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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2136

02/21/2023 Authored by Igo and Davids
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 Hibbing to impose a
1.3 local sales tax.

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

1.5 Section 1. CITY OF HIBBING; 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 or 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 Hibbing may impose by ordinance a sales and
1.10 use tax of one-half of one percent for the purpose specified in subdivision 2. Except as
1.11 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. The revenues derived from the tax authorized
1.16 under subdivision 1 must be used by the city of Hibbing to pay the costs of collecting and
1.17 administering the tax, and to finance up to \$19,600,000 for the construction of a regional
1.18 public safety center. Authorized costs include the associated bond costs for any bonds issued
1.19 under subdivision 3.

1.20 Subd. 3. Bonding authority. (a) The city of Hibbing may issue bonds under Minnesota
1.21 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The
1.22 aggregate principal amount of bonds issued under this subdivision may not exceed
1.23 \$19,600,000 for the project listed in subdivision 2, plus an amount to be applied to the

2.1 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
2.2 funds available to the city, 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 included in computing any debt limitation applicable to the city,
2.6 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
2.7 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
2.8 under Minnesota Statutes, section 475.58, is not required.

2.9 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.10 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years
2.11 after the tax is first imposed; or (2) when the city council determines that the amount received
2.12 from the tax is sufficient to pay \$19,600,000 in project costs authorized under subdivision
2.13 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized
2.14 under subdivision 3, including interest on the bonds. Except as otherwise provided in
2.15 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
2.16 after payment of the allowed costs due to the timing of the termination of the tax under
2.17 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
2.18 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
2.19 determines by ordinance.

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