

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 3642

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DATE
02/27/2020

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5019 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

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

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

1.5 Section 1. **CITY OF EDINA; TAXES AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
 1.7 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 1.8 and if approved by the voters at a general election as required under Minnesota Statutes,
 1.9 section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use
 1.10 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
 1.11 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
 1.12 imposition, administration, collection, and enforcement of the tax authorized under this
 1.13 subdivision. The tax imposed under this subdivision is in addition to any local sales and
 1.14 use tax imposed under any other special 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 Edina to pay the costs of collecting and
 1.17 administering the tax and paying for the following projects in the city, including securing
 1.18 and paying debt service on bonds issued to finance all or part of the following projects:

1.19 (1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park
 1.20 as identified in the Fred Richards Park Master Plan;

1.21 (2) \$20,900,000 plus associated bonding costs for improvements to Braemar Park as
 1.22 identified in the Braemar Park Master Plan;

(3) \$2,000,000 plus associated bonding costs for developing park amenities, including recreation and open space areas, and storm water facilities, at Weber Woods Park; and

(4) \$39,200,000 plus associated bonding costs for municipal state-aid street reconstruction.

Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in 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) \$17,700,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; (2) \$20,900,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds; (3) \$2,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be applied to the payment of the costs of issuing the bonds; and (4) \$39,200,000 for the project listed in subdivision 2, clause (4), 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 Edina, 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 Edina, 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.** 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 projects 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 the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must 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.

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