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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2429**

April 16, 2007

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

1.1 A bill for an act
1.2 relating to taxation; authorizing Douglas County to impose a sales and use tax.
1.3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.4 Section 1. **DOUGLAS COUNTY; SALES AND USE TAX.**

1.5 Subdivision 1. Sales and use tax authorized. Notwithstanding Minnesota Statutes,
1.6 section 477A.016, or any other provision of law or ordinance, Douglas County may, by
1.7 resolution, impose a sales and use tax of up to one-half percent for the purposes specified
1.8 in subdivision 2. Except as otherwise provided in this section, Minnesota Statutes, section
1.9 297A.99, governs the imposition, administration, collection, and enforcement of the tax
1.10 authorized under this subdivision.

1.11 Subd. 2. Use of revenues. The proceeds of the tax imposed under this section must
1.12 be solely used to pay for all costs associated with a county jail and law enforcement center
1.13 for Douglas County. Government functions to be located in the facility for which proceeds
1.14 of the tax may be used include but are not limited to jail, law enforcement, dispatch,
1.15 courts, court administration, correctional services, and county attorney.

1.16 Authorized expenses include but are not limited to site acquisition, infrastructure,
1.17 construction, and professional fees related to the project.

1.18 Subd. 3. Bonding authority. (a) The county may issue bonds of up to \$40,000,000
1.19 under Minnesota Statutes, chapter 475, to finance the capital expenditures and
1.20 improvements authorized by the referendum under subdivision 4. An election to approve
1.21 the bonds under Minnesota Statutes, section 475.58, is not required.

1.22 (b) The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
1.23 section 275.60 or 275.61.

2.1 (c) The bonds are not included in computing any debt limits applicable to the county,
2.2 and the levy of taxes under Minnesota Statutes, section 475.61, to pay principal and
2.3 interest on the bonds is not subject to levy limits.

2.4 Subd. 4. **Referendum.** If Douglas County proposes to impose the tax authorized by
2.5 this section, the question of imposing the tax must be submitted to the voters at either the
2.6 next general election or as a separate ballot issue.

2.7 Subd. 5. **Termination of taxes.** The tax imposed under this section expires at the
2.8 earlier of (1) when the county board first determines that the amount of revenues raised to
2.9 pay for the project under subdivision 2 meet or exceed \$40,000,000 plus any as interest
2.10 and premiums associated with the bonds under subdivision 3, or (2) 15 years. Any funds
2.11 remaining after completion of the projects may be placed in the general fund of the county.
2.12 The county may rescind the tax imposed under this section at an earlier time by ordinance.

2.13 **EFFECTIVE DATE.** This section is effective the day after compliance by the
2.14 governing body of Douglas County with Minnesota Statutes, section 645.021, subdivision
2.15 3.