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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 387

02/13/2025 Authored by Norris and Davids
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; authorizing the city of Blaine to impose certain special taxes within the city.

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

Section 1. **CITY OF BLAINE; RESTAURANT, LODGING, AND ADMISSIONS TAXES AUTHORIZED.**

Subdivision 1. **Scope.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Blaine may, by ordinance, impose one or more taxes authorized under subdivision 3 on sales transactions occurring within or into the boundaries of the taxing area.

Subd. 2. **Definitions.** For the purposes of this section, the following definitions apply:

(1) "city" means the city of Blaine;

(2) "tax" means a tax imposed under this special law and authorized under subdivision 3; and

(3) "taxing area" means the geographic area within the city known as the 105th Redevelopment Area as identified in the city's zoning ordinance and zoning map.

Subd. 3. **Taxes authorized.** (a) The city may by ordinance impose one or more of the following taxes:

(1) a tax of not more than three percent on the gross receipts of all food and beverages sold by a restaurant or place of refreshment, as defined by city ordinance, located within

the taxing area, including retail on-sale of intoxicating liquor and fermented malt beverages and all sales of food primarily for consumption on or off the premises;

(2) a tax of not more than three percent on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the taxing area by a hotel or motel which has more than 50 rooms available for lodging; the tax imposed under this clause is in addition to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed under that section and this provision must not exceed six percent; and

(3) a tax of not more than three percent on the gross receipts from the furnishing for consideration of the privilege of admission to places of amusement or athletic events located within the taxing area and the privilege of use of amusement devices located within the taxing area.

(b) The taxes must be imposed and may be adjusted periodically by the city council so that the rates imposed produce revenue sufficient to finance the purposes described in subdivision 4.

Subd. 4. **Use of revenues.** The city must use the revenues received from the taxes only for initial and ongoing financing of capital improvements within the taxing area as provided in this subdivision. The city may use the revenues to:

(1) pay or secure the payment of any principal of, premium on, or interest on bonds issued in accordance with this section;

(2) pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the facilities and capital improvements, including financing costs related to them; and

(3) maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city.

Subd. 5. **Bond authority.** The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the development and construction projects located within the taxing area. The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

Subd. 6. **Collection and enforcement.** The commissioner of revenue and the city may enter into an agreement to provide for the collection of the taxes by the state on behalf of the city. The taxes are subject to the same interest, penalties, and enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

Subd. 7. **Termination of taxes.** The taxes authorized by this section must not be terminated before January 1, 2055.

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