

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 1839

(SENATE AUTHORS: SCHMIT)

DATE	D-PG	OFFICIAL STATUS
02/25/2014	5835	Introduction and first reading Referred to Taxes

A bill for an act  
relating to taxation; authorizing the city of Wabasha to impose a local sales and  
use tax.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CITY OF WABASHA; TAXES AUTHORIZED.**

Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota  
Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or  
city charter, and as approved by the voters at the November 6, 2012, general election, the  
city of Wabasha may impose, by ordinance, a sales and use tax up to one percent for the  
purposes specified in subdivision 2. Except as otherwise 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 sales and use tax revenues. The revenues derived from the tax  
authorized under subdivision 1 must be used by the city of Wabasha to pay the costs of  
collecting and administering the tax and for securing and paying debt service on bonds  
issued to finance the costs of capital improvements to city streets, utilities, and municipal  
buildings, pursuant to the city's capital improvement plan adopted on June 4, 2013.

Subd. 3. Bonding authority. The city of Wabasha may issue bonds under Minnesota  
Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
not exceed \$4,500,000, plus an amount to be applied to the payment of the costs of issuing  
the bonds. The bonds may be paid from or secured by any funds available to the city of  
Wabasha, including the tax authorized under subdivision 1. The issuance of bonds under  
this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

2.1        The bonds are not included in computing any debt limitation applicable to the city,  
2.2        and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and  
2.3        interest on the bonds is not subject to any levy limitation. A separate election to approve  
2.4        the bonds under Minnesota Statutes, section 475.58, is not required.

2.5        Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at  
2.6        the earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council  
2.7        determines that \$4,500,000 has been received from the tax to pay for the cost of the  
2.8        projects authorized under subdivision 2, plus an amount sufficient to pay the costs related  
2.9        to issuance of the bonds authorized under subdivision 3, including interest on the bonds.  
2.10       Any funds remaining after payment of all such costs and retirement or redemption of the  
2.11       bonds shall be placed in the general fund of the city. The tax imposed under subdivision 1  
2.12       may expire at an earlier time if the city so determines by ordinance.

2.13       **EFFECTIVE DATE.** This section is effective the day after compliance by the  
2.14       governing body of the city of Wabasha with Minnesota Statutes, section 645.021,  
2.15       subdivisions 2 and 3.