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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1709

03/01/2021 Authored by Wolgamott
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; local sales and use; authorizing the city of St. Cloud to impose
1.3 a local sales and use tax.

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

1.5 Section 1. CITY OF ST. CLOUD; TAX AUTHORIZED.

1.6 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.7 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
1.8 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
1.9 the city of St. Cloud may impose, by ordinance, a sales and use tax of one-half of one percent
1.10 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
1.11 the 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. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.14 under subdivision 1 must be used by the city of St. Cloud to pay the costs of collecting and
1.15 administering the tax and paying for the following projects in the city, including securing
1.16 and paying debt service on bonds issued to finance all or part of the following projects:

1.17 (1) \$21,600,000 plus associated bonding costs for multimodal transportation and utility
1.18 improvements to East St. Germain Street, Lincoln Avenue, and 4th Street SE;

1.19 (2) \$12,500,000 plus associated bonding costs for multimodal transportation and utility
1.20 improvements on Heatherwood Road from Clearwater Road to Opportunity Drive;

1.21 (3) \$23,000,000 plus associated bonding costs for multimodal transportation and utility
1.22 improvements for a primary gateway for regional access to St. Cloud State University;

2.1 (4) \$24,000,000 plus associated bonding costs for multimodal transportation and utility  
2.2 improvements for a regional gateway to St. Cloud's central business district; and

2.3 (5) \$21,100,000 plus associated bonding costs for expansion and improvement of St.  
2.4 Cloud's Municipal Athletic Complex.

2.5 Subd. 3. **Bonding authority.** (a) The city of St. Cloud may issue bonds under Minnesota  
2.6 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
2.7 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
2.8 not exceed: (1) \$21,600,000 for the project listed in subdivision 2, clause (1), plus an amount  
2.9 applied to the payment of costs of issuing the bonds; (2) \$12,500,000 for the projects listed  
2.10 in subdivision 2, clause (2), plus an amount applied to the payment of costs of issuing the  
2.11 bonds; (3) \$23,000,000 for the project listed in subdivision 2, clause (3), plus an amount  
2.12 applied to the payment of costs of issuing the bonds; (4) \$24,000,000 for the project listed  
2.13 in subdivision 2, clause (4), plus an amount applied to the payment of costs of issuing the  
2.14 bonds; and (5) \$21,100,000 for the project listed in subdivision 2, clause (5), plus an amount  
2.15 applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured  
2.16 by any funds available to the city of St. Cloud, including the tax authorized under subdivision  
2.17 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections  
2.18 275.60 and 275.61.

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

2.23 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
2.24 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines  
2.25 that the amount received from the tax is sufficient to pay for the project costs authorized  
2.26 under subdivision 2, for the projects approved by the voters as required under Minnesota  
2.27 Statutes, section 297A.99, subdivision 3, plus an amount sufficient to pay costs, including  
2.28 interest costs, related to the issuance of the bonds authorized in subdivision 3. Any funds  
2.29 remaining after payment of the allowed costs due to timing of the termination under  
2.30 Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax  
2.31 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
2.32 ordinance.

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