

A bill for an act
relating to taxation; authorizing the city of Lilydale to impose a food and
beverage tax.

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

Section 1. **LILYDALE; LOCAL LIQUOR AND RESTAURANT TAX.**

Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, the city of Lilydale may by ordinance impose a tax of up to 1.5 percent on the gross receipts on (1) retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores within the city, and (2) all sales of food and beverages primarily for consumption on or off the premises by restaurants and places of refreshment within the city.

Subd. 2. **Use of revenues.** Revenues received from taxes authorized under subdivision 1 must be used by the city to pay the cost of collecting the tax and to pay for police, fire, and other city services in connection with the sale of food and beverages within the city.

Subd. 3. **Referendum.** If the Lilydale City Council intends to impose the liquor and restaurant tax authorized by this section, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a general election or at a special election held for this purpose. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. This subdivision applies notwithstanding any city charter provision to the contrary.

Subd. 4. **Collection.** The city may agree with the commissioner of revenue that a tax imposed pursuant to this section shall be collected by the commissioner together

H.F. No. 2102, 1st Engrossment - 85th Legislative Session (2007-2008)

2.1 with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same
2.2 interest, penalties, and other rules and that its proceeds, less the cost of collection, shall
2.3 be remitted to the city. The commissioner of revenue shall provide to the city council an
2.4 estimate of the cost of collection.

2.5 Subd. 5. **Local approval.** This section is effective upon compliance by the
2.6 governing body of the city of Lilydale and its chief clerical officer with Minnesota
2.7 Statutes, section 645.021, subdivisions 2 and 3.