A bill for an act
relating to taxation; authorizing the city of Grand Rapids to impose a local sales tax; adjusting the local government aid payment to the city.

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

Section 1. **CITY OF GRAND RAPIDS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to Minnesota Statutes, section 297A.99, the city of Grand Rapids may impose by ordinance a sales and use tax of up to one percent for the purposes specified in subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision, except that the time limitation for enactment of a special law set forth in Minnesota Statutes, section 297A.99, subdivision 1, clause (3), does not apply.

Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision 1 must be used to pay the cost of collecting and administering the tax and for other purposes for which the city of Grand Rapids may expend its general funds.

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

Sec. 2. **AID REDUCTION.**

The amount of aid that would be payable to the city of Grand Rapids in any calendar year under Minnesota Statutes, section 477A.013, must be reduced by the amount collected by the city under section 1 during the preceding calendar year. The amount of the reduction under this section does not reduce the total appropriation for distribution to cities under Minnesota Statutes, section 477A.03, subdivision 2a.

EFFECTIVE DATE. This section is effective on the day section 1 is effective.