

A bill for an act
relating to taxation; authorizing the city of Marshall to impose a local sales and
use tax, a local lodging tax, and a local food and beverages tax.

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

Section 1. **CITY OF MARSHALL; SALES AND USE TAX.**

Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 1, 2, and 3, or 477A.016, or any other law, ordinance, or city charter, the city of Marshall, if approved by the voters at a general election or a special election held within two years of the date of final enactment of this section, may impose any or all of the taxes described in this section.

Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1, 2, and 3, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 3. **Use of sales and use tax revenues.** The revenues derived from the taxes imposed under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and administering the sales and use taxes and to pay all or part of the costs of the new and existing facilities of the Minnesota Emergency Response and Industry Training Center and all or part of the costs of the facilities of the Southwest Minnesota Regional Amateur Sports Center. Authorized expenses include, but are not limited to, acquiring property, predesign, design, and paying construction, furnishing, and equipment costs related to these facilities and paying debt service on bonds or other obligations issued by the city of Marshall under subdivision 4 to finance the capital costs of these facilities.

2.1 Subd. 4. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,
2.2 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all
2.3 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds
2.4 to refund bonds previously issued. The aggregate principal amount of bonds issued under
2.5 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment
2.6 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
2.7 available to the city of Marshall, including the taxes authorized under subdivision 2.

2.8 (b) The bonds are not included in computing any debt limitation applicable to the
2.9 city of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
2.10 principal and interest on the bonds, is not subject to any levy limitation. A separate
2.11 election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

2.12 Subd. 5. **Lodging tax.** The city of Marshall may impose by ordinance a tax of up to
2.13 1-1/2 percent on the gross receipts subject to the lodging tax under Minnesota Statutes,
2.14 section 469.190, for the purposes specified in subdivision 6. This lodging tax is in addition
2.15 to any tax imposed under Minnesota Statutes, section 469.190, and may be imposed
2.16 within a tax district defined by the city council, which may include areas of the city of
2.17 Marshall which are not contiguous.

2.18 Subd. 6. **Use of lodging tax revenues.** The revenues derived from the tax imposed
2.19 under subdivision 5 must be used by the city of Marshall to pay the costs of collecting
2.20 and administering the lodging tax, to pay all or part of the operating costs of the new and
2.21 existing facilities of the Minnesota Emergency Response and Industry Training Center,
2.22 including the payment of debt service on bonds issued under subdivision 4 if the revenues
2.23 derived from the sales and use tax imposed under subdivision 2 are insufficient to pay
2.24 for the incurred costs, and to pay all or part of the operating costs of the facilities of the
2.25 Southwest Minnesota Regional Amateur Sports Center, including the payment of debt
2.26 service on bonds issued under subdivision 4 if the revenues derived from the sales and use
2.27 tax imposed under subdivision 2 are insufficient to pay for the incurred costs.

2.28 Subd. 7. **Food and beverages tax.** The city of Marshall may impose by ordinance
2.29 an additional sales tax of up to 1-1/2 percent on all sales of food and beverages primarily
2.30 for consumption on the premises by restaurants and places of refreshment that occur
2.31 in the city of Marshall. The provisions of Minnesota Statutes, section 297A.99,
2.32 except subdivisions 1, 2, and 3, govern the imposition, administration, collection, and
2.33 enforcement of the tax authorized under this subdivision.

2.34 Subd. 8. **Use of food and beverages tax.** The revenues derived from the tax
2.35 imposed under subdivision 7 must be used by the city of Marshall to pay the costs
2.36 of collecting and administering the food and beverages tax, to pay all or part of the

operating costs of the new and existing facilities of the Minnesota Emergency Response and Industry Training Center, including the payment of debt service on bonds issued under subdivision 4 if the revenues derived from the sales and use tax imposed under subdivision 2 are insufficient to pay for the incurred costs, and to pay all or part of the operating costs of the facilities of the Southwest Minnesota Regional Amateur Sports Center, including the payment of debt service on bonds issued under subdivision 4 if the revenues derived from the sales and use tax imposed under subdivision 2 are insufficient to pay for the incurred costs.

Subd. 9. **Termination of taxes.** The taxes imposed under subdivisions 2, 5, and 7 expire at the earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines that the amount of revenues received from the taxes to pay for the capital, operating, and administrative costs of the facilities under subdivisions 3, 6, and 8 first equals or exceeds the amount authorized to be spent for the facilities plus the additional amount needed to pay the costs related to issuance of the bonds under subdivision 4, including interest on the bonds. Any funds remaining after payment of all the costs and retirement or redemption of the bonds must be placed in the general fund of the city. The taxes imposed under subdivisions 2, 5, and 7 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after compliance by the governing body of the city of Marshall with Minnesota Statutes, section 645.021, subdivision 3.