

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

S.F. No. 493

(SENATE AUTHORS: RARICK)

DATE
02/01/2021

D-PG

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 the city of Cloquet 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 CLOQUET; TAXES AUTHORIZED.**

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

1.15 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
1.16 under subdivision 1 must be used by the city of Cloquet to pay the costs of collecting and
1.17 administering the tax and the capital and administrative costs of any or all of the projects
1.18 listed in this subdivision. The amount spent on each project is limited to the amount set
1.19 forth below plus an amount equal to interest on and the costs of issuing any bonds:

1.20 (1) construction, reconstruction, expansion, or improvement related to the Pine Valley
1.21 Regional Park Project, including ski jump repairs, chalet replacement, and parking and
1.22 lighting improvements, in an amount not to exceed \$2,124,700; and

2.1 (2) restoration, repair, and upgrading of the Cloquet Ice Arena in an amount not to exceed
2.2 \$6,025,500.

2.3 Subd. 3. **Bonding authority.** (a) The city of Cloquet may issue bonds under Minnesota
2.4 Statutes, chapter 475, to finance up to \$8,150,200 of the portion of the costs of the facilities
2.5 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
2.6 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
2.7 issued under this subdivision may not exceed \$8,150,200 plus an amount to be applied to
2.8 the payment of the costs of issuing the bonds. The bonds may be paid from or secured by
2.9 any funds available to the city of Cloquet, including the tax authorized under subdivision
2.10 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
2.11 275.60 and 275.61.

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

2.16 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
2.17 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 10 years
2.18 after the tax is first imposed, or (2) when the city council determines that the amount received
2.19 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
2.20 projects approved by voters as required under Minnesota Statutes, section 297A.99,
2.21 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
2.22 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
2.23 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
2.24 any funds remaining after payment of the allowed costs due to the timing of the termination
2.25 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
2.26 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
2.27 if the city so determines by ordinance.

2.28 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.29 city of Cloquet and its chief clerical officer comply with Minnesota Statutes, section 645.021,
2.30 subdivisions 2 and 3.