

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2535 **DATE:** March 12, 2012
Version: As amended by H2535A1
Authors: O'Driscoll and others
Subject: Extends the Central Minnesota Cities (St. Cloud area) local sales tax.
Analyst: Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

The Central Minnesota Cities sales tax is a one-half of one percent sales tax imposed in the cities of St. Cloud, St. Augusta, St. Joseph, Sartell, Sauk Rapids, and Waite Park. The proceeds of the tax are first used to fund authorized regional projects in St. Cloud, with the excess distributed to the other individual cities to fund specified city projects approved by their voters in the enabling referendum. The tax must currently expire in each city no later than December 31, 2018.

This bill extends the sales tax through December 31, 2038, in each city, provided the city's voters approve the extension at a general election held no later than 2017. The extension is exempt from the statutory requirements that (1) the referendum be held before the cities seek the necessary legislative authority; and (2) an existing tax expire and not be re-imposed for at least one year.

The vote authorizing the extension of the tax in each city must still list the specific capital projects to be funded by the tax revenues.

- 1 Use of revenues.** Modifies one of the existing allowed uses of the sales tax in the city of St. Cloud to limit funding to *regional* community and aquatic centers and related facilities.
- 2 Termination of tax.** Allows each city to extend the tax in its community from 2018 to 2038, provided the extension is approved by the voters at a general election held by November 2017. The vote must still list the projects to be funded from the tax extension but the tax does not have to expire for one year before being re-imposed.