

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

**S.F. No. 3763**

(SENATE AUTHORS: BAKK)

DATE  
03/07/2022

D-PG  
5229 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 Proctor 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 PROCTOR; 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 Proctor 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 Proctor to pay the costs of collecting and  
1.17 administering the tax and to finance up to \$3,850,000 for construction of a new regional  
1.18 trail in the city, including securing and paying debt service on bonds issued to finance all  
1.19 or part of the project.

1.20 Subd. 3. Bonding authority. The city of Proctor may issue bonds under Minnesota  
1.21 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in  
1.22 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may

2.1 not exceed \$3,850,000, plus an amount to be applied to the payment of the costs of issuing  
2.2 the bonds.

2.3 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
2.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
2.5 after being first imposed, or (2) when the city council determines that the amount received  
2.6 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
2.7 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
2.8 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
2.9 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
2.10 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
2.11 section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax  
2.12 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
2.13 ordinance.

2.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
2.15 city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
2.16 subdivisions 2 and 3.