DEPARTMENT OF REVENUE

LOCAL SALES AND USE TAX
City of East Grand Forks

March 10, 2020

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3914 (Kiel) As Proposed to be Amended (H3914DE1)

The bill authorizes the city of East Grand Forks to impose a sales and use tax of 1%, if approved by the voters at the general election. The proceeds would be used to finance: 1) improvements, not to exceed $24 million, for the construction of improvements to the indoor and outdoor ice arenas, the Civic Center, and the VFW Memorial Arena, and 2) construction of improvements to athletic fields of up to $2.5 million.

The bill authorizes bond issuances of up to $26.5 million plus bond costs. The tax would terminate at the earlier of 30 years after first imposed or when the city council determines that sufficient funds have been received to pay for the costs of the bonds. 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
https://www.revenue.state.mn.us/revenue-analyses

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