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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 659

01/30/2017 Authored by Torkelson
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; allowing the city of New Ulm to extend local excise and sales
1.3 and use taxes; modifying the use of revenues from the taxes; amending Laws 1999,
1.4 chapter 243, article 4, section 17, subdivisions 3, 5, by adding a subdivision.

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

1.6 Section 1. Laws 1999, chapter 243, article 4, section 17, subdivision 3, is amended to
1.7 read:

1.8 Subd. 3. Use of revenues. (a) Revenues received from taxes authorized by subdivisions
1.9 1 and 2 must be used by the city to pay the cost of collecting the taxes and to pay for
1.10 construction and improvement of a civic and community center and recreational facilities
1.11 to serve all ages, including seniors and youth. Authorized expenses include, but are not
1.12 limited to, acquiring property, paying construction and operating expenses related to the
1.13 development of an authorized facility, funding facilities replacement reserves, and paying
1.14 debt service on bonds or other obligations issued to finance the construction or expansion
1.15 of an authorized facility. The capital expenses for all projects authorized under this
1.16 subdivision that may be paid with these taxes are limited to \$9,000,000, plus an amount
1.17 equal to the costs related to issuance of the bonds and funding facilities replacement reserves.

1.18 (b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved
1.19 by the voters at the November 8, 2016, general election, the city of New Ulm may by
1.20 ordinance also use revenues from taxes authorized under subdivisions 1 and 2, up to a
1.21 maximum of \$14,800,000, plus associated bond costs, to pay all or a portion of the expenses
1.22 of the following capital projects:

2.1 (1) constructing an indoor water park and making safety improvements to the existing
 2.2 recreational center pool;

2.3 (2) constructing an indoor playground, a wellness center, and a gymnastics facility;

2.4 (3) constructing a winter multipurpose dome;

2.5 (4) making improvements to Johnson Park Grandstand; and

2.6 (5) making improvements to the entrance road and parking at Hermann Heights Park.

2.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 2.8 city of New Ulm and its chief clerical officer comply with Minnesota Statutes, section
 2.9 645.021, subdivisions 2 and 3.

2.10 Sec. 2. Laws 1999, chapter 243, article 4, section 17, is amended by adding a subdivision
 2.11 to read:

2.12 Subd. 4a. **Bonding authority; additional use and extension of tax.** As approved by
 2.13 the voters at the November 8, 2016, general election, and in addition to the bonds issued
 2.14 under subdivision 4, the city of New Ulm may issue general obligation bonds of the city in
 2.15 an amount not to exceed \$14,800,000 for the projects listed in subdivision 3, paragraph (b).
 2.16 The debt represented by bonds under this subdivision shall not be included in computing
 2.17 any debt limitations applicable to the city of New Ulm, and the levy of taxes required by
 2.18 Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds, and shall
 2.19 not be subject to any levy limitation or be included in computing or applying any levy
 2.20 limitation applicable to the city.

2.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 2.22 city of New Ulm and its chief clerical officer comply with Minnesota Statutes, section
 2.23 645.021, subdivisions 2 and 3.

2.24 Sec. 3. Laws 1999, chapter 243, article 4, section 17, subdivision 5, is amended to read:

2.25 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 2.26 when the city council determines that sufficient funds have been received from the taxes to
 2.27 finance the capital and administrative costs for the acquisition, construction, and improvement
 2.28 of facilities described in subdivision 3, including the additional use of revenues under
 2.29 subdivision 3, paragraph (b), as approved by the voters at the November 8, 2016, general
 2.30 election, and to prepay or retire at maturity the principal, interest, and premium due on any
 2.31 bonds issued for the facilities under ~~subdivision 4~~ subdivisions 4 and 4a. Any funds remaining
 2.32 after completion of the project and retirement or redemption of the bonds may be placed in

3.1 the general fund of the city. The taxes imposed under subdivisions 1 and 2 may expire at
3.2 an earlier time if the city so determines by ordinance.

3.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
3.4 city of New Ulm and its chief clerical officer comply with Minnesota Statutes, section
3.5 645.021, subdivisions 2 and 3.