

A bill for an act
relating to taxation; authorizing the city of Detroit Lakes to impose food,
beverage, and entertainment taxes.

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

Section 1. **CITY OF DETROIT LAKES; LOCAL TAXES AUTHORIZED.**

Subdivision 1. Food and beverage tax authorized. Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, the city of Detroit Lakes may, by ordinance, impose a sales tax of one-half of one percent on the gross receipts of all food and beverages by a restaurant or place of refreshment, as defined by resolution of the city, that is located within the city. For purposes of this section, "food and beverages" include retail on-sale of intoxicating liquor and fermented malt beverages.

Subd. 2. Entertainment tax. Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, the city of Detroit Lakes may, by ordinance, impose a tax of one-half of one percent on the gross receipts on admission to an entertainment event located within the city. For purposes of this section, "entertainment event" means any event for which persons pay money in order to be admitted to the premises and to be entertained, including, but not limited to, theaters, concerts, and sporting events.

Subd. 3. Use of proceeds from authorized taxes. The proceeds of the taxes imposed under subdivisions 1 and 2 must be used by the city to pay all or a portion of the expenses of the following projects:

(1) control of flowering rush infestation;

(2) construction and improvement of bike trail facilities;

2.1 (3) parking improvements near public facilities; and

2.2 (4) redevelopment of the area returned to the city as a result of realignment of
2.3 Highway 10.

2.4 Subd. 4. **Expiration of taxing authority.** The taxes authorized under subdivisions 1
2.5 and 2 expire when the governing body of the city determines that sufficient revenues have
2.6 been raised to finance the projects in subdivision 3, including the amount to prepay to retire
2.7 at maturity the principal, interest, and premium due on any bonds issued for the projects.

2.8 Subd. 5. **Collection, administration, and enforcement.** The city may enter into
2.9 an agreement with the commissioner of revenue to administer, collect, and enforce the
2.10 taxes under subdivisions 1 and 2. If the commissioner agrees to collect the tax, the
2.11 provisions of Minnesota Statutes, section 297A.99, related to collection, administration,
2.12 and enforcement apply.

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