

Memorandum

TO: City Council Workshop
FROM: Brad Martens , City Manager
DATE: September 15, 2025
SUBJECT: Introduction to Local Option Sales Tax
ITEM NUMBER: 1.b
SECTION: GENERAL BUSINESS

REQUESTED MOTION

INTRODUCTION

The City Council has requested an opportunity to discuss the process and opportunity of establishing a local option sales tax.

DISCUSSION

Cities may enact a local option sales tax only through a very specific process that includes receiving legislative authority from the State of Minnesota and the approval of a referendum of the city during a general election. A local option sales tax can only be used for regionally significant capital projects. A document outlining the process is attached to this report.

The City of Shoreview has several potential projects that would be justified as regional in significance. If the City Council supports learning more about the potential of a local option sales tax initiative, it is recommended to direct the city manager to meet with our legislative delegation as well as to receive an estimate of how much revenue a sales tax could generate. The University of Minnesota Extension Office can provide this information at a cost of \$3,000.

RECOMMENDATION

ATTACHMENTS

[Process to Obtain Local Sales Tax Authority - League of Minnesota Cities.pdf](#)