DEPARTMENT OF REVENUE

LOCAL SALES AND USE TAX
City of Owatonna

March 10, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3390 (Sexton) / S.F. 3560 (Jasinski)

The bill authorizes the city of Owatonna, if approved by the voters at a general election, to impose a sales and use tax of 0.5%.

The proceeds would be used to finance $75 million for the construction of a community center. The bill also authorizes a bond issuance of up to $75 million plus bond costs.

The tax would terminate at the earlier of 25 years after the tax 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 city of Owatonna may also use revenues remaining from collection of the local taxes previously authorized in 2006 to fund the construction of the community center.

The bill would have no impact on state taxes.

Minnesota Department of Revenue
Tax Research Division
https://www.revenue.state.mn.us/revenue-analyses

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