

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1747**

(SENATE AUTHORS: CARLSON)

DATE	D-PG	OFFICIAL STATUS
03/16/2015	896	Introduction and first reading Referred to Taxes

1.1 A bill for an act  
 1.2 relating to taxation; sales and use; allowing Dakota County to impose a sales and  
 1.3 use tax to fund transportation spending.

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

1.5 Section 1. **DAKOTA COUNTY; SALES AND USE TAX AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax. Notwithstanding Minnesota Statutes, sections  
 1.7 297A.99, 297A.993, and 477A.016, or any other contrary provision of statute, ordinance,  
 1.8 or charter, and in addition to any taxes that the county may impose under another law  
 1.9 or statute, the Dakota County Board of Commissioners may, by resolution, impose a  
 1.10 sales and use tax of one-quarter of one percent on retail sales and uses taxable under  
 1.11 Minnesota Statutes, chapter 297A. The provisions of Minnesota Statutes, section 297A.99,  
 1.12 subdivisions 4 to 13, apply to the imposition, administration, collection, and enforcement  
 1.13 of the tax authorized under this section.

1.14 Subd. 2. Allocation of revenues to cities and towns. Revenues from the tax in  
 1.15 subdivision 1 shall be collected by the commissioner of revenue and remitted to the county  
 1.16 as provided in Minnesota Statutes, section 297A.99, subdivision 11. Within 30 days of  
 1.17 receiving revenues from the tax, the county must distribute 50 percent of the revenues to  
 1.18 all towns and cities located partially or totally in the county. This portion of the revenue  
 1.19 shall be distributed among the eligible political subdivisions based on their share of the  
 1.20 county population according to the most recent population estimate. For a city that is  
 1.21 partially located outside of the county boundaries, only the share of its population residing  
 1.22 in the county shall count in determining its share of the revenue. A town or city may enter  
 1.23 into an agreement with the county allowing the county to retain the city's or town's portion

2.1 of the revenue under this subdivision to fund joint projects. The remaining revenue from  
2.2 the tax is retained by the county.

2.3 Subd. 3. **Use of revenues.** The county, towns, and cities must use any revenue  
2.4 received from the tax in subdivision 1 to fund transportation costs, including operations  
2.5 and maintenance, as well as capital projects. A county may issue bonds for transportation  
2.6 projects backed by these revenues subject to the election requirements in Minnesota  
2.7 Statutes, chapter 475.

2.8 Subd. 4. **Bonding authority.** (a) Dakota County may issue bonds backed by the  
2.9 revenues from the tax in subdivision 1 to pay for capital transportation projects, subject  
2.10 to the requirements under Minnesota Statutes, chapter 475. The issuance of bonds by  
2.11 the county under this subdivision is not subject to Minnesota Statutes, sections 275.60  
2.12 and 275.61. The debt represented by the bonds is not included in computing any debt  
2.13 limitations applicable to the county and any levy of taxes under Minnesota Statutes, section  
2.14 475.61, to pay principal and interest on the bonds is not subject to any levy limitation.

2.15 (b) A town or city may not issue bonds backed by the revenues from the tax in  
2.16 subdivision 1, but may use the revenues to make bond payments on other bonds used  
2.17 to finance transportation capital projects.

2.18 Subd. 5. **Definitions.** For purposes of this section, the following terms have the  
2.19 meanings given:

2.20 (1) "city" means a statutory or home rule charter city;

2.21 (2) "population" means the population estimated or established at least 30 days before  
2.22 the required date of each distribution, by the most recent federal census; by a special census  
2.23 conducted under contract with the United States Census Bureau; by a population estimate  
2.24 made by the Metropolitan Council pursuant to Minnesota Statutes, section 473.24; or by a  
2.25 population estimate of the state demographer made pursuant to Minnesota Statutes, section  
2.26 4A.02, whichever is the most recent as to the stated date of the count or estimate; and

2.27 (3) "transportation costs" includes costs associated with all forms of transportation,  
2.28 including but not limited to roads and bridges, transit systems, bicycle and pedestrian  
2.29 systems, and other transportation modes.

2.30 Subd. 6. **Termination of the tax.** The county may terminate the tax at the start  
2.31 of any calendar quarter by resolution provided that (1) the remaining county share of  
2.32 revenues from the tax are sufficient to pay all debt obligations for bonds backed by these  
2.33 revenues, and (2) the county has provided written notice of the planned termination of the  
2.34 tax at least six months before the date of termination to all cities and towns in the county.

3.1            **EFFECTIVE DATE.** This section is effective the day after the governing body  
3.2 of Dakota County and its chief clerical officer timely comply with Minnesota Statutes,  
3.3 section 645.021, subdivisions 2 and 3.