

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 194

(SENATE AUTHORS: EICHORN)

DATE
01/19/2017

D-PG
356 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; authorizing the city of Walker 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. **CITY OF WALKER; LOCAL TAXES AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax authorized. Notwithstanding Minnesota Statutes,
1.7 section 477A.016, or any ordinance, city charter, or other provision of law, pursuant to the
1.8 approval of the voters at the general election on November 6, 2012, the city of Walker may
1.9 impose by ordinance a sales and use tax of 1-1/2 percent for the purposes specified in
1.10 subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the imposition,
1.11 administration, collection, and enforcement of the taxes authorized under this subdivision.

1.12 Subd. 2. Use of revenues. Revenues received from the tax authorized by subdivision 1
1.13 must be used to pay all or part of the capital and administrative costs of underground utility,
1.14 street, curb, gutter, and sidewalk improvements in the city of Walker as outlined in the 2012
1.15 capital improvement plan of the engineer of the city of Walker.

1.16 Subd. 3. Bonding authority. The city of Walker, pursuant to the approval of the voters
1.17 at the November 6, 2012, referendum authorizing the imposition of the taxes in this section,
1.18 may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative
1.19 expenses for the projects described in subdivision 2, in an amount that does not exceed
1.20 \$20,000,000. A separate election to approve the bonds under Minnesota Statutes, section
1.21 475.58, is not required.

2.1 Subd. 4. Termination of tax. (a) The tax authorized under subdivision 1 terminates at
2.2 the earlier of:

2.3 (1) 20 years after the date of initial imposition of the tax; or

2.4 (2) when the city council determines that sufficient funds have been raised from the tax
2.5 to finance the capital and administrative costs of the improvements described in subdivision
2.6 2, plus the additional amount needed to pay the costs related to issuance of bonds under
2.7 subdivision 3, including interest on the bonds.

2.8 (b) Any funds remaining after completion of the projects specified in subdivision 2 and
2.9 retirement or redemption of bonds in subdivision 3 shall be placed in the general fund of
2.10 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
2.11 determines by ordinance.

2.12 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing
2.13 body of the city of Walker with Minnesota Statutes, section 645.021, subdivisions 2 and 3.