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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1427

02/21/2019 Authored by Baker
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; authorizing the city of Willmar to impose a local sales and
1.3 use tax and an excise tax for specified projects.

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

1.5 Section 1. CITY OF WILLMAR; TAX AUTHORIZED.

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.7 sections 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
1.8 and as approved by the voters at the November 6, 2018, general election, the city of Willmar
1.9 may impose, by ordinance, a sales and use tax of up to one-half of one percent for the
1.10 purposes specified in subdivision 3. Except as otherwise provided in this section, the
1.11 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
1.12 collection, and enforcement of the tax authorized under this subdivision.

1.13 Subd. 2. Excise tax authorized. Notwithstanding Minnesota Statutes, section 477A.016,
1.14 or any other contrary provision of law, ordinance, or city charter, the city of Willmar may
1.15 impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20
1.16 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged
1.17 within the city of Willmar in the business of selling motor vehicles at retail.

1.18 Subd. 3. Use of revenues. (a) The revenues derived from the taxes authorized under
1.19 subdivisions 1 and 2 must be used by the city of Willmar to pay the costs of collecting and
1.20 administering the taxes, and to pay for the projects listed in this subdivision, including
1.21 securing and paying debt service on bonds issued to finance all or part of these projects.
1.22 The total amount of projects to be funded with the taxes imposed under subdivisions 1 and

2.1 2 shall not exceed \$30,000,000 plus the costs related to the issuance and paying debt service
 2.2 on bonds for these projects. The amount that may be spent on each project is limited to:

2.3 (1) \$2,000,000 for a community center replacement;

2.4 (2) \$6,000,000 for new athletic fields;

2.5 (3) \$3,000,000 for infrastructure improvements at Robins Island Regional Park;

2.6 (4) \$2,000,000 for a new playground and spectator amenities at Swansson Field Regional
 2.7 Park;

2.8 (5) \$7,000,000 for stormwater management infrastructure improvements; and

2.9 (6) \$10,000,000 for a new recreation and event center.

2.10 (b) Notwithstanding the limits listed in paragraph (a) the city may by ordinance reallocate
 2.11 up to 10 percent of the funds designated for one or more projects listed in that paragraph to
 2.12 other projects listed in that paragraph.

2.13 Subd. 4. **Bonding authority.** The city of Willmar may issue bonds under Minnesota
 2.14 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 2.15 subdivision 3. The aggregate principal amount of bonds issued under this subdivision may
 2.16 not exceed \$30,000,000, plus an amount applied to the payment of costs of issuing the
 2.17 bonds. The bonds may be paid from or secured by any funds available to the city of Willmar,
 2.18 including the taxes authorized under subdivisions 1 and 2. The issuance of bonds under this
 2.19 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

2.20 The bonds are not subject to any provisions of the home rule charter of the city of Willmar
 2.21 and are not included in computing any debt limitation applicable to the city. Any levy of
 2.22 taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds
 2.23 is not subject to any levy limitation. A separate election to approve the bonds under
 2.24 Minnesota Statutes, section 475.58, is not required.

2.25 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 2.26 at the earlier of: (1) 13 years after the taxes are first imposed; or (2) when the city council
 2.27 determines that the city has received \$30,000,000 from this tax to fund the projects listed
 2.28 in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance
 2.29 of the bonds authorized in subdivision 4. Any funds remaining after payment of the allowed
 2.30 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 2.31 placed in the general city's fund. The taxes imposed under subdivisions 1 and 2 may expire
 2.32 at an earlier time if the city so determines by ordinance.

- 3.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
- 3.2 city of Willmar and its chief clerical officer comply with Minnesota Statutes, section 645.021,
- 3.3 subdivisions 2 and 3.