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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. 369

January 29, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

March 19, 2007

Committee Recommendation and Adoption of Report:

Re-referred to the Committee on Finance without further recommendation

1.1 A bill for an act  
1.2 relating to health; eliminating the second inspection fee and the statewide  
1.3 hospitality fee for elementary and secondary schools; amending Minnesota  
1.4 Statutes 2006, section 157.16, subdivisions 3, 3a.

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

1.6 Section 1. Minnesota Statutes 2006, section 157.16, subdivision 3, is amended to read:

1.7 Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for  
1.8 food and beverage service establishments, hotels, motels, lodging establishments, and  
1.9 resorts licensed under this chapter. Food and beverage service establishments must pay the  
1.10 highest applicable fee under paragraph (d), clause (1), (2), (3), or (4), and establishments  
1.11 serving alcohol must pay the highest applicable fee under paragraph (d), clause (6) or (7).  
1.12 The license fee for new operators previously licensed under this chapter for the same  
1.13 calendar year is one-half of the appropriate annual license fee, plus any penalty that may  
1.14 be required. The license fee for operators opening on or after October 1 is one-half of the  
1.15 appropriate annual license fee, plus any penalty that may be required.

1.16 (b) All food and beverage service establishments, except special event food stands,  
1.17 and all hotels, motels, lodging establishments, and resorts shall pay an annual base fee  
1.18 of \$150.

1.19 (c) A special event food stand shall pay a flat fee of \$40 annually. "Special event  
1.20 food stand" means a fee category where food is prepared or served in conjunction with  
1.21 celebrations, county fairs, or special events from a special event food stand as defined  
1.22 in section 157.15.

1.23 (d) In addition to the base fee in paragraph (b), each food and beverage service  
1.24 establishment, other than a special event food stand, and each hotel, motel, lodging

2.1 establishment, and resort shall pay an additional annual fee for each fee category,  
2.2 additional food service, or required additional inspection specified in this paragraph:

2.3 (1) Limited food menu selection, \$50. "Limited food menu selection" means a fee  
2.4 category that provides one or more of the following:

2.5 (i) prepackaged food that receives heat treatment and is served in the package;

2.6 (ii) frozen pizza that is heated and served;

2.7 (iii) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;

2.8 (iv) soft drinks, coffee, or nonalcoholic beverages; or

2.9 (v) cleaning for eating, drinking, or cooking utensils, when the only food served  
2.10 is prepared off site.

2.11 (2) Small establishment, including boarding establishments, \$100. "Small  
2.12 establishment" means a fee category that has no salad bar and meets one or more of  
2.13 the following:

2.14 (i) possesses food service equipment that consists of no more than a deep fat fryer, a  
2.15 grill, two hot holding containers, and one or more microwave ovens;

2.16 (ii) serves dipped ice cream or soft serve frozen desserts;

2.17 (iii) serves breakfast in an owner-occupied bed and breakfast establishment;

2.18 (iv) is a boarding establishment; or

2.19 (v) meets the equipment criteria in clause (3), item (i) or (ii), and has a maximum  
2.20 patron seating capacity of not more than 50.

2.21 (3) Medium establishment, \$260. "Medium establishment" means a fee category  
2.22 that meets one or more of the following:

2.23 (i) possesses food service equipment that includes a range, oven, steam table, salad  
2.24 bar, or salad preparation area;

2.25 (ii) possesses food service equipment that includes more than one deep fat fryer,  
2.26 one grill, or two hot holding containers; or

2.27 (iii) is an establishment where food is prepared at one location and served at one or  
2.28 more separate locations.

2.29 Establishments meeting criteria in clause (2), item (v), are not included in this fee  
2.30 category.

2.31 (4) Large establishment, \$460. "Large establishment" means either:

2.32 (i) a fee category that (A) meets the criteria in clause (3), items (i) or (ii), for a  
2.33 medium establishment, (B) seats more than 175 people, and (C) offers the full menu  
2.34 selection an average of five or more days a week during the weeks of operation; or

2.35 (ii) a fee category that (A) meets the criteria in clause (3), item (iii), for a medium  
2.36 establishment, and (B) prepares and serves 500 or more meals per day.

3.1 (5) Other food and beverage service, including food carts, mobile food units,  
3.2 seasonal temporary food stands, and seasonal permanent food stands, \$50.

3.3 (6) Beer or wine table service, \$50. "Beer or wine table service" means a fee  
3.4 category where the only alcoholic beverage service is beer or wine, served to customers  
3.5 seated at tables.

3.6 (7) Alcoholic beverage service, other than beer or wine table service, \$135.

3.7 "Alcohol beverage service, other than beer or wine table service" means a fee  
3.8 category where alcoholic mixed drinks are served or where beer or wine are served from  
3.9 a bar.

3.10 (8) Lodging per sleeping accommodation unit, \$8, including hotels, motels,  
3.11 lodging establishments, and resorts, up to a maximum of \$800. "Lodging per sleeping  
3.12 accommodation unit" means a fee category including the number of guest rooms, cottages,  
3.13 or other rental units of a hotel, motel, lodging establishment, or resort; or the number of  
3.14 beds in a dormitory.

3.15 (9) First public swimming pool, \$180; each additional public swimming pool, \$100.  
3.16 "Public swimming pool" means a fee category that has the meaning given in Minnesota  
3.17 Rules, part 4717.0250, subpart 8.

3.18 (10) First spa, \$110; each additional spa, \$50. "Spa pool" means a fee category that  
3.19 has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

3.20 (11) Private sewer or water, \$50. "Individual private water" means a fee category  
3.21 with a water supply other than a community public water supply as defined in Minnesota  
3.22 Rules, chapter 4720. "Individual private sewer" means a fee category with an individual  
3.23 sewage treatment system which uses subsurface treatment and disposal.

3.24 (12) Additional food service, \$130. "Additional food service" means a location at  
3.25 a food service establishment, other than the primary food preparation and service area,  
3.26 used to prepare or serve food to the public.

3.27 ~~(13) Additional inspection fee, \$300. "Additional inspection fee" means a fee to~~  
3.28 ~~conduct the second inspection each year for elementary and secondary education facility~~  
3.29 ~~school lunch programs when required by the Richard B. Russell National School Lunch~~  
3.30 ~~Act.~~

3.31 (e) A fee of \$350 for review of the construction plans must accompany the initial  
3.32 license application for restaurants, hotels, motels, lodging establishments, or resorts with  
3.33 five or more sleeping units.

3.34 (f) When existing food and beverage service establishments, hotels, motels, lodging  
3.35 establishments, or resorts are extensively remodeled, a fee of \$250 must be submitted  
3.36 with the remodeling plans. A fee of \$250 must be submitted for new construction or

4.1 remodeling for a restaurant with a limited food menu selection, a seasonal permanent  
4.2 food stand, a mobile food unit, or a food cart, or for a hotel, motel, resort, or lodging  
4.3 establishment addition of less than five sleeping units.

4.4 (g) Seasonal temporary food stands and special event food stands are not required to  
4.5 submit construction or remodeling plans for review.

4.6 Sec. 2. Minnesota Statutes 2006, section 157.16, subdivision 3a, is amended to read:

4.7 Subd. 3a. **Statewide hospitality fee.** (a) Notwithstanding paragraph (b), every  
4.8 person, firm, or corporation that operates a licensed boarding establishment, food and  
4.9 beverage service establishment, seasonal temporary or permanent food stand, special  
4.10 event food stand, mobile food unit, food cart, resort, hotel, motel, or lodging establishment  
4.11 in Minnesota must submit to the commissioner a \$35 annual statewide hospitality fee for  
4.12 each licensed activity. The fee for establishments licensed by the Department of Health is  
4.13 required at the same time the licensure fee is due. For establishments licensed by local  
4.14 governments, the fee is due by July 1 of each year.

4.15 (b) This subdivision does not apply to elementary or secondary schools.

4.16 Sec. 3. **TRANSFER.**

4.17 \$520,000 is transferred from the general fund to the state government special revenue  
4.18 fund for the biennium beginning July 1, 2007, to be used by the commissioner of health to  
4.19 conduct the second inspection each year for elementary and secondary education facility  
4.20 school lunch programs when required by the Richard B. Russell National School Lunch  
4.21 Act, and to fund statewide food, beverage, and lodging program development activities.