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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3603

03/24/2016 Authored by Murphy, M., by request

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; sales and use; modifying the uses of revenues from the
1.3 Hermantown local option sales tax; amending Laws 1996, chapter 471, article 2,
1.4 section 29, subdivision 1, as amended.

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

1.6 Section 1. Laws 1996, chapter 471, article 2, section 29, subdivision 1, as amended by
1.7 Laws 2006, chapter 259, article 3, section 3, and Laws 2011, First Special Session chapter
1.8 7, article 4, section 4, is amended to read:

1.9 Subdivision 1. **Sales tax authorized.** (a) Notwithstanding Minnesota Statutes,
1.10 section 477A.016, or any other contrary provision of law, ordinance, or city charter, the
1.11 city of Hermantown may, by ordinance, impose an additional sales tax of up to one
1.12 percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that
1.13 occur within the city. The proceeds of the tax imposed under this section must be used to
1.14 meet the costs of:

1.15 (1) extending a sewer interceptor line;
1.16 (2) construction of a booster pump station, reservoirs, and related improvements
1.17 to the water system; ~~and~~

1.18 (3) construction of a building containing a police and fire station and an
1.19 administrative services facility; and

1.20 (4) debt service payments for construction of the Hermantown Wellness Center.

1.21 (b) If the city imposed a sales tax of only one-half of one percent under paragraph
1.22 (a), it may increase the tax to one percent to fund the purposes under paragraph (a)
1.23 provided it is approved by the voters at a general election held before December 31, 2012.

- 2.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of
- 2.2 the city of Hermantown and its chief clerical officer comply with Minnesota Statutes,
- 2.3 section 645.021, subdivisions 2 and 3.