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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2189**

02/13/2012 Authored by Davids and Drazkowski
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 the Rochester local sales tax; modifying the list of cities that share
1.3 some of the revenue; amending Laws 1998, chapter 389, article 8, section 43,
1.4 subdivision 3, as amended.

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

1.6 Section 1. Laws 1998, chapter 389, article 8, section 43, subdivision 3, as amended by
1.7 Laws 2005, First Special Session chapter 3, article 5, section 28, and Laws 2011, First
1.8 Special Session chapter 7, article 4, section 5, is amended to read:

1.9 Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized by
1.10 subdivisions 1 and 2 must be used by the city to pay for the cost of collecting and
1.11 administering the taxes and to pay for the following projects:

1.12 (1) transportation infrastructure improvements including regional highway and
1.13 airport improvements;

1.14 (2) improvements to the civic center complex;

1.15 (3) a municipal water, sewer, and storm sewer project necessary to improve regional
1.16 ground water quality; and

1.17 (4) construction of a regional recreation and sports center and other higher education
1.18 facilities available for both community and student use.

1.19 (b) The total amount of capital expenditures or bonds for projects listed in paragraph
1.20 (a) that may be paid from the revenues raised from the taxes authorized in this section
1.21 may not exceed \$111,500,000. The total amount of capital expenditures or bonds for the
1.22 project in clause (4) that may be paid from the revenues raised from the taxes authorized
1.23 in this section may not exceed \$28,000,000.

2.1 (c) In addition to the projects authorized in paragraph (a) and not subject to the
 2.2 amount stated in paragraph (b), the city of Rochester may, if approved by the voters at an
 2.3 election under subdivision 5, paragraph (c), use the revenues received from the taxes and
 2.4 bonds authorized in this section to pay the costs of or bonds for the following purposes:

2.5 (1) \$17,000,000 for capital expenditures and bonds for the following Olmsted
 2.6 County transportation infrastructure improvements:

2.7 (i) County State Aid Highway 34 reconstruction;

2.8 (ii) Trunk Highway 63 and County State Aid Highway 16 interchange;

2.9 (iii) phase II of the Trunk Highway 52 and County State Aid Highway 22
 2.10 interchange;

2.11 (iv) widening of County State Aid Highway 22 West Circle Drive; and

2.12 (v) 60th Avenue Northwest corridor preservation;

2.13 (2) \$30,000,000 for city transportation projects including:

2.14 (i) Trunk Highway 52 and 65th Street interchange;

2.15 (ii) NW transportation corridor acquisition;

2.16 (iii) Phase I of the Trunk Highway 52 and County State Aid Highway 22 interchange;

2.17 (iv) Trunk Highway 14 and Trunk Highway 63 intersection;

2.18 (v) Southeast transportation corridor acquisition;

2.19 (vi) Rochester International Airport expansion; and

2.20 (vii) a transit operations center bus facility;

2.21 (3) \$14,000,000 for the University of Minnesota Rochester academic and
 2.22 complementary facilities;

2.23 (4) \$6,500,000 for the Rochester Community and Technical College/Winona State
 2.24 University career technical education and science and math facilities;

2.25 (5) \$6,000,000 for the Rochester Community and Technical College regional
 2.26 recreation facilities at University Center Rochester;

2.27 (6) \$20,000,000 for the Destination Medical Community Initiative;

2.28 (7) \$8,000,000 for the regional public safety and 911 dispatch center facilities;

2.29 (8) \$20,000,000 for a regional recreation/senior center;

2.30 (9) \$10,000,000 for an economic development fund; and

2.31 (10) \$8,000,000 for downtown infrastructure.

2.32 (d) No revenues from the taxes raised from the taxes authorized in subdivisions 1
 2.33 and 2 may be used to fund transportation improvements related to a railroad bypass that
 2.34 would divert traffic from the city of Rochester.

2.35 (e) The city shall use \$5,000,000 of the money allocated to the purpose in paragraph
 2.36 (c), clause (9), for grants to the cities of Byron, Chatfield, Dodge Center, Dover, Elgin,

3.1 Eyota, Kasson, Mantorville, Oronoco, Pine Island, Plainview, St. Charles, Stewartville,
3.2 Zumbrota, Spring Valley, West Concord, ~~and~~ Hayfield, and any other city with a 2010
3.3 population of at least 1,000 that has a city boundary within 25 miles of the geographic
3.4 center of Rochester and is closer to Rochester than to any other city with a population of
3.5 20,000 or more, for economic development projects that these communities would fund
3.6 through their economic development authority or housing and redevelopment authority.

3.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.