may impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up
1.16 to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person
1.17 engaged within the city of Worthington in the business of selling motor vehicles at retail.

1.18 Subd. 3. Use of tax revenues. (a) The revenues derived from the taxes authorized under
1.19 subdivisions 1 and 2 must be used by the city of Worthington to pay the costs of collecting
1.20 and administering the tax and paying for the projects listed in this subdivision; including
1.21 securing and paying debt service on bonds issued to finance all or part of the following
1.22 projects:

- 2.1 (1) improvements to the aquatic center;
 2.2 (2) improvements to the field house;
 2.3 (3) improvements to the ice arena;
 2.4 (4) other park and recreation capital projects and improvements;
 2.5 (5) lake quality improvement; and
 2.6 (6) improvements to the 10th Street plaza.

2.7 (b) The total amount of projects to be funded with the taxes imposed under subdivisions
 2.8 1 and 2 shall not exceed \$25,000,000 plus the costs related to the issuance of and paying
 2.9 debt service on bonds for these projects.

2.10 Subd. 4. **Bonding authority.** (a) The city of Worthington may issue bonds under
 2.11 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
 2.12 authorized in subdivision 3. The aggregate principal amount of bonds issued under this
 2.13 subdivision may not exceed \$25,000,000 plus an amount applied to the payment of costs
 2.14 of issuing the bonds. The bonds may be paid from or secured by any funds available to the
 2.15 city of Worthington, including the taxes authorized under subdivisions 1 and 2. The issuance
 2.16 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 2.17 275.61.

2.18 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 2.19 Worthington and are not included in computing any debt limitation applicable to the city.
 2.20 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 2.21 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 2.22 under Minnesota Statutes, section 475.58, is not required.

2.23 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 2.24 at the earlier of: (1) 15 years after the taxes are first imposed; or (2) when the city council
 2.25 determines that the city has received \$25,000,000 from this tax to fund the projects listed
 2.26 in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance
 2.27 of the bonds authorized in subdivision 4. Any funds remaining after payment of the allowed
 2.28 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 2.29 placed in the city's general fund. The taxes imposed under subdivisions 1 and 2 may expire
 2.30 at an earlier time if the city so determines by ordinance.

2.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 2.32 city of Worthington and its chief clerical officer comply with Minnesota Statutes, section
 2.33 645.021, subdivisions 2 and 3.