



Referendum Information & Frequently Asked Questions

GROWING A GREATER MANKATO

Local Sales Tax Extension in Mankato & North Mankato

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TOP THINGS TO KNOW

- This is an extension of an existing sales tax - it is not a new tax.
- The tax will support improvements to critical infrastructure and development of existing and new regional recreation facilities.
- Voting yes does not mean money will automatically be spent. Each project that would use sales tax dollars will be separately reviewed and approved by the City Council with an opportunity for public input.
- Remember to vote on November 8, 2016.



What is the 0.5 percent sales tax?

Since 1991 for the City of Mankato and 2008 for the City of North Mankato, each city has assessed a 0.5 percent sales tax on top of the regular state sales tax of 6.875%. Both taxes were approved by citizens.

Mankato used the sales tax to construct and maintain the Verizon Wireless Civic Center, the Vetter Stone Amphitheatre, and for capital improvements to the Mankato Regional Airport.

North Mankato used the sales tax to help pay for the County Road 41 interchange at Highway 14, new soccer fields at Caswell Park, park improvements, an expansion of the North Mankato Taylor Library and downtown redevelopment.

Why is this referendum being called?

The current 0.5 percent sales tax is set to expire in both Mankato and North Mankato in the next few years. To extend the tax, voters in each city must approve of the extension in a referendum. Extending the 0.5 percent sales tax will provide a stable source of revenue other than the property tax to pay for critical infrastructure needs and recreation amenities that will support the vitality of our community for current residents and increase its attractiveness to new families, businesses and visitors. Additionally, having this funding source available will also allow each city to attract other matching funds from federal, state and private sources to support the proposed projects.

What is being asked of voters with this sales tax extension referendum?

Voters in Mankato and North Mankato will be asked on their general election ballot this November 8th to either approve or disapprove the extension of the existing 0.5 percent sales tax that is currently assessed on purchases made within the cities of Mankato and North Mankato. If approved, the 0.5 percent sales tax would continue to be collected until 2038.

What will the funds raised by an extension of the 0.5 percent sales tax be used for?

The proposed sales tax extension referendum would allow the cities of Mankato and North Mankato to spend up to \$62 million (\$47 million for Mankato and \$15 million for North Mankato) to be used for three primary purposes:

- 1) Maintenance of critical regional infrastructure;
- 2) Maintenance and enhancements to existing regional recreation facilities and parks; and
- 3) Matching funds for construction of new indoor regional recreation facilities.

The following chart details what each city would be allowed to spend their sales tax dollars on.

Mankato (\$47 million)	North Mankato (\$15 million)
<ol style="list-style-type: none"> 1. Improvements to flood control and the levee system 2. Water quality improvement projects in Blue Earth and Nicollet Counties 3. Expansion of the regional transit building and related multimodal transit improvements 4. Regional public safety and emergency communications improvements and equipment 5. Construction and improvements to regional recreational facilities including existing hockey and curling rinks, a baseball park, youth athletic fields and facilities, the municipal swimming pool and indoor regional athletic facilities 6. Matching funds for improvements to publicly owned regional facilities including a historic museum, supportive housing, and a senior center. 7. Maintenance and capital projects at the Verizon Wireless Civic Center and related downtown improvements 8. Capital projects at the Mankato Regional Airport 	<ol style="list-style-type: none"> 1. Development of regional parks & hiking and biking trails 2. Existing & new recreational facilities 3. Expansion of the North Mankato Taylor Library 4. Riverfront redevelopment 5. Lake improvement projects

What does the 0.5 percent sales tax cost me?

The Minnesota Department of Revenue estimates that a 0.5 percent sales tax costs the average household \$81 dollars per year, or about \$6.75 per month. On a \$50 purchase, a 0.5 percent sales tax equals 25 cents.

How does the 0.5 percent sales tax compare to a property tax increase?

If the sales tax were not extended and property taxes were used instead to equal the total amount of money that is raised by the local sales tax in each city, it would require a property tax increase of 28 percent in Mankato and nine percent in North Mankato. Below are examples of what that property tax increase would mean for property owners.

- For an owner of a \$165,000 house, that would mean a yearly increase of \$149 in property taxes in Mankato and \$119 in North Mankato.
- For an owner of a \$250,000 house, that would mean a yearly increase of \$260 in property taxes in Mankato and \$196 in North Mankato.
- For a commercial/industrial property valued at \$1 million that would mean a yearly increase of \$1,047 in Mankato and \$1,602 in North Mankato.

What will this referendum look like on the ballot?

Question for Mankato Residents

Should the City of Mankato extend the existing one-half of one percent (0.5%) local option sales and use tax to the year 2038 to finance \$47 million in construction and improvement of public safety emergency communications, flood control and levy system improvements, regional water quality, expansion of multi-modal transit facilities, existing and new recreational facilities, matching grants for publicly owned historic museum, supportive housing, senior citizen center, and improvements to governmental entities outside the City of Mankato?

Question for North Mankato Residents

Should the City of North Mankato be authorized to extend the one-half of one percent (0.5%) local option sales and use tax through 2038 and issue general obligation bonds to which the sales and use tax shall be pledged in an aggregate amount not to exceed \$15,000,000, plus the cost of issuing the bonds, to finance the acquisition and development of regional parks, hiking and biking trails, existing and new recreational facilities, expansion of the North Mankato Taylor Library, riverfront redevelopment and lake improvement projects?

Get more info:

- Find more info on how and where to vote at: greatermankato.com/vote
- More sales tax & proposed project info can be found at: salestax.greatermankato.com