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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2923

01/31/2022 Authored by Pelowski
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 sales and use taxes; authorizing Winona County to impose a local
1.3 sales and use tax.

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

1.5 Section 1. WINONA COUNTY; TAXES AUTHORIZED.

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.7 sections 297A.99, subdivision 1, and 477A.016, or any other law, ordinance, or city charter,
1.8 and if approved by the voters at a general election as required under Minnesota Statutes,
1.9 section 297A.99, subdivision 3, Winona County may impose, by ordinance, a sales and use
1.10 tax of one-quarter of one percent for the purposes specified in subdivision 2. Except as
1.11 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
1.12 govern the imposition, administration, collection, and enforcement of the tax authorized
1.13 under this subdivision. The tax imposed under this subdivision is in addition to any local
1.14 sales and use tax imposed under any other special law.

1.15 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.16 under subdivision 1 must be used by Winona County to pay the costs of collecting and
1.17 administering the tax, and to finance up to \$28,000,000 for construction of a new correctional
1.18 facility or upgrades to an existing correctional facility, as well as the associated bond costs
1.19 for any bonds issued under subdivision 3.

1.20 Subd. 3. Bonding authority. (a) Winona County may issue bonds under Minnesota
1.21 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
1.22 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
1.23 not exceed \$28,000,000, plus an amount applied to the payment of costs of issuing the

2.1 bonds. The bonds may be paid from or secured by any funds available to the county,
2.2 including the tax authorized under subdivision 1. The issuance of bonds under this
2.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

2.4 (b) The bonds are not included in computing any debt limitation applicable to the county.
2.5 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
2.6 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
2.7 under Minnesota Statutes, section 475.58, is not required.

2.8 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
2.9 earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that
2.10 it has received from this tax \$28,000,000 to fund the project listed in subdivision 2, plus an
2.11 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision
2.12 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,
2.13 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the
2.14 allowed costs due to timing of the termination of the tax under Minnesota Statutes, section
2.15 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed
2.16 under subdivision 1 may expire at an earlier time if the county determines by ordinance.

2.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of
2.18 Winona County and its chief clerical officer comply with Minnesota Statutes, section
2.19 645.021, subdivisions 2 and 3.