

(SENATE AUTHORS: BAKK and by request)

DATE	D-PG	OFFICIAL STATUS
05/19/2011	2785	Introduction and first reading Referred to Taxes See SF2136, Art. 9, Sec. 8

1.1A bill for an act

1.2relating to taxation; local taxes authorized; city of Proctor.

1.3BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.4Section 1. **CITY OF PROCTOR; LOCAL TAXES AUTHORIZED.**

1.5Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota

1.6Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, the

1.7city of Proctor may, by ordinance, impose a sales tax of up to one percent on the gross

1.8receipts of all food and beverages sold by a restaurant or place of refreshment, as defined

1.9by resolution of the city, that is located within the city. For purposes of this section, "food

1.10and beverages" include retail on-sale of intoxicating liquor and fermented malt beverages.

1.11Subd. 2. **Entertainment tax.** Notwithstanding Minnesota Statutes, section

1.12477A.016, or any ordinance, city charter, or other provision of law, the city of Proctor

1.13may, by ordinance, impose a tax of up to one percent on the gross receipts on admissions

1.14to an entertainment event, as defined by resolution of the city, located within the city. For

1.15purposes of this section, "entertainment event" means any event for which persons pay

1.16money in order to be admitted to the premises and to be entertained, including, but not

1.17limited to, theaters, concerts, sporting events, circuses, and fairs.

1.18Subd. 3. **Use of proceeds from authorized taxes.** The proceeds of the taxes

1.19imposed under subdivisions 1 and 2 must be used by the city to fund: (1) operational

1.20costs of the Proctor recreation center, golf course, community center, and the South

1.21St. Louis County fairgrounds; and (2) construction and improvement of walking and

1.22bicycle trails and a multiuse civic center facility, parking improvements, festival and

1.23event coordination, and improvements related to the redevelopment and realignment of a

1.24road through the fairgrounds property recently ceded to the city of Proctor by the city of

2.1 Duluth. Authorized expenses include securing or paying debt service on bonds or other  
2.2 obligations issued to finance construction and improvement projects.

2.3 Subd. 4. **Collection, administration, and enforcement.** The city may enter into  
2.4 an agreement with the commissioner of revenue to administer, collect, and enforce the  
2.5 taxes under subdivision 1. If the commissioner agrees to collect the tax, the provisions  
2.6 of Minnesota Statutes, section 297A.99, related to collection, administration, and  
2.7 enforcement apply.

2.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
2.9 the city of Proctor and its chief clerical officer comply with Minnesota Statutes, section  
2.10 645.021, subdivisions 2 and 3.