

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 2349

(SENATE AUTHORS: FRENTZ)

DATE	D-PG	OFFICIAL STATUS
03/01/2023	1203	Introduction and first reading Referred to Taxes See HF1938

1.1 A bill for an act

1.2 relating to taxation; modifying the local sales tax for the city of North Mankato;

1.3 authorizing additional bonding; amending Laws 2008, chapter 366, article 7, section

1.4 20, as amended.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Laws 2008, chapter 366, article 7, section 20, as amended by Laws 2017, First

1.7 Special Session chapter 1, article 5, section 17, is amended to read:

1.8 **Sec. 20. CITY OF NORTH MANKATO; TAXES AUTHORIZED.**

1.9 Subdivision 1. **Sales and use tax authorized.** Notwithstanding Minnesota Statutes,

1.10 section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to the

1.11 approval of the voters on November 7, 2006, the city of North Mankato may impose by

1.12 ordinance a sales and use tax of one-half of one percent for the purposes specified in

1.13 subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the imposition,

1.14 administration, collection, and enforcement of the taxes authorized under this subdivision.

1.15 Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision 1

1.16 must be used to pay all or part of the capital costs of the following projects:

1.17 (1) the local share of the Trunk Highway 14/County State-Aid Highway 41 interchange

1.18 project;

1.19 (2) development of regional parks and hiking and biking trails, including construction

1.20 of indoor regional athletic facilities;

1.21 (3) expansion of the North Mankato Taylor Library;

2.1 (4) riverfront redevelopment; and

2.2 (5) lake improvement projects.

2.3 The total amount of revenues from the tax in subdivision 1 that may be used to fund
2.4 these projects is \$15,000,000 plus any associated bond costs.

2.5 Subd. 2a. **Authorization to extend the tax.** Notwithstanding Minnesota Statutes, section
2.6 297A.99, subdivision 3, the North Mankato city council may, by resolution, extend the tax
2.7 authorized under subdivision 1 to cover an additional ~~\$9,000,000~~ \$15,000,000 in bonds,
2.8 plus associated bond costs, to fund the projects in subdivision 2 pursuant to voter approval
2.9 to extend the tax at the November 8, 2016, general election.

2.10 Subd. 3. **Bonds.** (a) The city of North Mankato, pursuant to the approval of the voters
2.11 at the November 7, 2006 referendum authorizing the imposition of the taxes in this section,
2.12 may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative
2.13 expenses for the projects described in subdivision 2, in an amount that does not exceed
2.14 \$6,000,000. A separate election to approve the bonds under Minnesota Statutes, section
2.15 475.58, is not required.

2.16 (b) The city of North Mankato, pursuant to approval of the voters at the November 8,
2.17 2016, referendum extending the tax to provide additional revenue to be spent for the projects
2.18 in subdivision 2, may issue additional bonds under Minnesota Statutes, chapter 475, to pay
2.19 capital and administrative expenses for those projects in an amount that does not exceed
2.20 ~~\$9,000,000~~ \$15,000,000. A separate election to approve the bonds under Minnesota Statutes,
2.21 section 475.58, is not required.

2.22 (c) The debt represented by the bonds is not included in computing any debt limitation
2.23 applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to
2.24 pay principal and interest on the bonds is not subject to any levy limitation.

2.25 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
2.26 earlier of December 31, ~~2038~~ 2044, or when revenues from the taxes first equal or exceed
2.27 ~~\$15,000,000~~ \$21,000,000 plus the additional amount needed to pay costs related to issuance
2.28 of bonds under subdivision 3, including interest. Any funds remaining after completion of
2.29 the projects and retirement or redemption of the bonds shall be placed in a capital facilities
2.30 and equipment replacement fund of the city. The tax imposed under subdivision 1 may
2.31 expire at an earlier time if the city so determines by ordinance.

- 3.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
- 3.2 city of North Mankato and its chief clerical officer comply with Minnesota Statutes, section
- 3.3 645.021, subdivisions 2 and 3.