

February 25, 2019

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 867 (Zerwas) / S.F. 997 (Howe)

The bill authorizes the city of Elk River to impose a sales and use tax of up to 0.5%, as approved by the voters at the 2018 general election. The proceeds would be used to finance capital and administrative costs for recreational facilities and park improvements. The bill authorizes a bond issuance of up to \$35 million plus bond costs.

The tax would terminate at the earlier of 25 years after it is first imposed or when the city council determines that \$35 million plus bond costs has been received from the tax. The tax may expire earlier if the city so determines by ordinance.

The bill would have no impact on state taxes.

Source: Minnesota Department of Revenue
Tax Research Division
[www.revenue.state.mn.us/research_stats/Pages/
Revenue-Analyses.aspx](http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx)

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