A bill for an act

relating to the city of Hermantown; modifying its current local sales tax rate; amending Laws 1996, chapter 471, article 2, section 29, subdivision 1, as amended.

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

Section 1. Laws 1996, chapter 471, article 2, section 29, subdivision 1, as amended by Laws 2006, chapter 259, article 3, section 3, is amended to read:

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

(1) extending a sewer interceptor line;

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

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

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

EFFECTIVE DATE. This section is effective the day following compliance by the city of Hermantown with Minnesota Statutes, section 645.021, subdivision 3.