

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 3505

(SENATE AUTHORS: TOMASSONI)

DATE	D-PG	OFFICIAL STATUS
04/11/2016	5799	Introduction and first reading Referred to Taxes

A bill for an act  
relating to the city of Virginia; allowing the city to impose a local sales tax to  
fund renovation and expansion of the Miners Memorial Building.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CITY OF VIRGINIA; TAX AUTHORIZED.**

Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 2 and 3, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at the 2016 general election, the city of Virginia may impose, by ordinance, a sales and use tax of up to one-half of one percent for the purpose specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. Prior to the vote at the general election, the city must (1) pass a resolution in support of the imposition of the tax containing the information required under Minnesota Statutes, section 297A.99, subdivision 2, and (2) hold three informational hearings at the Miners Memorial Building outlining the project costs and specifying which costs will be funded through the local sales tax.

Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized under subdivision 1 must be used by the city of Virginia to pay the costs of collecting and administering the tax and to finance up to \$18,000,000 of the capital and administrative costs of renovation, expansion, and improvement of the Miners Memorial Building. Authorized expenses include but are not limited to design and development costs, property acquisition, construction and other expenses related to the renovation, expansion, and improvement of the facility, including parking and other related facilities, and securing

and paying debt service on bonds issued under subdivision 3 or other obligations issued to finance the renovation, expansion, and improvement of the Miners Memorial Building.

Subd. 3. **Bonding authority.** (a) The city of Virginia may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facility authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$18,000,000 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Virginia, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

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

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires when the city council determines that \$18,000,000 plus an amount sufficient to pay the costs, including interest, related to issuance of the bonds authorized under subdivision 3, has been received from the tax to pay for the cost of the project authorized under subdivision 2. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

**EFFECTIVE DATE.** This section is effective the day after compliance by the governing body of the city of Virginia with Minnesota Statutes, section 645.021, subdivisions 2 and 3.