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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **3399**

February 25, 2008

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The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs

March 11, 2008

Committee Recommendation and Adoption of Report:

Re-referred to the Committee on Taxes without further recommendation

1.1 A bill for an act
1.2 relating to the city of Mankato; authorizing extension of sales and use tax and
1.3 modification of use of revenues; authorizing imposition of other local taxes;
1.4 amending Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as
1.5 amended, 4, as amended; repealing Laws 2005, First Special Session chapter
1.6 3, article 5, section 24.

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

1.8 Section 1. Laws 1991, chapter 291, article 8, section 27, subdivision 3, as amended by
1.9 Laws 1998, chapter 389, article 8, section 28, is amended to read:

1.10 Subd. 3. **Use of revenues.** Revenues received from taxes authorized by subdivisions
1.11 1 and 2 shall be used by the city to pay the cost of collecting the tax and to pay all or a
1.12 portion of the expenses of constructing and ~~operating~~ improving facilities as part of an
1.13 urban revitalization project in downtown Mankato known as Riverfront 2000. Authorized
1.14 expenses include, but are not limited to, acquiring property and paying relocation expenses
1.15 related to the development of Riverfront 2000 and related facilities, and securing or paying
1.16 debt service on bonds or other obligations issued to finance the construction of Riverfront
1.17 2000 and related facilities. For purposes of this section, "Riverfront 2000 and related
1.18 facilities" means a civic-convention center, an arena, a riverfront park, a technology center
1.19 and related educational facilities, and all publicly owned real or personal property that
1.20 the governing body of the city determines will be necessary to facilitate the use of these
1.21 facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, and
1.22 landscaping. It also includes the performing arts theatre and the Southern Minnesota
1.23 Women's Hockey Exposition Center, attached to the Mankato Civic Center for use by
1.24 Minnesota State University, Mankato.

2.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 2.2 the city of Mankato and its chief clerical officer comply with Minnesota Statutes, section
 2.3 645.021, subdivisions 2 and 3.

2.4 Sec. 2. Laws 1991, chapter 291, article 8, section 27, subdivision 4, as amended by
 2.5 Laws 2005, First Special Session chapter 3, article 5, section 25, is amended to read:

2.6 Subd. 4. **Expiration of taxing authority and expenditure limitation.** The
 2.7 authority granted by subdivisions 1 and 2 to the city to impose a sales tax and an excise
 2.8 tax shall expire on December 31, ~~2015, unless sufficient revenues are not available to~~
 2.9 ~~defeas any bonds or obligations issued to finance construction of Riverfront 2000 and~~
 2.10 ~~related facilities. If sufficient funds are not available to defease the bonds, the tax expires~~
 2.11 ~~December 31, 2018, but all revenues from taxes imposed after December 31, 2015, must~~
 2.12 ~~be used to defease the bonds~~ 2025. The city may, by ordinance, terminate the tax at
 2.13 an earlier date.

2.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 2.15 the city of Mankato and its chief clerical officer comply with Minnesota Statutes, section
 2.16 645.021, subdivisions 2 and 3.

2.17 Sec. 3. **CITY OF MANKATO, LOCAL TAXES AUTHORIZED.**

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

2.24 Subd. 2. **Entertainment tax.** Notwithstanding Minnesota Statutes, section
 2.25 477A.016, or any ordinance, city charter, or other provision of law, the city of Mankato
 2.26 may, by ordinance, impose a tax of one percent on the gross receipts on admissions to an
 2.27 entertainment event located within the city. For purposes of this section "entertainment
 2.28 event" means any event for which persons pay money in order to be admitted to the
 2.29 premises and to be entertained including, but not limited to, theaters, concerts, and
 2.30 sporting events.

2.31 Subd. 3. **Use of proceeds from authorized taxes.** The proceeds of any tax imposed
 2.32 under subdivisions 1 and 2 shall be used by the city to pay all or a portion of the expenses
 2.33 of operation and maintenance of the Riverfront 2000 and related facilities, including a
 2.34 performing arts theatre and the Southern Minnesota Women's Hockey Exposition Center,

3.1 attached to the Mankato Civic Center for use by Minnesota State University, Mankato.
3.2 Authorized expenses include securing or paying debt service on bonds or other obligations
3.3 issued to finance the construction of the facilities.

3.4 Subd. 4. **Collection, administration, and enforcement.** If the city desires, it may
3.5 enter into an agreement with the commissioner of revenue to administer, collect, and
3.6 enforce the taxes authorized under subdivisions 1 and 2. If the commissioner agrees
3.7 to collect the tax, the provisions of Minnesota Statutes, section 297A.99, related to
3.8 collection, administration, and enforcement apply.

3.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of
3.10 the city of Mankato and its chief clerical officer comply with Minnesota Statutes, section
3.11 645.021, subdivisions 2 and 3.

3.12 Sec. 4. **REPEALER.**

3.13 Laws 2005, First Special Session chapter 3, article 5, section 24, is repealed.

3.14 **EFFECTIVE DATE.** This section is effective upon enactment of section 1.