

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2198

02/27/2023 Authored by Backer and Davids
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 local taxes; modifying the local sales and use tax for the city of Fergus
1.3 Falls; amending Laws 2021, First Special Session chapter 14, article 8, section 6,
1.4 subdivisions 2, 3.

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

1.6 Section 1. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision
1.7 2, is amended to read:

1.8 Subd. 2. Use of sales and use tax revenues. (a) The revenues derived from the tax
1.9 authorized under subdivision 1 must be used by the city of Fergus Falls to pay the costs of
1.10 collecting and administering the tax and for the following projects in the city, including
1.11 securing and paying debt service, on bonds issued to finance all or part of the following
1.12 projects:

- 1.13 (1) \$7,800,000 for an aquatics center; and
1.14 (2) \$5,200,000 for the DeLagoon Improvement Project.

1.15 (b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved
1.16 by the voters at the November 8, 2022, general election, the city of Fergus Falls may by
1.17 ordinance increase the cost for the project in paragraph (a), clause (1), by up to \$3,000,000,
1.18 without holding another local election.

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

2.1 Sec. 2. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision 3, is
2.2 amended to read:

2.3 Subd. 3. **Bonding authority.** (a) The city of Fergus Falls may issue bonds under
2.4 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
2.5 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
2.6 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
2.7 issued under this subdivision may not exceed:

2.8 (1) \$7,800,000 for the project listed in subdivision 2, clause (1), plus an amount needed
2.9 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
2.10 the bonds; and

2.11 (2) \$5,200,000 for the project listed in subdivision 2, clause (2), plus an amount needed
2.12 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
2.13 the bonds.

2.14 (b) The bonds may be paid from or secured by any funds available to the city of Fergus
2.15 Falls, including the tax authorized under subdivision 1. The issuance of bonds under this
2.16 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

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

2.21 (d) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved
2.22 by the voters at the November 8, 2022, general election, the city of Fergus Falls may by
2.23 ordinance increase the amount of bonding for the project in paragraph (a), clause (1), by up
2.24 to \$3,000,000, without holding another local election.

2.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.26 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section
2.27 645.021, subdivisions 2 and 3.