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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 108

January 11, 2007

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The bill was read for the first time and referred to the Committee on Taxes

January 16, 2007

By motion, recalled and re-referred to the Committee on Local Government and Metropolitan Affairs

February 22, 2007

Committee Recommendation and Adoption of Report:

Re-referred to the Committee on Taxes without further recommendation

1.1 A bill for an act
1.2 relating to the city of North Mankato; allowing the city to impose a local sales
1.3 and use tax.

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

1.5 Section 1. **CITY OF NORTH MANKATO; TAXES AUTHORIZED.**

1.6 Subdivision 1. Sales and use tax authorized. Notwithstanding Minnesota Statutes,
1.7 section 477A.016, or any other provision of law, ordinance, or city charter pursuant to
1.8 the approval of the voters on November 7, 2006, and pursuant to Minnesota Statutes,
1.9 section 297A.99, the city of North Mankato may impose by ordinance a sales and use tax
1.10 of one-half of one percent for the purposes specified in subdivision 2. The provisions of
1.11 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection,
1.12 and enforcement of the taxes authorized under this subdivision.

1.13 Subd. 2. Use of revenues. Revenues received from the tax authorized by
1.14 subdivision 1 must be used to pay all or part of the capital costs of the following projects:

1.15 (1) the local share of the Trunk Highway 14/County State Aid Highway 41
1.16 interchange project;

1.17 (2) development of regional parks and hiking and biking trails;

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

1.19 (4) riverfront redevelopment; and

1.20 (5) lake improvement projects.

1.21 The total amount of revenues from the tax in subdivision 1 that may be used to fund
1.22 these projects is \$6,000,000 plus any associated bond costs.

1.23 Subd. 3. Bonds. (a) The city of North Mankato, pursuant to the approval of the
1.24 voters at the November 7, 2006, referendum authorizing the imposition of the taxes in

2.1 this section, may issue bonds under Minnesota Statutes, chapter 475, to pay capital and
2.2 administrative expenses for the projects described in subdivision 2, in an amount that
2.3 does not exceed \$6,000,000. A separate election to approve the bonds under Minnesota
2.4 Statutes, section 475.58, is not required.

2.5 (b) The debt represented by the bonds is not included in computing any debt
2.6 limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section
2.7 475.61, to pay principal and interest on the bonds is not subject to any levy limitation.

2.8 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires
2.9 when the city council determines that the amount of revenues received from the taxes
2.10 to pay for the projects under subdivision 2, first equals or exceeds \$6,000,000 plus the
2.11 additional amount needed to pay the costs related to issuance of bonds under subdivision
2.12 3, including interest on the bonds. Any funds remaining after completion of the projects
2.13 and retirement or redemption of the bonds shall be placed in a capital facilities and
2.14 equipment replacement fund of the city. The tax imposed under section 1 may expire at an
2.15 earlier time if the city so determines by ordinance.

2.16 **EFFECTIVE DATE.** This section is effective the day after compliance by the
2.17 governing body of the city of North Mankato with Minnesota Statutes, section 645.021,
2.18 subdivision 3.