

March 10, 2021

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1709 (Wolgamott) / S.F. 1672 (Putnam)

The bill authorizes the city of St. Cloud to impose a sales and use tax of 0.5%, if approved by the voters at a general election. The tax would be in addition to the existing 0.5% local sales and use tax that was imposed in 2003. The city of St. Cloud also imposes a selective tax of 1% on liquor and food that was imposed in 1987. The proceeds would be used to finance costs related to the following projects: (1) \$81.1 million for multimodal transportation and utility improvements divided between four different roadways, including access to St. Cloud University and the central business district, and (2) \$21.1 million for expansion and improvement of the Municipal Athletic Complex.

The bill authorizes a bond issuance of up to \$102.2 million plus bond costs. The tax would terminate at the earlier of 20 years after it is first imposed or when the city council determines that sufficient funds have been received to pay for the costs of the projects and bonds. The tax may expire earlier if the city so determines by ordinance.

The bill would have no impact on state taxes.

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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