

Local Options Sales Tax Referendum Information Sheet

What is the ballot question?

“Do you approve a one-half percent (.05%) local option sales tax to fund the construction of a new Cambridge Public Library and East Central Regional Library Headquarters, the City’s street improvement program, and outdoor park development through calendar year 2043?”

What happens if the referendum passes?

A local option sales tax will be added to the state sales tax.

State’s sales tax is	6.875%
City’s sales tax would be	.5%
Total sales	7.375%

Examples of how much that translate to?

For purchases that are already charged sales, a purchase of:

\$25 adds 13 cents on the purchase \$50 adds 25 cents \$200 adds \$1.00

NOTE: Sales tax is **NOT** charged on: groceries, clothing, cigarettes, motor vehicle purchases, gas, medical bills, etc.

Why build a new library building?

The Library has outgrown its current space. Almost 100,000 people a year visited the Cambridge Public Library in 2017. These people visited to:

- attend one of the 122 programs the library has sponsored over the past year
- spend time developing early literacy skills with their children through story times
- use of smart play areas
- use one of the 10 public computers to apply for work and do research
- utilize the library’s Wi-Fi for needs ranging from connecting with friends and family to eLearning to filing taxes
- attend a book discussion group
- check out books, magazines, and other materials

Because modern libraries are much more than print books, larger community space is needed for educational programs, book clubs, meeting space and public programs as well as smaller quiet space for collaborative study or individual work. Libraries have become a community gathering place.

A new library would be more energy efficient, reducing the need for high ongoing maintenance costs. The current library was built in 1960 with an addition in 1974-75. The population has more than doubled since the space was last updated.

Are libraries still relevant in the digital age?

Numerous studies have shown that even though e-books and commercial book stores are here to stay, library use is still growing and the demand for children’s programming is increasing. People are using libraries as home offices. Teens and college students use it as a space for study groups and group

projects. Finally, libraries are the only place where all people have equal access to books, computers, and internet regardless of income.

Are there other options to fund these projects?

The only other source of revenue for the City is property taxes. Currently, the City issue bonds to pay for street construction costs and these bonds would be paid back through property taxes. If the City were to issue bonds for the construction of a library that would increase property taxes. Park projects may not be completed due to a lack of revenue.

Why did the Cambridge City Council choose the local options sales tax to fund construction of a new library?

Surveys of library usage indicated about 50 percent of all library patrons live outside the city limits so the Council felt the fairest way to fund construction of a new library was through the local option sales tax. This method does not place the entire cost of constructing a new library on Cambridge residents as a property tax increase would. Everyone who shops in Cambridge would help to pay for the library.

What is Isanti County’s role in providing library service?

Isanti County pays the library’s operating expenses as required by Minnesota Statute and the Joint Powers Agreement of the six-county East Central Regional system (ECRL). In 2018 Isanti County will pay \$410,420 (21.22% of the counties’ share) of the \$3.3 million regional library budget.

What park priorities could be funded by the local option sales tax?

- Constructing a splash pad or some form of water recreation at Central Green Park
- Completing additional fields at Sandquist Park
- Creating Parkwood Rec Area – a park with walking trails, benches, bocce ball area, and horseshoe pits.
- Creating a paved trail to connect the Cambridge Isanti Bike Walk Trail to City Park
- Additional pickleball, tennis or basketball courts

Will the local options sales tax reduce the City’s property taxes?

A portion of the local option sales tax proceeds will be used to pay for road construction costs. Currently, these are paid through property taxes. Shifting these costs off the tax levy can help the City reduce the current property tax levy.

When will the local option sales tax end?

In the year 2043.

What other communities around Cambridge have a local option sales tax?

In total, there are 78 cities and counties in Minnesota that have a local option sales tax. See graphic for local option sales taxes in the seven-county metro area.

