



LOCAL SALES AND USE TAX City of Minnetonka

March 25, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 3694 (Johnson Stewart) As Proposed to be Amended (SCS3694A-1)

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

The proceeds would be used to finance the following projects plus associated bonding costs: \$13 million for the new construction of Fire Station 2, \$17.6 million for the new construction of Fire Station 3, and \$35 million for renovations to the Marsh health and wellness center. The bill also authorizes the city to issue up to \$65.6 million worth of bonds, plus bond issuance costs.

The tax would terminate at the earlier of 30 years after the tax is first imposed or after the city council determines that the amount received from the tax is sufficient to pay for the projects listed above plus bond issuance costs and interest. The tax could expire earlier if the city so determines by ordinance.

The bill would have no direct 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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