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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **511**

02/13/2025 Authored by Klevorn, Greene, Falconer, Carroll, Rehm and others
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 taxes; local sales and use; authorizing the city of Plymouth to impose
1.3 a local sales and use tax.

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

1.5 Section 1. **CITY OF PLYMOUTH; TAXES AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax authorization. (a) Notwithstanding Minnesota Statutes,
1.7 section 297A.99, subdivision 3a, 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 Plymouth may impose by ordinance a sales and
1.10 use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except
1.11 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
1.12 govern the imposition, administration, collection, and enforcement of the tax authorized
1.13 under this subdivision.

1.14 (b) The city of Plymouth must adopt a resolution indicating its approval of the tax by
1.15 the later of June 30, 2025, or 30 days after enactment of this act. The contents of the
1.16 resolution must meet the requirements of section 297A.99, subdivision 2, paragraph (a),
1.17 clauses (1) to (5).

1.18 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.19 under subdivision 1 must be used by the city of Plymouth to pay the costs of collecting and
1.20 administering the tax and paying for the following projects in the city, plus associated costs
1.21 related to the issuance of bonds used to finance all or part of the following projects:

2.1 (1) \$45,000,000 for improvements to the Plymouth Ice Center, including construction
2.2 of the adjacent City Center public parking ramp;

2.3 (2) \$40,000,000 for improvements to the Plymouth Community Center, including
2.4 construction of a permanent fieldhouse structure; and

2.5 (3) \$35,000,000 for construction of and improvements to Plymouth regional sports
2.6 complexes.

2.7 Subd. 3. **Bonding authority.** (a) The city of Plymouth may issue bonds under Minnesota
2.8 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
2.9 subdivision 2 and approved by voters as required under Minnesota Statutes, section 297A.99,
2.10 subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this
2.11 subdivision may not exceed \$120,000,000, plus an amount applied to the payment of the
2.12 costs of issuing the bonds. The bonds may be paid from or secured by any funds available
2.13 to the city of Plymouth, including the tax authorized under subdivision 1. The issuance of
2.14 bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
2.15 275.61.

2.16 (b) The bonds are not included in computing any debt limitation applicable to the city
2.17 of Plymouth. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
2.18 of and interest on the bonds is not subject to any levy limitation. A separate election to
2.19 approve the bonds under Minnesota Statutes, section 475.58, is not required.

2.20 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.21 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
2.22 after the tax is first imposed, or (2) when the city council determines that the amount received
2.23 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
2.24 projects approved by voters as required under Minnesota Statutes, section 297A.99,
2.25 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
2.26 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
2.27 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
2.28 any funds remaining after payment of the allowed costs due to the timing of the termination
2.29 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
2.30 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
2.31 if the city so determines by ordinance.

2.32 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.33 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section
2.34 645.021, subdivisions 2 and 3.