



**LOCAL SALES TAX
City of Cottage Grove**

March 24, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1867 (Hudella) / S.F. 1996 (Seeberger)

The bill would authorize the city of Cottage Grove to impose a general sales and use tax of 0.5%, if approved by voters at a general election. Proceeds would be used on the following projects: \$17 million for improvements to Hamlet Park, \$6 million for improvements to River Oaks Golf Course, and \$13 million for improvements to the Mississippi Dunes Park project.

The bill authorizes a bond issuance of up to \$36 million plus bond costs. The tax would terminate at the earlier of 25 years after the tax is first imposed or when the city determines that sufficient funds have been received to pay for the costs of the project and bonds. The tax may expire earlier if the city so determines by ordinance.

The bill would have no impact on any state fund.

Minnesota Department of Revenue
Tax Research Division
<https://www.revenue.state.mn.us/revenue-analyses>

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