



Effective July 1, 2024

New Sales and Use Tax

The Beltrami County Board of Commissioners held a public hearing on March 19, 2024 to enact a new Local Sales and Use Tax. With no public input received, the Board unanimously approved the ordinance imposing a five-eighths of one percent (0.625%) Local Sales and Use Tax to fund the construction of the new County Jail.

This was the final step the County Board was required to take to implement the new tax. This action follows legislative approval and a voter referendum on November 7, 2023 where Beltrami County voters approved the local sales and use tax as the preferred funding method for the new jail. The local sales and use tax is scheduled to become effective July 1, 2024 and will specifically finance the construction of a new, replacement jail facility together with modifications to the existing jail, as well as modifications to the current County Courthouse to accommodate the operational changes a new jail facility will impose as authorized by the Minnesota Legislature. It will also provide revenues to pay the MN Department of Revenue Commissioner the costs associated with collecting and administering the tax and also finance the administrative and financing costs related to the funding of the County's new jail.

Although it is a new tax, the local sales and use tax will reduce the financial impact to property taxpayers in Beltrami County over other options as it is estimated that approximately half of the sales tax collected will come from non-residents. The Sales and Use Tax was also found to be a more progressive funding source as essential and family staples such as food and clothing are exempted from the tax in addition to over 60 other goods and services (the full exemption list can be accessed here: www.revenue.state.mn.us/guide/nontaxable-sales). The tax is expected to be retired in either 30 years or when the full principal, interest and administrative revenues has been raised, whichever comes first.

Advancing the Jail Project has been a half-decades' long process for the County. The Minnesota Department of Corrections issued a Notice of Deficiency and required substantial investments in the current Beltrami County Jail effective September 30, 2019. Committed to mitigating these deficiencies, the Beltrami County Board of Commissioners issued a resolution to the Minnesota Department of Corrections in 2019 vowing to address the deficiencies and work towards long term solutions to address the growing population and increase in crime in our community. On November 15, 2022, the Beltrami County Board approved moving forward with the design and construction of a new jail facility, pending requisite process approvals and financing.

The new jail will be built on the north side of the Bemidji Industrial Park, meeting the State statutory requirement that a county jail be located within the county seat. The new facility will expand bed capacity, enhance safety for both inmates and staff, provide greater programming opportunities, comply with all MN Department of Corrections requirements, and decrease out of county housing costs. The County is planning for a groundbreaking ceremony later in the fall with major construction slated to begin in early spring of 2025. Once started, construction will take approximately two years to complete.

~Submitted by: County Administrator, Tom Barry