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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 2093

March 14, 2007

Authored by Anderson, B., by request

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs

March 20, 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 Clearwater; authorizing the city to impose a sales and
1.3 use tax.

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

1.5 Section 1. CITY OF CLEARWATER; TAXES AUTHORIZED.

1.6 Subdivision 1. Sales and use tax. Notwithstanding Minnesota Statutes, section
1.7 477A.016, or any other provision of law, ordinance, or city charter, if approved by the
1.8 voters under Minnesota Statutes, section 297A.99, the city of Clearwater may impose
1.9 by ordinance a sales and use tax of up to one-half of one percent for the purposes
1.10 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
1.11 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection,
1.12 and enforcement of the tax authorized under this subdivision.

1.13 Subd. 2. Excise tax authorized. Notwithstanding Minnesota Statutes, section
1.14 477A.016, or any other provision of law, ordinance, or city charter, the city of Clearwater
1.15 may impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up
1.16 to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person
1.17 engaged within the city in the business of selling motor vehicles at retail.

1.18 Subd. 3. Use of revenues. The proceeds of the tax imposed under this section shall
1.19 be used to pay for the costs of acquisition, construction, improvement, and development
1.20 of regional parks, bicycle trails, park land, pedestrian walkways, open space, and land and
1.21 buildings for a community and recreation center.

1.22 Subd. 4. Bonding authority. The city of Clearwater may issue bonds in an amount
1.23 not to exceed \$15,000,000 under Minnesota Statutes, chapter 475, to finance the capital
1.24 expenditures and improvements authorized by the referendum under subdivision 3. An

2.1 election to approve the bonds under Minnesota Statutes, section 475.59, is not required.
2.2 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, section
2.3 275.60 or 275.61. The debt represented by the bonds must not be included in computing
2.4 any debt limitations applicable to the city, and the levy of taxes required by Minnesota
2.5 Statutes, section 475.61, to pay the principal or any interest on the bonds must not be
2.6 subject to any levy limitation.

2.7 Subd. 5. **Termination of tax.** The tax authorized under subdivision 1 terminates at
2.8 the earlier of (1) 20 years after the date of initial imposition of the tax, or (2) when the
2.9 city council determines that sufficient funds have been raised from the tax to finance the
2.10 capital and administrative costs of the improvements described in subdivision 3, plus the
2.11 additional amount needed to pay the costs related to issuance of bonds under subdivision
2.12 4, including interest on the bonds. Any funds remaining after completion of the projects
2.13 specified in subdivision 3 and retirement or redemption of the bonds in subdivision 4 may
2.14 be placed in the general fund of the city. The tax imposed under subdivision 1 may expire
2.15 at an 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 Clearwater with Minnesota Statutes, section 645.021,
2.18 subdivisions 2 and 3.