

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 1369

(SENATE AUTHORS: JOHNSON)

DATE
02/25/2021

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Introduction and first reading
 Referred to Taxes
 See First Special Session 2021, HF9

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; authorizing the city of Warren to impose a local sales and use
 1.3 tax.

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

1.5 Section 1. **WARREN; LOCAL SALES AND USE TAX AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
 1.7 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
 1.8 election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of
 1.9 Warren may impose by ordinance a sales and use tax of one-half of one percent for the
 1.10 purposes specified in subdivision 2. Except as otherwise provided in this section, the
 1.11 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 1.12 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
 1.13 under this subdivision is in addition to any local sales and use tax imposed under current
 1.14 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 the city of Warren to pay the costs of collecting and
 1.17 administering the tax, and to finance up to \$1,600,000 for the construction of a new child
 1.18 care facility. Authorized costs include related parking, design, and construction costs, as
 1.19 well as payment of debt service on bonds issued to finance the project listed in this
 1.20 subdivision.

1.21 Subd. 3. Bonding authority. (a) The city of Warren may issue bonds under Minnesota
 1.22 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 1.23 subdivision 2, and approved by the voters as required under Minnesota Statutes, section

297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed \$1,600,000, plus an amount needed to pay capitalized interest and 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, 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. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of 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.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the project approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, 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 Warren and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.