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, if approved by the voters 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. Except as provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

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 to pay for capital improvements identified in the city's five-year capital improvement plan as defined under Minnesota Statutes, section 475.521, subdivision 3, including debt service on bonds issued to pay for any project under the capital improvement plan, regardless of the date of issuance of those bonds.

EFFECTIVE DATE. This section is effective when approved by the voters and upon compliance by the governing body of the city of Grand Rapids and its chief clerical officer with Minnesota Statutes, section 645.021, subdivisions 2 and 3.