

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 337**

(SENATE AUTHORS: BAKK and Dziezic)

DATE  
01/22/2019

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132 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 International Falls to impose a local  
1.3 sales and use tax for specified projects.

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

1.5 Section 1. **CITY OF INTERNATIONAL FALLS; TAX AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,  
1.7 sections 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
1.8 and as approved by the voters at the November 6, 2018, general election, the city of  
1.9 International Falls may impose, by ordinance, a sales and use tax of up to one percent for  
1.10 the 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.

1.13 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized  
1.14 under subdivision 1 must be used by the city of International Falls to pay the costs of  
1.15 collecting and administering the tax, and paying for transportation and other public  
1.16 infrastructure projects in the city, including securing and paying debt service on bonds  
1.17 issued to finance all or part of these projects. The total amount of transportation and other  
1.18 public infrastructure projects to be funded with the tax imposed under subdivision 1 shall  
1.19 not exceed \$30,000,000, excluding associated debt service costs.

1.20 Subd. 3. Bonding authority. (a) The city of International Falls may issue bonds under  
1.21 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project  
1.22 authorized in subdivision 2. The aggregate principal amount of bonds issued under this  
1.23 subdivision may not exceed \$30,000,000, plus an amount applied to the payment of costs

2.1 of issuing the bonds. The bonds may be paid from or secured by any funds available to the  
2.2 city of International Falls, including the tax authorized under subdivision 1. The issuance  
2.3 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and  
2.4 275.61.

2.5 (b) The bonds are not subject to any provisions of the home rule charter of the city of  
2.6 International Falls and are not included in computing any debt limitation applicable to the  
2.7 city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and  
2.8 interest on the bonds is not subject to any levy limitation. A separate election to approve  
2.9 the bonds under Minnesota Statutes, section 475.58, is not required.

2.10 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
2.11 earlier of: (1) 30 years after the tax is first imposed; or (2) when the city council determines  
2.12 that the city has received \$30,000,000 from this tax to fund the projects listed in subdivision  
2.13 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of  
2.14 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed  
2.15 costs due to timing of the termination under section 297A.99 shall be placed in the general  
2.16 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the  
2.17 city so determines by ordinance.

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