

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 3752

April 6, 2010

Authored by Kath

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 the city of Owatonna; expanding the use of its local sales and excise
1.3 tax; amending Laws 2006, chapter 259, article 3, section 12, subdivisions 3,
1.4 as amended, 4, 5.

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

1.6 Section 1. Laws 2006, chapter 259, article 3, section 12, subdivision 3, as amended by
1.7 Laws 2009, chapter 88, article 4, section 20, is amended to read:

1.8 Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized by
1.9 subdivisions 1 and 2 must be used to pay all or part of the capital costs of transportation
1.10 projects included in the 2004 U.S. Highway 14-Owatonna Beltline Study by the Minnesota
1.11 Department of Transportation, Steele County, and the city of Owatonna; regional parks
1.12 and trail developments; and the West Hills complex, including the firehall, and library
1.13 improvement projects; as described in the city resolution No. 4-06, Exhibit A, as adopted
1.14 by the city on January 17, 2006. Notwithstanding the specific transportation projects
1.15 described in city resolution No. 4-06, Exhibit A, the city may transfer up to \$1,500,000
1.16 of the sales and use tax revenues from the Alexander Street to 39th Avenue Southwest
1.17 project to the reconstruction of 18th Street Southwest from 24th Avenue Southwest to 39th
1.18 Avenue West. The amount paid from these revenues for transportation projects may not
1.19 exceed \$4,450,000 plus associated bond costs. The amount paid from these revenues for
1.20 park and trail projects may not exceed \$5,400,000 plus associated bond costs. The amount
1.21 paid from these revenues for West Hills complex, fire hall, and library improvement
1.22 projects may not exceed \$2,823,000 plus associated bond costs.

1.23 (b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, revenues
1.24 received from the taxes authorized by subdivisions 1 and 2 may be used to pay all or part

2.1 of the capital costs of improvements to the government building; development of Lake
 2.2 Chase Park and the North Straight River trail projects; additional improvements to the
 2.3 West Hills complex, including the library; the Maple Creek Basin watershed study and
 2.4 mitigation project; and the city cost for the 800 megahertz public safety radio system
 2.5 and outdoor warning sirens. The amount paid from these revenues for the government
 2.6 building improvements may not exceed \$705,000 plus associated bond costs. The amount
 2.7 paid from these revenues for Lake Chase Park and the North Straight River Park trail
 2.8 system may not exceed \$1,050,000 plus associated bond costs. The amount paid from
 2.9 these revenues for the additional West Hills and library complex improvement project
 2.10 may not exceed \$1,490,000 plus associated bond costs. The amount paid from these
 2.11 revenues for the Maple Creek Basin Watershed study and mitigation project may not
 2.12 exceed \$1,000,000 plus associated bond costs. The amount paid from these revenues for
 2.13 the city share of the 800 megahertz public safety radio system and outdoor warning sirens
 2.14 may not exceed \$1,500,000 plus associated bond costs.

2.15 (c) The revenues from the taxes imposed under subdivisions 1 and 2 shall not be
 2.16 used for the purposes listed in paragraph (b) until the use of these revenues to fund those
 2.17 purposes has been approved by the voters at a general or special election held before
 2.18 November 30, 2011.

2.19 **EFFECTIVE DATE.** This section is effective the day after compliance by the
 2.20 governing body of the city of Owatonna with Minnesota Statutes, section 645.021,
 2.21 subdivision 3.

2.22 Sec. 2. Laws 2006, chapter 259, article 3, section 12, subdivision 4, is amended to read:

2.23 Subd. 4. **Bonds.** (a) The city of Owatonna, if approved by voters pursuant to
 2.24 Minnesota Statutes, section 297A.99, may issue bonds under Minnesota Statutes, chapter
 2.25 475, to pay capital and administrative expenses for the projects described in subdivision
 2.26 3, paragraph (a), in an amount that does not exceed \$12,700,000. A separate election to
 2.27 approve the bonds under Minnesota Statutes, section 475.58, is not required.

2.28 (b) The city of Owatonna, if approved by voters pursuant to subdivision 3,
 2.29 paragraph (c), may issue bonds under Minnesota Statutes, chapter 475, to pay capital and
 2.30 administrative expenses for the projects described in subdivision 3, paragraph (b), in an
 2.31 amount that does not exceed \$5,745,000. A separate election to approve the bonds under
 2.32 Minnesota Statutes, section 475.58, is not required.

2.33 ~~(b)~~ (c) The debt represented by the bonds is not included in computing any debt
 2.34 limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section
 2.35 475.61, to pay principal and interest on the bonds, is not subject to any levy limitation.

3.1 **EFFECTIVE DATE.** This section is effective the day after compliance by the
3.2 governing body of the city of Owatonna with Minnesota Statutes, section 645.021,
3.3 subdivision 3.

3.4 Sec. 3. Laws 2006, chapter 259, article 3, section 12, subdivision 5, is amended to read:

3.5 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2
3.6 expire at the earlier of (1) ten years plus one additional year for every \$1,100,000, or a
3.7 portion of that amount, of additional projects approved under subdivision 3, paragraphs
3.8 (b) and (c), after the tax is first imposed, or (2) when the city council determines that the
3.9 amount of revenues received from the taxes to pay for the projects under subdivision 3 first
3.10 equals or exceeds the amount authorized to be spent for each project plus the additional
3.11 amount needed to pay the costs related to issuance of the bonds under subdivision 4,
3.12 including interest on the bonds. Any funds remaining after completion of the projects
3.13 and retirement or redemption of the bonds shall be placed in a capital project fund of
3.14 the city. The taxes imposed under sections 1 and 2 may expire at an earlier time if the
3.15 city so determines by ordinance.

3.16 **EFFECTIVE DATE.** This section is effective the day after compliance by the
3.17 governing body of the city of Owatonna with Minnesota Statutes, section 645.021,
3.18 subdivision 3.