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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2414

03/02/2023 Authored by Lillie and Edelson
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 taxation; modifying local sales and use tax authorizations to provide
1.3 temporary authority to increase funding for projects authorized in 2021.

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

1.5 Section 1. INFLATION-RELATED CONSTRUCTION COSTS; TEMPORARY
1.6 AUTHORITY FOR INCREASE.

1.7 (a) This section is intended as a response to inflation-related increases in construction
1.8 costs for projects funded by local sales taxes governed under Minnesota Statutes, section
1.9 297A.99.

1.10 (b) Notwithstanding Minnesota Statutes, sections 297A.99, subdivision 2, and 475.54,
1.11 a political subdivision that first received authority to impose a local sales and use tax in
1.12 Laws 2021, First Special Session chapter 14, article 8; held an election as required under
1.13 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a); and received voter
1.14 approval for the authorized projects may elect to:

1.15 (1) increase the aggregate amount authorized to finance projects up to an additional 25
1.16 percent;

1.17 (2) increase the length of time the tax is imposed by a corresponding amount of time;
1.18 and

1.19 (3) extend the maturity date of any bonds issued related to funding the projects beyond
1.20 the 30-year maturity requirement imposed by Minnesota Statutes, section 475.54.

2.1 (c) The governing body of a political subdivision making an election under paragraph
2.2 (b) must adopt a resolution indicating approval of the increases and submit the resolution
2.3 to the state auditor no later than September 1, 2023.

2.4 (d) A political subdivision is not required to hold an additional referendum to approve
2.5 the elections made under paragraph (b).

2.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.