



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, January 24, 2023
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Aquatic Center Local Sales Tax Resolution
Background Information:	<p>The City conducted a feasibility study of the current aquatic center in 2018 (report issued in 2019) and deemed several deficiencies with the current aquatic center. In 2021, the City completed a community park and recreation survey that indicated public support for the sales tax and park and recreation amenities. The survey results indicated great than 50% support for consideration of the sales tax for funding park and recreation projects.</p> <p>To impose a general local sales tax under Minnesota Statutes, section 297A.99, a city must take the following steps:</p> <ol style="list-style-type: none"> 1. Adopt a resolution. The city council must first adopt a resolution proposing the tax. The resolution must include the proposed tax rate, documentation of the “regional significance” of each project to be funded, the amount to be raised with the tax, and the estimated length of time the tax will be needed. 2. Submit resolution and supporting materials to state tax committees. The city is required to submit the adopted resolution, details on the projects, and documentation on regional significance to the chairs and ranking minority members of the House and Senate Taxes committees by Jan. 31 of the year that it is seeking the special law. 3. Get legislative authorization. The city must secure the passage of a special law authorizing the enactment of the local sales tax. The city would typically work with its local legislators to introduce special legislation. 4. Adopt a resolution. After approval, the city must adopt a resolution accepting the new law. The city must also file the resolution and a local approval certificate with the Office of the Secretary of State before the next legislative biennium begins. 5. Hold a referendum. The city must conduct a referendum during a general election* within two years of receiving legislative authority for the local sales tax. The referendum must include separate questions for each project, and only the ballot questions approved by voters may be funded by the sales tax. <p style="text-align: center;">*City is Requesting Legislation to conduct an election held on November 7, 2023</p> <ol style="list-style-type: none"> 6. Pass an ordinance. The city council must pass an ordinance imposing the tax. It must also notify the commissioner of Revenue at least 90 days before the first day of the calendar quarter that the tax will be imposed.

Fiscal Impact:	See bonding schedule
Alternative/ Variations:	Dependent on success or failure of request
Recommendations:	<ol style="list-style-type: none">1. Adopt Resolution 23-009 supporting the extension of the authority to impose a general local sales tax of <i>one-half of one percent (0.50%)</i> for an additional period of <i>20 years</i> to fund an aquatic center.