

HB 1476 -- Sales Tax for Economic Development

Sponsor: Richard

This bill allows, upon voter approval, any city, village, or county to impose a sales tax for economic development. The tax cannot be more than 0.5%. No revenue from the tax can be used for any retail development project. No more than 25% of the revenue generated can be use for administrative purposes, and at least 25% of the revenue generated must be used for long-term economic development preparation. These activities include:

- (1) Acquisition of land;
- (2) Installation of infrastructure for industrial or business parks;
- (3) Improvement of water and wastewater treatment capacity;
- (4) Extension of streets;
- (5) Providing matching dollars for state or federal grants;
- (6) Marketing; and
- (7) Providing grants and low-interest loans to companies for job training, equipment acquisition, site development, and infrastructure.

Any city, village, or county that imposes an economic development sales tax must establish an economic development tax board. The bill specifies how board members are selected and their length of term. The board must develop economic development plans, economic development projects, or designations of development areas. The board must report annually to the appropriate governing body on the status of any plan, project, or designation.

At any election, the appropriate governing body can repeal the tax. If a petition calling for the repeal is signed by 10% of the registered voters, the governing body must hold the election.