

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

S.F. No. 3716

(SENATE AUTHORS: UTKE)

DATE
02/27/2020

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5032 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 Lake of the Woods County to
1.3 impose a local sales and use tax.

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

1.5 Section 1. **LAKE OF THE WOODS COUNTY; LOCAL SALES AND USE TAX**
1.6 **AUTHORIZED.**

1.7 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.8 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
1.9 election as required under Minnesota Statutes, section 297A.99, subdivision 3, Lake of the
1.10 Woods County may impose by ordinance a sales and use tax of up to one and one-half
1.11 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
1.12 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
1.13 administration, collection, and enforcement of the tax authorized under this subdivision.
1.14 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
1.15 under any other special law.

1.16 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.17 under subdivision 1 must be used by Lake of the Woods County to pay the costs of collecting
1.18 and administering the tax, and to finance up to \$14,000,000 for the construction of a new
1.19 county jail and law enforcement center. Authorized costs include related parking, design,
1.20 construction, reconstruction, mechanical upgrades, and engineering costs, as well as payment
1.21 of debt service on bonds issued to finance the project listed in this subdivision.

1.22 Subd. 3. Bonding authority. (a) Lake of the Woods County may issue bonds under
1.23 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project

2.1 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
2.2 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
2.3 issued under this subdivision may not exceed \$14,000,000 plus an amount needed to pay
2.4 capitalized interest and an amount to be applied to the payment of the costs of issuing the
2.5 bonds. The bonds may be paid from or secured by any funds available to the county,
2.6 including the tax authorized under subdivision 1. The issuance of bonds under this
2.7 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

2.8 (b) The bonds are not included in computing any debt limitation applicable to the county.
2.9 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
2.10 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
2.11 under Minnesota Statutes, section 475.58, is not required.

2.12 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.13 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 25 years
2.14 after the tax is first imposed; or (2) when the county commission determines that the amount
2.15 received from the tax is sufficient to pay for the project costs authorized under subdivision
2.16 2 for the project approved by voters as required under Minnesota Statutes, section 297A.99,
2.17 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
2.18 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
2.19 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
2.20 any funds remaining after payment of allowed costs due to the timing of the termination of
2.21 the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
2.22 general fund of the county. The tax imposed under subdivision 1 may expire at an earlier
2.23 time if the county so determines by ordinance.

2.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of Lake
2.25 of the Woods County and its chief clerical officer comply with Minnesota Statutes, section
2.26 645.021, subdivisions 2 and 3.