

2024 Proctor Local Option Sales Tax



CITY OF PROCTOR LOCAL OPTION SALES TAX



FAST FACTS

- Proposed Tax Rate: 0.5%
- Length of Tax: 20 years or until the funding limit is met– whichever comes first.
- Funding Limit: A maximum of \$6.9 million.
- The tax does not automatically renew.
- Timeline: If approved, the tax will take effect in 2025.
- Local sales tax funds must be used only for the specific voter-approved project(s).
- Voters will decide on the local option sales tax on Election Day, November 5, 2024.

2024 Proctor Local Option Sales Tax

ABOUT THE TAX

- The proposed sales tax rate is 0.5%, or a one half-cent sales tax ($\frac{1}{2}$ cent for every \$1 spent). For example, a \$4 cup of coffee would result in a \$0.02 contribution toward the local sales tax, if approved.
- The sales tax applies to the same taxable goods and services as the state sales tax. It does not apply to essential items like groceries, medication, baby products, or clothing.
- To propose a local option sales tax, local governments had to obtain approval from the Minnesota Legislature before proposing a local sales tax on voters' ballots. Eligible projects must have regional significance.

2024 Proctor Local Option Sales Tax

ABOUT THE PROJECT

- Proctor's Comprehensive Plan and Trail Plans (2007 & 2015) identified the construction of this trail. The trail spur will be a regional destination recreational trail that accommodates multiple non-motorized uses including walking, jogging, hiking, bicycling, inline skating, and cross-country skiing. There are many public trail opportunities in Duluth, but there is a gap above the ridgeline in Hermantown, Proctor, and connecting communities.
- The City Council is dedicated to the phased development of the project based on funding availability, and the proposed sales tax provides a crucial funding source. It ensures a dedicated revenue source for future phases, allowing continued improvements for public use.
- While the trail plans identify proposed routes however, the exact trail route has yet to be determined.

2024 Proctor Local Option Sales Tax

PURPOSE OF THE TAX

- The city is proposing a 0.5% local option sales tax to fund the planning and construction of a trail spur to connect the Munger Trail through Proctor
- The sales tax, if approved, will fund this recreational initiative that will draw visitors to the Proctor area, increasing local spending and driving economic growth and recreation opportunities within the community.
- The revenue generated will continue to fund the planning and development of the Proctor Munger Trail Spur connecting the Munger Trail to the Proctor Community.
- In addition to seeking grants and other funding, the tax will help ensure that these projects are completed on a timelier basis, providing community benefits sooner.