A bill for an act

relating to the city of Rochester; increasing the city's tax authority; amending Laws 2002, chapter 377, article 3, section 25.

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

Section 1. Laws 2002, chapter 377, article 3, section 25, is amended to read:

Sec. 25. **ROCHESTER LODGING TAX.**

Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 469.190 or 477A.016, or any other law, the city of Rochester may impose an additional tax of one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more.

Subd. 1a. **Authorization.** Notwithstanding Minnesota Statutes, section 469.190 or 477A.016, or any other law, and in addition to the tax authorized by subdivision 1, the city of Rochester may impose an additional tax of one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more only upon (1) enactment of a law appropriating state money for construction costs of renovating, improving, or expanding the Mayo Civic Center Complex; and (2) approval of the city governing body of a total financial package for the project.

Subd. 2. **Disposition of proceeds.** (a) The gross proceeds from ~~any~~ the tax imposed under subdivision 1 must be used by the city to fund a local convention or tourism bureau for the purpose of marketing and promoting the city as a tourist or convention center.

(b) The gross proceeds from the one percent tax imposed under subdivision 1a may be used to pay for (1) construction, renovation, improvement, and expansion of the

Mayo Civic Center and related skyway access, lighting, parking, or landscaping; and (2) for payment of any principal, interest, or premium on bonds issued to finance the Mayo Civic Center Complex.

Subd. 3. **Expiration of taxing authority.** The authority of the city to impose a tax under subdivision 1a shall expire when the principal and interest on any bonds or other obligations issued to finance the Mayo Civic Center Complex and related skyway access, lighting, parking, or landscaping have been paid or at an earlier time as the city shall, by ordinance, determine.

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

Sec. 2. **ROCHESTER FOOD AND BEVERAGE TAX.**

Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or charter provision, the city of Rochester may impose a tax of one percent on the gross receipts on all sales of food and beverages by restaurants and places of refreshment, as defined by resolution of the city, that occur in the city. For purposes of this section, "food and beverages" include retail on-sale of intoxicating liquor and fermented malt beverages.

Subd. 2. **Use of proceeds.** The proceeds of this tax shall be used for (1) paying the cost of collection; (2) to pay for construction, renovation, improvement, and expansion of the Mayo Civic Center Complex and related skyway access, lighting, parking, or landscaping; and (3) for payment of any principal, interest, or premium on bonds issued to finance the Mayo Civic Center Complex.

Subd. 3. **Imposition of the tax.** The tax under this section may only be imposed upon (1) enactment of a law appropriating state money for construction costs of renovating, improving, or expanding the Mayo Civic Center Complex; and (2) approval of the city governing body of a total financing package for the project.

Subd. 4. **Expiration of taxing authority.** The authority granted under subdivision 1 to the city to impose a one percent tax on food and beverages shall expire when the principal and interest on any bonds or other obligations issued to finance the Mayo Civic Center Complex and related skyway access, lighting, parking, or landscaping have been paid or at an earlier time as the city shall, by ordinance, determine.

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

645.021, subdivisions 2 and 3, and upon approval of the city governing body of a total financing package to renovate, improve, or expand the Mayo Civic Center Complex.