

State of Minnesota

H. F. No. 388

The bill was read for the first time and referred to the Committee on Taxes

1.2 relating to taxation; sales and use; authorizing the city of Perham to impose a local
1.3 sales and use tax.

subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$5,200,000 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 Perham, 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.

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

Subd. 4. Termination of taxes. The tax imposed under subdivision 1 expires at the later of: (1) 20 years after the tax is first imposed; or (2) when the city council determines that \$5,200,000 has been received from the tax to pay for the cost of the projects authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Perham and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.