

March 10, 2020

	Yes	No
DOR Administrative Costs/Savings		x

Department of Revenue
Analysis of H.F. 4129 (Gunther) / S.F. 3990 (Rosen)

The bill authorizes the city of Fairmont to impose a sales and use tax of 0.5%, if approved by the voters at a general election. The proceeds would be used for the improvement, rehabilitation, or reconstruction of streets, sidewalks, curbs, and gutters rated 40 or under out of 100 on the city street rating system, and have regional significance by providing service to educational facilities, government facilities, or health care service providers.

The bill authorizes a bond issuance of up to \$30 million plus bond costs. The tax would expire at the earlier of 25 years after the tax was first imposed or when the city council determines that sufficient funds have been received from the tax 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](https://www.revenue.state.mn.us/revenue-analyses)

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