

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 794

(SENATE AUTHORS: BAKK)

DATE	D-PG	OFFICIAL STATUS
02/25/2013	396	Introduction and first reading Referred to Taxes

1.1 A bill for an act
 1.2 relating to taxation; authorizing the city of Proctor to impose food, beverage,
 1.3 and entertainment taxes.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **CITY OF PROCTOR; LOCAL TAXES AUTHORIZED.**

1.6 **Subdivision 1. Food and beverage tax authorized.** Notwithstanding Minnesota
 1.7 Statutes, section 297A.99 or 477A.016, or any ordinance, city charter, or other provision
 1.8 of law, the city of Proctor may, by ordinance, impose a sales tax of up to one percent on
 1.9 the gross receipts of all food and beverages sold by a restaurant or place of refreshment,
 1.10 as defined by resolution of the city, that is located within the city. For purposes of this
 1.11 section, "food and beverages" include retail on-sale of intoxicating liquor and fermented
 1.12 malt beverages.

1.13 **Subd. 2. Entertainment tax.** Notwithstanding Minnesota Statutes, section
 1.14 477A.016, or any ordinance, city charter, or other provision of law, the city of Proctor
 1.15 may, by ordinance, impose a tax of up to one percent on the gross receipts on admissions
 1.16 to an entertainment event, as defined by resolution of the city, located within the city. For
 1.17 purposes of this section, "entertainment event" means any event for which persons pay
 1.18 money in order to be admitted to the premises and to be entertained, including, but not
 1.19 limited to, theaters, concerts, sporting events, circuses, and fairs.

1.20 **Subd. 3. Use of proceeds from authorized taxes.** The proceeds of the taxes
 1.21 imposed under subdivisions 1 and 2 must be used by the city to fund: (1) operational costs
 1.22 of the Proctor regional recreation center, golf course, community center, and the South
 1.23 St. Louis County fairgrounds; (2) construction and improvement of walking and bicycle
 1.24 trails; (3) a multiuse civic center facility and parking improvements; (4) improvements

2.1 related to the redevelopment and realignment of a road through the fairgrounds property
2.2 ceded to the city of Proctor by the city of Duluth; and (5) festival and event coordination,
2.3 including police and security services related to the festival or event. Authorized expenses
2.4 include securing or paying debt service on bonds or other obligations issued to finance
2.5 construction and improvement projects.

2.6 Subd. 4. **Collection, administration, and enforcement.** The city may enter into
2.7 an agreement with the commissioner of revenue to administer, collect, and enforce the
2.8 taxes under subdivision 1. If the commissioner agrees to collect the tax, the provisions
2.9 of Minnesota Statutes, section 297A.99, related to collection, administration, and
2.10 enforcement, and Minnesota Statutes, section 270C.171, apply.

2.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of
2.12 the city of Proctor and its chief clerical officer comply with Minnesota Statutes, section
2.13 645.021, subdivisions 2 and 3.