

A bill for an act
relating to taxation; providing for a local lodging fee; proposing coding for new
law in Minnesota Statutes, chapter 469.

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

Section 1. **[469.1901] LOCAL LODGING FEE.**

Subdivision 1. **Authorization.** Notwithstanding section 477A.016 or any
other law, a city or town that has authorized the imposition of a local lodging tax
may impose a fee in lieu of the local lodging tax on transactions occurring between a
hotel, rooming house, tourist court, or motel, and an online travel company where the
right to charge a fee to reserve rooms for customers is purchased by the online travel
company from the hotel, rooming house, tourist court, or motel. For purposes of this
section, "online travel company" means a person who offers information about the
availability of accommodations to a customer, arranges for the customer's occupancy of
the accommodations, or collects the rental payments from the customer for occupancy
of the accommodations.

Subd. 2. **Amount of fee.** The fee shall be \$12 per room in a hotel that has more
than 50 rooms available for lodging, or a fee of \$5 per room in the case of a hotel that
has fewer than 50 rooms.

Subd. 3. **Administration.** The city may agree with the commissioner of revenue
that a fee imposed under this section shall be collected by the commissioner together with
the tax imposed by chapter 297A, and subject to the same interest, penalties, and other
rules, and that its proceeds, less the cost of collection, shall be remitted to the city. The
fees collected under this section shall be applied solely to pay for the uses authorized
under a local lodging tax law, which the local lodging fee replaces.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.