

S.F. No. 3191 - Modifications to local sales tax authorization requirements

Author: Senator Ann H. Rest

Prepared by: Nora Pollock, Senate Counsel (651/297-8066)

Date: April 25, 2022

Section 1. Authorization; scope. Reorganizes language for the allowable uses of funds relating to enacting a local sales tax. Clarifies that a local jurisdiction may only spend funds related to imposing a local sales tax to disseminate information included in the referendum and submitted to the chairs and ranking members of the Senate and House Taxes committees, as required under current law. Effective for local sales tax proposals submitted for the approval after the day following final enactment.

Section 2. Local resolution before application for authority. Specifies that a local jurisdiction seeking authority to impose a local sales tax or modify an existing local sales tax must adopt a resolution indicating its approval of the tax each year it seeks legislative approval. Requires the jurisdiction to submit an amended resolution if the jurisdiction seeks to add a project to be funded with tax revenue; increase the amount used for any project; increase the total revenue to be raised for all projects before the tax expires; or increase the estimated length of time the tax will be in effect if all proposed projects are funded. Effective for local sales tax proposals submitted for the approval after the day following final enactment.

Section 3. Legislative authority required before voter approval; requirements for adoption; use; termination. Specifies that modification of a local sales tax is subject to the same voter approval requirement as enacting a new local sales tax. Clarifies that imposition of a new local sales tax or modification of an existing sales tax is subject to voter approval at a general election conducted on the first Monday after the first Tuesday in November within the two-year period after receiving legislative approval. Effective for local sales tax proposals submitted for the approval after the day following final enactment.