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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 153

01/11/2017 Authored by Murphy, M.,  
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; sales and use; modifying the uses of revenues from the  
1.3 Hermantown local option sales tax; amending Laws 1996, chapter 471, article 2,  
1.4 section 29, subdivision 1, as amended.

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

1.6 Section 1. Laws 1996, chapter 471, article 2, section 29, subdivision 1, as amended by  
1.7 Laws 2006, chapter 259, article 3, section 3, and Laws 2011, First Special Session chapter  
1.8 7, article 4, section 4, is amended to read:

1.9 Subdivision 1. **Sales tax authorized.** (a) Notwithstanding Minnesota Statutes, section  
1.10 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of  
1.11 Hermantown may, by ordinance, impose an additional sales tax of up to one percent on  
1.12 sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within  
1.13 the city. The proceeds of the tax imposed under this section must be used to meet the costs  
1.14 of:

1.15 (1) extending a sewer interceptor line;

1.16 (2) construction of a booster pump station, reservoirs, and related improvements to the  
1.17 water system; and

1.18 (3) construction of a building containing a police and fire station and an administrative  
1.19 services facility.

1.20 (b) If the city imposed a sales tax of only one-half of one percent under paragraph (a),  
1.21 it may increase the tax to one percent to fund the purposes under paragraph (a) provided it  
1.22 is approved by the voters at a general election held before December 31, 2012.

2.1 (c) As approved by the voters at the November 8, 2016, general election, the proceeds  
2.2 under this section may also be used to meet the costs of debt service payments for  
2.3 construction of the Hermantown Wellness Center.

2.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
2.5 city of Hermantown and its chief clerical officer comply with Minnesota Statutes, section  
2.6 645.021, subdivisions 2 and 3.