

CHAPTER 35 FINANCES AND TAXATION

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§ 35.01 ANNUAL AUDIT

Beginning with the year in which this section became effective and each year thereafter, there shall be an audit of the financial affairs of this city by the Public Examiner or a Public Accountant in accordance with minimum auditing procedures prescribed by the Public Examiner of the State of Minnesota.

§ 35.02 ACCOUNTING STANDARDS

The City will conduct its accounting and investment practices in accordance with Minnesota State Law and the Governmental Accounting Standards Board (GASB) policies.

§35.03 LOCAL OPTION SALES TAX

A. Authority. Beginning on August 1, 2019 the City of Cambridge will collect a one-half percent sales tax to pay certain costs related to the construction of a new Cambridge Public Library and East Central Regional Library Headquarters, the City's street improvement program, and outdoor park development pursuant to legislation authorized by the State of Minnesota Legislature during the 2019 Legislative Session (Session Laws 2019, First Special Session, Chapter 6) and as defined by the Cambridge City Council in Resolution R19-038 adopted by the Cambridge City Council on June 3, 2019.

B. Local Option Sales Tax. Except as otherwise provided in this Article, there is hereby imposed an additional local option sales tax in the amount of ½ of 1% on the gross receipts from sales at retail and the storage, use, distribution or consumption of tangible personal property or taxable services, which are taxable pursuant to Minnesota Statutes, Chapter 297A and occur within the City of Cambridge. The imposition, administration, collection and enforcement of this tax shall be governed by the provisions of Minnesota Statutes Section 297A.99 as may be amended from time to time.

The tax imposed under this Article is intended to be collected on the same items as the state general sales and use tax imposed by Minnesota Statutes, Chapter 297A, and consequently the application and administration of the City sales tax shall be construed consistent with the State general sales and use tax and the imposition of the City tax shall be construed so that any subsequent amendment to Minnesota Statutes, Chapter 297A affecting the sales or uses taxable under Chapter 297A shall also apply to the City tax and effect in the same manner the sale and uses taxable under this Article.

Provided, however, that in the event any subsequent amendment to Minnesota Statutes, Chapter 297A, exempts sales or uses which were taxable under Chapter 297A on the effective date of the Act, the City may by amendment hereto extend the imposed hereby to any such sales or uses upon compliance with and as provided by the provisions of the Act.

C. Exemptions. Exemptions from the local option sales and excise tax are the same as found in Minnesota Statutes §297A.67 General Exemptions, §297A.68 Business Exemptions, §297A.69 Agricultural Exemptions; §297A.70 Exemptions for Governments and Non-Profit Groups, and §297A.71 Construction Exemptions.

D. Termination Date. The tax imposed expires at the earlier of December 31, 2043 or when the City Council determines that the city has received from this tax \$22,000,000 to fund the projects identified in Resolution R19-038 plus an amount sufficient to pay costs, including interest and other allowable costs, related to the issuance of the bonds used to fund the projects.