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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3538

03/23/2016 Authored by Lueck
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 taxation; authorizing the Garrison, Kathio, West Mille Lacs Lake
1.3 Sanitary District to impose a local sales and use tax.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **GARRISON, KATHIO, WEST MILLE LACS LAKE SANITARY**
1.6 **DISTRICT; TAXES AUTHORIZED.**

1.7 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota
1.8 Statutes, section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, and if
1.9 approved by the voters at the general election to be held on November 8, 2016, the
1.10 Garrison, Kathio, West Mille Lacs Lake Sanitary District may impose, by majority vote of
1.11 the governing body of the district, a sales and use tax of up to one percent for the purposes
1.12 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
1.13 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection,
1.14 and enforcement of the tax authorized under this subdivision.

1.15 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax
1.16 authorized under subdivision 1 must be used by the Garrison, Kathio, West Mille Lacs
1.17 Lake Sanitary District to pay the costs of collecting and administering the tax and to
1.18 repay general obligation revenue notes issued for the construction of the wastewater
1.19 collection system through the Minnesota Public Facilities Authority, general obligation
1.20 disposal system bonds issued to finance the expense incurred in financing construction of
1.21 sewer system improvements, and notes payable issued for costs associated with the sewer
1.22 services agreement between the Garrison, Kathio, West Mille Lacs Lake Sanitary District
1.23 and ML Wastewater Inc., and any other costs associated with system maintenance and

2.1 improvements, including extension of the system to unserved customers as determined by
2.2 the governing body of the district.

2.3 Subd. 3. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
2.4 earlier of: (1) 20 years after the tax is first imposed; or (2) when the governing body of the
2.5 Garrison, Kathio, West Mille Lacs Lake Sanitary District determines that \$10,000,000 has
2.6 been received from the tax to pay for the costs authorized under subdivision 2. Any funds
2.7 remaining after payment of all such costs and retirement or redemption of the bonds shall
2.8 be placed in the general fund of the district. The tax imposed under subdivision 1 may
2.9 expire at an earlier time if the governing body of the district so determines.

2.10 **EFFECTIVE DATE.** This section is effective the day after compliance by the
2.11 governing body of the Garrison, Kathio, West Mille Lacs Lake Sanitary District with
2.12 Minnesota Statutes, section 645.021, subdivisions 2 and 3.