

# MINNESOTA • REVENUE

## SALES AND USE TAX Cities in Non-Metropolitan Counties; Mankato and Waite Park

April 5, 2005

Department of Revenue  
Analysis of S.F. 1767 (Tomassoni) / H.F. 2285 (Dorman)

	Yes	No
Separate Official Fiscal Note Requested		X
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		X

	<b>Fund Impact</b>			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective for non-metro local regional sales taxes with authorizing referendums after June 30, 2004. Effective for the Mankato and Waite Park provisions the day after the respective city clerk files the required documents with the Secretary of State regarding local approval of special laws.

### EXPLANATION OF THE BILL

**Current Law:** Local units of government are prohibited from imposing a new or increasing an existing tax on sales or income.

**Proposed Law:** The bill provides general authority to cities located outside the seven metropolitan counties to impose a local sales tax of 0.5%, without legislative authorization. The general authorization to the cities includes required approval by voters at a general election. Revenues would be used to finance non-metro regional capital projects including convention centers, civic centers, airports, public libraries, parks, trails, recreational centers, arts and related educational facilities, lake improvement projects, state highway related transportation projects, and water quality projects. Bonding authority is provided for the non-metro regional capital projects.

The bill authorizes the city of Mankato to extend, by resolution, their existing legislatively authorized local general sales and use tax of 0.5% to December 31, 2018. The proceeds of the tax would continue to be used as previously designated (Riverfront 2000 Project and related facilities).

The bill makes a separate provision authorizing the imposition of a local general sales and use tax of 0.5% for Waite Park.

### REVENUE ANALYSIS DETAIL

- Enactment of this bill would have no impact on the general fund or any other state fund.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)