

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 1231

(SENATE AUTHORS: MATHEWS)

DATE
02/22/2021

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; local sales and use; authorizing Mille Lacs County 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. **COUNTY OF MILLE LACS; LOCAL SALES AND USE TAX**
1.6 **AUTHORIZED.**

1.7 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
1.8 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
1.9 election as required under Minnesota Statutes, section 297A.99, subdivision 3, Mille Lacs
1.10 County may impose by ordinance a sales and use tax of one-half of one percent for the
1.11 purposes specified in subdivision 2. Except as otherwise provided in this section, the
1.12 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
1.13 collection, and enforcement of the tax authorized under this subdivision.

1.14 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.15 under subdivision 1 must be used by Mille Lacs County to pay the costs of collecting and
1.16 administering the tax, and to finance up to \$10,000,000 for the construction of a public
1.17 works building in Mille Lacs County, plus an amount needed for securing and paying debt
1.18 service on bonds issued to finance the project.

1.19 Subd. 3. Bonding authority. (a) Mille Lacs County may issue bonds under Minnesota
1.20 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
1.21 subdivision 2, and approved by the voters as required under Minnesota Statutes, section
1.22 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
1.23 under this subdivision may not exceed \$10,000,000, plus an amount applied to the payment

2.1 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
2.2 available to the county, including the tax authorized under subdivision 1. The issuance of
2.3 bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
2.4 275.61.

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

2.9 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
2.10 earlier of: (1) eight years after the tax is first imposed; or (2) when the county board
2.11 determines that the amount received from the tax is sufficient to pay for the project costs
2.12 authorized under subdivision 2 for the project approved by voters as required under
2.13 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient
2.14 to pay the costs related to issuance of any bonds authorized under subdivision 3, including
2.15 interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99,
2.16 subdivision 3, paragraph (f), any funds remaining after payment of allowed costs due to the
2.17 timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision
2.18 12, shall be placed in the general fund of the county. The tax imposed under subdivision 1
2.19 may expire at an earlier time if the county so determines by ordinance.

2.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of Mille
2.21 Lacs County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
2.22 subdivisions 2 and 3.