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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1787

02/15/2023 Authored by Coulter, Edelson and Howard
The bill was read for the first time and referred to the Committee on Taxes

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

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

1.5 Section 1. CITY OF BLOOMINGTON; 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 Bloomington may impose by ordinance a sales
1.10 and use tax of one-half of one percent for the purposes specified in subdivision 2. Except
1.11 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
1.12 govern the imposition, administration, collection, and enforcement of the tax authorized
1.13 under this subdivision. The tax imposed under this subdivision is in addition to any local
1.14 sales and use tax imposed under any other special law.

1.15 Subd. 2. Use of sales and use tax revenues. (a) The revenues derived from the tax
1.16 authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of
1.17 collecting and administering the tax and paying for the following projects in the city,
1.18 including securing and paying debt service on bonds issued to finance all or part of the
1.19 following projects:

1.20 (1) \$35,000,000 for new construction and rehabilitation of the Bloomington Ice Garden
1.21 and associated infrastructure;

2.1 (2) \$100,000,000 for construction of a new Community Health and Wellness Center
2.2 and associated infrastructure; and

2.3 (3) \$20,000,000 for new construction and restoration of the Nine Mile Creek Corridor
2.4 Renewal and associated infrastructure.

2.5 (b) For purposes of this subdivision, "associated infrastructure" includes but is not limited
2.6 to any or all of the following items required for the safe access or use of the capital projects:
2.7 facilities, roads, lighting, sidewalks, parking, landscaping, and utilities.

2.8 Subd. 3. **Bonding authority.** (a) The city of Bloomington may issue bonds under
2.9 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
2.10 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
2.11 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
2.12 issued under this subdivision may not exceed:

2.13 (1) \$35,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
2.14 applied to the payment of the costs of issuing the bonds;

2.15 (2) \$100,000,000 for the project listed in subdivision 2, clause (2), plus an amount to
2.16 be applied to the payment of the costs of issuing the bonds; and

2.17 (3) \$20,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be
2.18 applied to the payment of the costs of issuing the bonds.

2.19 (b) The bonds may be paid from or secured by any funds available to the city of
2.20 Bloomington, including the tax authorized under subdivision 1. The issuance of bonds under
2.21 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

2.22 (c) The bonds are not included in computing any debt limitation applicable to the city
2.23 of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
2.24 principal and interest on the bonds is not subject to any levy limitation. A separate election
2.25 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

2.26 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.27 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
2.28 after the tax is first imposed, or (2) when the city council determines that the amount received
2.29 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
2.30 projects approved by voters as required under Minnesota Statutes, section 297A.99,
2.31 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
2.32 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
2.33 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),

3.1 any funds remaining after payment of the allowed costs due to the timing of the termination
3.2 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
3.3 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
3.4 if the city so determines by ordinance.

3.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
3.6 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section
3.7 645.021, subdivisions 2 and 3.