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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 172

01/11/2017 Authored by Lien and Marquart

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

01/23/2017 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to Clay County; allowing the county to impose a local sales and use tax
1.3 to fund a correctional facility and law enforcement center.

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

1.5 Section 1. **CLAY COUNTY; TAX AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.7 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law or ordinance, and as
1.8 approved by the voters at the November 8, 2016, general election, Clay County may impose,
1.9 by ordinance, a sales and use tax of up to one-half of one percent for the purposes specified
1.10 in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota
1.11 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
1.12 of the tax authorized under this subdivision.

1.13 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.14 under subdivision 1 must be used by Clay County to pay the costs of collecting and
1.15 administering the tax and to finance the capital and administrative costs of constructing and
1.16 equipping a new correctional facility, law enforcement center, and related parking facility.
1.17 Authorized expenses include but are not limited to paying design, development, and
1.18 construction costs related to these facilities and improvements, and securing and paying
1.19 debt service on bonds issued under subdivision 3 or other obligations issued to finance the
1.20 facilities listed in this subdivision.

1.21 Subd. 3. Bonding authority. Clay County may issue bonds under Minnesota Statutes,
1.22 chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision
1.23 2. The aggregate principal amount of bonds issued under this subdivision may not exceed

2.1 \$52,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds.
2.2 The bonds may be paid from or secured by any funds available to Clay County, including
2.3 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
2.4 subject to Minnesota Statutes, sections 275.60 and 275.61.

2.5 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
2.6 earlier of: (1) 20 years after the tax is first imposed; or (2) when the county board determines
2.7 that \$52,000,000, plus an amount sufficient to pay the costs related to issuance of the bonds
2.8 authorized under subdivision 3, including interest on the bonds, has been received from the
2.9 tax to pay for the cost of the projects authorized under subdivision 2. Any funds remaining
2.10 after payment of all such costs and retirement or redemption of the bonds shall be placed
2.11 in the general fund of the county. The tax imposed under subdivision 1 may expire at an
2.12 earlier time if the county so determines by ordinance.

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