

State of Minnesota

H. F. No. 2129

The bill was read for the first time and referred to the Committee on Taxes

1.2 relating to local taxes; authorizing the city of East Grand Forks to impose a local
1.3 sales and use tax.

2.1 (2) \$8,000,000 plus associated bonding costs for reconstruction and remodeling of, and
2.2 upgrades and additions to, the VFW Memorial Arena and Blue Line Arena.

2.3 Subd. 3. **Bonding authority.** (a) The city of East Grand Forks may issue bonds under
2.4 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
2.5 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
2.6 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
2.7 issued under this subdivision may not exceed:

2.8 (1) \$6,745,000 for the project listed in subdivision 2, clause (1), plus an amount to be
2.9 applied to the payment of the costs of issuing the bonds; and

2.10 (2) \$8,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
2.11 applied to the payment of the costs of issuing the bonds.

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

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

2.19 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.20 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
2.21 after being first imposed, or (2) when the city council determines that the amount received
2.22 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
2.23 projects approved by voters as required under Minnesota Statutes, section 297A.99,
2.24 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
2.25 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
2.26 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
2.27 any funds remaining after payment of the allowed costs due to the timing of the termination
2.28 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
2.29 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
2.30 if the city so determines by ordinance.

2.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.32 city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes,
2.33 section 645.021, subdivisions 2 and 3.