

## **S.F. No. 1757 – Rochester local sales tax modifications (as proposed to be amended by the A-4 amendment)**

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**Section 1. Local resolution before application for authority.** Strikes the definition of “capital project” from the statute governing local sales taxes. Effective the day following final enactment for local sales taxes authorized after March 1, 2023.

**Section 2. Authorization; extension.** Authorizes the city to extend its .5% local sales tax for the projects listed in section 3. The extension is subject to voter approval at an election held in 2023, and all projects may be presented on the ballot in one question. Effective upon filing local approval with the secretary of state.

**Section 3. Use of sales and use tax revenues; additional projects.** Authorizes revenues to fund the following projects:

- \$60 million for an economic vitality fund, subject to adoption of a resolution to allow an additional \$10 million for the fund, which was initially authorized at \$50 million. The additional \$10 million must be used for a grant to Rochester Area Economic Development, Inc. (RAEDI) to make grants and loans for economic development projects. \$5 million must be used for grants and loans for economic development projects in the city, and \$5 million must be used for grants and loans for economic development projects in communities located in the Rochester metropolitan statistical area, excluding the city of Rochester.

If the city does not pass a resolution allowing an additional \$10 million for the fund, then it must use \$10 million out of the initially authorized \$50 million for the grant to RAEDI.

- \$50 million for street reconstruction;
- \$40 million for flood control and water quality, excluding removal of the MN00515 dam; and
- \$65 million for a sports and recreation complex.

Effective upon filing local approval with the secretary of state.

**Section 4. Bonding authority; additional projects and extension of tax.** Authorizes the city to issue bonds for the projects in section 3, up to \$215 million if the resolution is adopted to allow an additional \$10 million for the grant to RAEDI or \$205 million if the resolution is not adopted. Effective upon filing local approval with the secretary of state.

**Section 5. Termination of taxes.** Provides that the tax expires at the earlier of 24 years or when the city council determines sufficient funds have been raised to fund the projects authorized in section 3. Effective upon filing local approval with the secretary of state.