

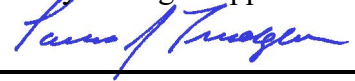
ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: December 7, 2020

Item No.: 7.j

Department Approval

City Manager Approval



Item Description: Discuss Roseville's 2021 Legislative Priorities

BACKGROUND

Last year, the City Council adopted Legislative Priorities in anticipation of the 2020 Legislative Session of the Minnesota Legislature. The adopted document is shown in Attachment A.

High Priority Items

The following legislative priorities are ones that the City of Roseville directly supports and will directly engage the Minnesota Legislature to ensure passage of legislation that implement these priorities.

- Seek financial support for capital improvements for the state and regional asset of the Guidant John Rose Minnesota OVAL and support facilities through the 2020 State Bonding Bill*
- Allow Municipal Hotel Licensing
- Allow Cedarholm Community Building to have an on-sale intoxicating liquor license*
- Allowing a Taproom and Cocktail Room on the same premise

Other Priorities

The following legislative priorities are ones that the City of Roseville supports but will let other organizations and advocates directly engage the Minnesota Legislature regarding passage of legislation to implement these priorities.

- Enact Statewide Licensing of Massage Therapists
- Advocate for an increase in Transportation Funding
- Amend State Building Code Chapter 1306 to Allow Municipalities to Require Sprinkler Systems in R-2 (Multi-Family) Occupancy Groups.
- Improve Absentee Balloting
- Continue to fund the DEED Redevelopment Grant Program and the Demolition Loan Program
- Create presumptive coverage for Firefighters diagnosed with cancer
- Improve transparency of information property tax notices sent by counties
- Receive full reimbursement for Presidential Primary Costs
- Allow for the use of city website or other technology-based methods for official notices

* Items that were passed in the 2020 Legislative Session

In order to be ready for the 2021 Legislative Session, which runs from January 4 to May 17, 2021, staff is bringing forward a discussion about Roseville's Legislative Priorities in order to be better prepared to advocate for the issues that are important for the City of Roseville.

To create Roseville's 2021 Legislative Priorities, staff would like the City Council to review the 2020 Legislative Priorities and make a determination if any of them should be changed or removed.

35 Additionally, the City Council should identify other topics that should be added to Roseville's
36 Legislative Priorities.

37 Staff is recommending that the following items should be discussed for possible inclusion to the 2021
38 Legislative Priorities:

- 39 • **Increase in fees allocated to local Deputy Registrars.** This was a city legislative priority in
40 2019 and the Legislature did approve a fee increase during that session. However, additional
41 increases are needed due to the impact of COVID-19 and the rollout of the new statewide
42 licensing system by the State, which puts more work burden on Deputy Registrar staff. Metro
43 Cities has a direct legislative policy advocating for increases in fees and more equitable sharing
44 of state fees in order to help local Deputy Registrars fund operations. (Attachment B).
- 45 • **Local Option Sales Tax.** State law allows local governments to institute a local sales tax after
46 legislative approval and a voter referendum. This is a topic briefly discussed by the City Council
47 in the past and given the current condition of the economy due to the COVID pandemic, it may
48 not be appropriate to include as a legislative priority at this time. Additional information about
49 the local sales tax option process is included as Attachment C.
- 50 • **Additional Funding for the OVAL.** In the last legislative session, the City of Roseville
51 received \$3.9 million of funding in the bonding bill for the OVAL. In a condition assessment
52 report conducted in 2018, costs of approximately \$5 million were identified for repairs and
53 improvement to the OVAL and its associated facilities. An additional \$1.1 million is needed to
54 complete all identified and needed improvements. The next state bonding bill will be considered
55 in 2022.

56 **POLICY OBJECTIVE**

57 Advocating for Roseville's Legislative Priorities will provide a voice to the Minnesota Legislature and
58 Governor on items and issues that are important to the community and city operations.

59 **BUDGET IMPLICATIONS**

60 Not directly applicable to the Legislative Priorities. However individual items may have a cost impact to
61 the City, either negatively or positively, depending on the topic and outcome.

62 **STAFF RECOMMENDATION**

63 Staff recommends the City Council should review 2020 Legislative Priorities and discuss what should be
64 included as part of the 2021 Legislative Priorities

65 **REQUESTED COUNCIL ACTION**

66 The City Council should discuss and provide direction on Roseville's 2021 Legislative Priorities for staff
67 to bring back for final consideration at the January 4, 2021 City Council meeting.

Prepared by: Patrick Trudgeon, City Manager (651) 792-7021

Attachments: A: 2020 Roseville Legislative Priorities
B: Metro Cities Legislative policy regarding Deputy Registrar Fees
C: Minnesota Local Option Sales Tax Information

ROSEVILLE

2020 Legislative Priorities



Roseville 2020 Legislative Priorities

High Priority Items

The following legislative priorities are ones that the City of Roseville directly supports and will directly engage the Minnesota Legislature to ensure passage of legislation that implements these priorities.

- Seek financial support for capital improvements to the state and regional asset the Guidant John Rose Minnesota OVAL and support facilities through the 2020 State Bonding Bill
- Allow Municipal Hotel Licensing
- Allow Cedarholm Community Building to obtain an on-sale intoxicating liquor license
- Allowing a Taproom and Cocktail Room on the same premise

Other Priorities

The following legislative priorities are ones that the City of Roseville supports but will let other organizations and advocates directly engage the Minnesota Legislature regarding passage of legislation to implement these priorities.

- Enact Statewide Licensing of Massage Therapists
- Advocate for an increase in Transportation Funding
- Amend State Building Code Chapter 1306 to Allow Municipalities to Require Sprinkler Systems in R-2 (Multi-Family) Occupancy Groups.
- Improve Absentee Balloting
- Continue to fund the DEED Redevelopment Grant Program and the Demolition Loan Program
- Create presumptive coverage for Firefighters diagnosed with cancer
- Improve transparency of information within property tax notices sent by counties
- Receive full reimbursement for Presidential Primary Costs
- Allow for the use of a city website or other technology-based method for official notices

Roseville 2020 Legislative Priorities

High Priority Items

The following legislative priorities are ones that the City of Roseville directly supports and will directly engage the Minnesota Legislature to ensure passage of legislation that implement these priorities.

Roseville 2020 Legislative Priorities

Seek financial support for capital improvements for the state and regional asset the Guidant John Rose Minnesota OVAL and support facilities through the 2020 State Bonding Bill

The Guidant John Rose Minnesota OVAL and support facilities have been an ongoing financial partnership with the State of Minnesota since its inception and construction. Specially, the OVAL was constructed in 1993 after receiving \$1.9 million from the State of Minnesota. General capital improvements were made in 2006 and 2008 after receiving an additional \$1.1 million from the State of Minnesota.

The OVAL is home to local hockey organizations, Greater MN Speedskating, Midway Speedskating, USA and MN Bandy.

Due to the state and regional nature of the Guidant John Rose Minnesota OVAL and the ongoing financial partnership with the State of Minnesota, it is again time to seek financial support for necessary capital improvement needs. This important state and regional asset exists because of the long-running financial partnership between the State of Minnesota and the City of Roseville. With operationally critical maintenance to the facility now required, it is essential that this financial partnership continue.

An assessment of the mechanical systems and infrastructure condition was completed in 2018. This report includes an estimate of the capital costs required to maintain the Guidant John Rose Minnesota OVAL's operational viability.

In the 2019 Legislative Session, bills were introduced (HF1345/SF1486) to provide bonding funding for the OVAL repairs. The City has applied with the State of Minnesota through its bi-annual bonding process to be considered in the 2020 Bonding bill.

The City of Roseville supports legislation to include the Guidant John Rose Minnesota OVAL and support facilities in the 2020 State of Minnesota Bonding Bill for necessary capital improvements.

**EXTRACT OF MINUTES OF MEETING
OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 3rd day of June, 2019, at 6:00 p.m.

The following members were present: Willmus, Laliberte, Groff, Etten, and Mayor Roe.
and the following were absent: None.

Member Willmus introduced the following resolution and moved its adoption:

RESOLUTION No. 11607

**Resolution Supporting the Request for State Funds in the 2020 Capital Bonding Bill in the
Amount of \$5,000,000 for Capital Improvements and Renovations at the Guidant John
Rose Minnesota OVAL**

WHEREAS, construction of the Guidant John Rose Minnesota OVAL was funded jointly by the State of Minnesota and the City of Roseville in 1993; and

WHEREAS, the Guidant John Rose Minnesota OVAL has served the entire state of Minnesota and beyond for over 25 years and has been a world class facility that hosts statewide, regional, national, and international events; and

WHEREAS, the Guidant John Rose Minnesota OVAL is home to numerous user groups, including area youth hockey organizations, the Greater Minnesota Speedskating Association, Midway Speedskating Club, and USA Bandy; and

WHEREAS, in 2006 the City of Roseville requested state funding for a series of capital improvements and renovation projects at the Guidant John Rose Minnesota OVAL and received \$500,000; and

WHEREAS, in 2008, the City of Roseville requested state funding for a series of capital improvements and renovation projects at the Guidant John Rose Minnesota OVAL and received \$600,000; and

WHEREAS, the Guidant John Rose Minnesota OVAL is in need of major renovation and repair, having exceeded the useful life of 25 years for the facility's equipment and components; and

WHEREAS, funding to repair and renovate the Guidant John Rose Minnesota OVAL is critical in preserving this state, regional, and national asset; and

WHEREAS, the capital improvements and renovations include the following areas: refrigeration plant, brine pumping systems, concrete refrigeration rink, perimeter paving, underground drainage system, safety pad and fence system, banquet facility renovation, bathroom remodel, and replacement of roof and rooftop units for the lobby, mechanical room, and banquet center; and

WHEREAS, based on a third party study and by other information gathered by the City of Roseville, the costs for the capital improvements and renovations are estimated to be \$5,000,000.

NOW, THEREFORE, BE IT RESOLVED; that the Roseville City Council supports the request for state funds in the amount of \$5,000,000 for capital improvements and renovation to the Guidant John Rose Minnesota OVAL and requests that this amount be included in the 2020 Capital Bonding Bill.

AND BE IT FURTHER RESOLVED, that the Roseville City Council authorizes the City Manager to make application to the State of Minnesota for state funds in the amount of \$5,000,000 for capital improvements and renovation to the Guidant John Rose Minnesota OVAL.

The motion for the adoption of the foregoing resolution was duly seconded by Member Etten, and upon a vote being taken thereon, the following voted in favor thereof: Willmus, Laliberte, Groff, Etten, and Mayor Roe, and the following voted against the same: None.

WHEREUPON said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

I, the undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of said City Council held on the 3rd day of June, 2019, with the original thereof on file in my office.

WITNESS MY HAND officially as such Manager this 3rd day of June, 2019.


Patrick Trudgeon, City Manager

(SEAL)

This Document can be made available
in alternative formats upon request

available
quest

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **1345**

02/18/2019 Authored by Becker-Finn, Hausman, Lillie, Kunesh-Podein, Lee and others
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to capital investment; appropriating money for renovation of the Guidant

1.3 John Rose Minnesota OVAL; authorizing the sale and issuance of state bonds.

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

1.5 Section 1. **ROSEVILLE; GUIDANT JOHN ROSE MINNESOTA OVAL.**

1.6 Subdivision 1. **Appropriation.** \$5,000,000 is appropriated from the bond proceeds fund
1.7 to the commissioner of employment and economic development for a grant to the city of
1.8 Roseville to predesign, design, construct, furnish, and equip the renovation of the Guidant
1.9 John Rose Minnesota OVAL. The project includes the building, building systems, and
1.10 facilities. This appropriation does not require a nonstate contribution.

1.11 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond
1.12 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
1.13 the state in an amount up to \$5,000,000 in the manner, upon the terms, and with the effect
1.14 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
1.15 Constitution, article XI, sections 4 to 7.

1.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

SENATE

STATE OF MINNESOTA

NINETY-FIRST SESSION

S.F. No. 1486

(SENATE AUTHORS: ISAACSON and Marty)

DATE	D-PG	OFFICIAL STATUS
02/21/2019	469	Introduction and first reading Referred to Capital Investment

- 1.1

A bill for an act
- 1.2

relating to capital investment; appropriating money for renovation of the Guidant
- 1.3

John Rose Minnesota OVAL; authorizing the sale and issuance of state bonds.
- 1.4

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

Section 1. **ROSEVILLE; GUIDANT JOHN ROSE MINNESOTA OVAL.**
- 1.6

Subdivision 1. **Appropriation.** \$5,000,000 is appropriated from the bond proceeds fund
- 1.7

to the commissioner of employment and economic development for a grant to the city of
- 1.8

Roseville to predesign, design, construct, furnish, and equip the renovation of the Guidant
- 1.9

John Rose Minnesota OVAL. The project includes the building, building systems, and
- 1.10

facilities. This appropriation does not require a nonstate contribution.
- 1.11

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond
- 1.12

proceeds fund, the commissioner of management and budget shall sell and issue bonds of
- 1.13

the state in an amount up to \$5,000,000 in the manner, upon the terms, and with the effect
- 1.14

prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
- 1.15

Constitution, article XI, sections 4 to 7.
- 1.16

EFFECTIVE DATE. This section is effective the day following final enactment.

Roseville 2020 Legislative Priorities

Allow Municipal Hotel Licensing

Over the past several years, both City Council and staff have expressed interest in the ability to establish a hotel/motel licensing program similar to the City's current multi-family licensing program. Business organizations have asked the City's help in improving the quality and safety of Roseville hotels and motels. In response staff has begun investigating available options for a potential municipal hotel/motel licensing program.

Following extensive investigation and conversations at the local, county, and state levels it was determined that best course of action would be to establish new legislation allowing for municipal licensing.

In March 2017, the Fire Roseville Department received City Council approval to take over local inspections of all hotels and motels from the State Fire Marshal's office.

In the 2019 Legislative Session, at Roseville's request, bills were introduced (HF 1765/SF 2181) that allows municipalities to directly license hotels and motels

The City of Roseville supports the passage any legislation that allows for municipal hotel licensing.

This Document can be made available
in alternative formats upon request

available
quest

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **1765**

02/27/2019 Authored by Becker-Finn
The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act

1.2 relating to local government; allowing cities and towns to require additional

1.3 licensing for hotels; proposing coding for new law in Minnesota Statutes, chapter

1.4 471.

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

1.6 Section 1. **[471.585] MUNICIPAL HOTEL LICENSING.**

1.7 (a) A statutory or home rule charter city or a town may adopt an ordinance requiring

1.8 hotels operating within the boundaries of the city or town to have a valid license issued by

1.9 the city or town.

1.10 (b) An ordinance adopted under this section is limited to requiring compliance with state

1.11 and local laws as a condition of licensure. No other licensing conditions or requirements

1.12 are permitted.

1.13 (c) A city or town that has adopted an ordinance under this section may refuse to issue

1.14 a license, or may revoke an existing license, if the licensee fails to comply with the conditions

1.15 of the license.

1.16 (d) This section applies to a city or town under the jurisdiction of a community health

1.17 board. A city or town that is not under the jurisdiction of a community health board may

1.18 adopt a hotel licensing ordinance with any requirements otherwise permitted by law.

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2181

(SENATE AUTHORS: MARTY)

DATE
03/07/2019

D-PG
707

Introduction and first reading
Referred to Local Government

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to local government; allowing cities and towns to require additional
- 1.3 licensing for hotels; proposing coding for new law in Minnesota Statutes, chapter
- 1.4 471.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. **[471.585] MUNICIPAL HOTEL LICENSING.**
- 1.7 (a) A statutory or home rule charter city or a town may adopt an ordinance requiring
- 1.8 hotels operating within the boundaries of the city or town to have a valid license issued by
- 1.9 the city or town.
- 1.10 (b) An ordinance adopted under this section is limited to requiring compliance with state
- 1.11 and local laws as a condition of licensure. No other licensing conditions or requirements
- 1.12 are permitted.
- 1.13 (c) A city or town that has adopted an ordinance under this section may refuse to issue
- 1.14 a license, or may revoke an existing license, if the licensee fails to comply with the conditions
- 1.15 of the license.
- 1.16 (d) This section applies to a city or town under the jurisdiction of a community health
- 1.17 board. A city or town that is not under the jurisdiction of a community health board may
- 1.18 adopt a hotel licensing ordinance with any requirements otherwise permitted by law.

Roseville 2020 Legislative Priorities

Allow Cedarholm Community Building to obtain an on-sale intoxicating liquor license

Minnesota Statutes section 340A.404, sets out the exclusive list of establishments that can be granted an on-sale liquor license by a City. The list of approved venues includes hotels, restaurants, bowling centers, VFW/American Legions, Metropolitan Sports Facility Commission facilities, Metropolitan Sports Commission facilities, exclusive liquor stores, theaters, convention centers, and summer league baseball team facilities.

The City of Roseville operates the Cedarholm Community Building as part of the Cedarholm Municipal Golf Course. Within Minnesota Statutes section 340A.404, municipal golf courses are not listed as being able to obtain on-sale intoxicating liquor licenses. Therefore, the City of Roseville cannot grant an on-sale intoxicating liquor licenses to the Cedarholm Community Building.

As part of the replacement of the previous clubhouse at Cedarholm Golf Course to the new Cedarholm Community Building, it was planned that the facility would have an on-sale intoxicating liquor license in order to maximize the number and type of events the facility can host. Despite working with the State of Minnesota for several months and complying with state requirements to receive the on-sale intoxicating liquor, the City learned from the State just prior to the opening of the Cedarholm Community Building that the City was not eligible to receive an on-sale intoxicating liquor license. During the process, the State never indicated that a municipal golf course was ineligible to receive an on-sale intoxicating liquor license.

Therefore, the City of Roseville is seeking special legislation to allow for the Cedarholm Community Building to receive an on-sale intoxicating liquor license. In the 2019 Legislative Session, bills were introduced (HF 1119/SF 1163) to grant the Cedarholm Golf Course a liquor license. In addition, a liquor license for Cedarholm Golf Course was included in the Omnibus Liquor Bill last session, but the bill did not pass before the legislative deadline.

The City is also supportive of changing state law to allow municipalities to directly grant a liquor license to itself.

The City of Roseville supports any legislation that grants permission for the Cedarholm Community Building to receive an on-sale intoxicating liquor license under Minnesota Statutes section 340A.404. The City also supports legislation that allows municipalities to directly grant a liquor license to itself.

This Document can be made available
in alternative formats upon request

available
quest

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1119

02/14/2019 Authored by Becker-Finn and Hausman
The bill was read for the first time and referred to the Committee on Commerce

1.1 A bill for an act

1.2 relating to liquor; allowing service of liquor at the Roseville municipal golf course.

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

1.4 Section 1. **ROSEVILLE; GOLF COURSE LIQUOR LICENSE.**

1.5 Notwithstanding any law or ordinance to the contrary, the city of Roseville may issue
1.6 an on-sale intoxicating liquor license for the Roseville Cedarholm Golf Course that is located
1.7 at 2323 Hamline Avenue North and is owned by the city. The provisions of Minnesota
1.8 Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under
1.9 this section. The city of Roseville is deemed the licensee under this section, and the provisions
1.10 of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the
1.11 establishment were a municipal liquor store.

1.12 **EFFECTIVE DATE.** This section is effective upon approval by the Roseville City
1.13 Council and compliance with Minnesota Statutes, section 645.021.

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 1163

(SENATE AUTHORS: ISAACSON and Marty)

DATE	D-PG	OFFICIAL STATUS
02/14/2019	375	Introduction and first reading Referred to Commerce and Consumer Protection Finance and Policy

1.1A bill for an act

1.2relating to liquor; allowing service of liquor at the Roseville municipal golf course.

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

1.4Section 1. **ROSEVILLE; GOLF COURSE LIQUOR LICENSE.**

1.5Notwithstanding any law or ordinance to the contrary, the city of Roseville may issue

1.6an on-sale intoxicating liquor license for the Roseville Cedarholm Golf Course that is located

1.7at 2323 Hamline Avenue North and is owned by the city. The provisions of Minnesota

1.8Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under

1.9this section. The city of Roseville is deemed the licensee under this section, and the provisions

1.10of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the

1.11establishment were a municipal liquor store.

1.12**EFFECTIVE DATE.** This section is effective upon approval by the Roseville City

1.13Council and compliance with Minnesota Statutes, section 645.021.

Roseville 2020 Legislative Priorities

Allow a Taproom and Cocktail Room on the same premise

During the 2019 legislative session, legislation was introduced that remove the restriction from a single entity holding both a cocktail room and taproom license from having a cocktail room and taproom in the same location. However, the bill was not passed by the legislature. Roseville's Bent Brewstillery has indicated that they would like to be able to have a cocktail room license that allows for spirits distilled on-site to be sold in their current tap room. Bent Brewstillery will be working with area legislators to have a bill introduced that will allow for a taproom and cocktail room to be issued for the same premise. This legislation could take the form of a bill that would allow for the coexistence of both licenses statewide or special legislation that would allow Bent Brewstillery to hold both licenses on its premises.

In the 2019 legislative session, bills were introduced (HF 347/SF 158) that permit a single entity to own a cocktail room and taproom license.

The City of Roseville supports any legislation that removes the restriction contained in Minnesota Statutes 2016, Section 340A.22 (2) that prohibits a single entity from holding both a cocktail room and taproom license and the restriction of having a cocktail room and taproom being collocated in the same premise. This support also includes special legislation that would singly allow Roseville's Bent Brewstillery to have both a cocktail room and taproom license upon the same premises.

This Document can be made available
in alternative formats upon request

available
quest

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **347**

01/24/2019 Authored by Becker-Finn; Nash; Carlson, A.; Koznick; Kotyza-Witthuhn and others
The bill was read for the first time and referred to the Committee on Commerce

- 1.1 A bill for an act
- 1.2 relating to liquor; permitting a single entity to own a cocktail room and taproom
- 1.3 license; amending Minnesota Statutes 2018, section 340A.22, subdivision 2.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2018, section 340A.22, subdivision 2, is amended to read:
- 1.6 Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal
- 1.7 liquor store, may issue the holder of a microdistillery license under this chapter a
- 1.8 microdistillery cocktail room license. A microdistillery cocktail room license authorizes
- 1.9 on-sale of distilled liquor produced by the distiller for consumption on the premises of or
- 1.10 adjacent to one distillery location owned by the distiller. Notwithstanding section 340A.504,
- 1.11 subdivision 3, a cocktail room may be open and may conduct on-sale business on Sundays
- 1.12 if authorized by the municipality. Nothing in this subdivision precludes the holder of a
- 1.13 microdistillery cocktail room license from also holding a license to operate a restaurant at
- 1.14 the distillery. Section 340A.409 shall apply to a license issued under this subdivision. All
- 1.15 provisions of this chapter that apply to a retail liquor license shall apply to a license issued
- 1.16 under this subdivision unless the provision is explicitly inconsistent with this subdivision.
- 1.17 (b) A distiller may only have one cocktail room license under this subdivision, and may
- 1.18 not have an ownership interest in a distillery licensed under section 340A.301, subdivision
- 1.19 6, clause (a).
- 1.20 (c) The municipality shall impose a licensing fee on a distiller holding a microdistillery
- 1.21 cocktail room license under this subdivision, subject to limitations applicable to license fees
- 1.22 under section 340A.408, subdivision 2, paragraph (a).

2.1 (d) A municipality shall, within ten days of the issuance of a license under this
2.2 subdivision, inform the commissioner of the licensee's name and address and trade name,
2.3 and the effective date and expiration date of the license. The municipality shall also inform
2.4 the commissioner of a license transfer, cancellation, suspension, or revocation during the
2.5 license period.

2.6 (e) ~~No~~ A single entity may hold both a cocktail room license and a taproom license, and
2.7 colocate a cocktail room and taproom may not be colocated if the cocktail room license fee
2.8 is equivalent to the municipality's on-sale liquor license fee.

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 158

(SENATE AUTHORS: KORAN, Chamberlain, Housley, Hoffman and Isaacson)

DATE
01/17/2019

D-PG
99

Introduction and first reading
 Referred to Commerce and Consumer Protection Finance and Policy

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to liquor; permitting a single entity to own a cocktail room and taproom
- 1.3 license; amending Minnesota Statutes 2018, section 340A.22, subdivision 2.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2018, section 340A.22, subdivision 2, is amended to read:
- 1.6 Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal
- 1.7 liquor store, may issue the holder of a microdistillery license under this chapter a
- 1.8 microdistillery cocktail room license. A microdistillery cocktail room license authorizes
- 1.9 on-sale of distilled liquor produced by the distiller for consumption on the premises of or
- 1.10 adjacent to one distillery location owned by the distiller. Notwithstanding section 340A.504,
- 1.11 subdivision 3, a cocktail room may be open and may conduct on-sale business on Sundays
- 1.12 if authorized by the municipality. Nothing in this subdivision precludes the holder of a
- 1.13 microdistillery cocktail room license from also holding a license to operate a restaurant at
- 1.14 the distillery. Section 340A.409 shall apply to a license issued under this subdivision. All
- 1.15 provisions of this chapter that apply to a retail liquor license shall apply to a license issued
- 1.16 under this subdivision unless the provision is explicitly inconsistent with this subdivision.
- 1.17 (b) A distiller may only have one cocktail room license under this subdivision, and may
- 1.18 not have an ownership interest in a distillery licensed under section 340A.301, subdivision
- 1.19 6, clause (a).
- 1.20 (c) The municipality shall impose a licensing fee on a distiller holding a microdistillery
- 1.21 cocktail room license under this subdivision, subject to limitations applicable to license fees
- 1.22 under section 340A.408, subdivision 2, paragraph (a).

2.1 (d) A municipality shall, within ten days of the issuance of a license under this
2.2 subdivision, inform the commissioner of the licensee's name and address and trade name,
2.3 and the effective date and expiration date of the license. The municipality shall also inform
2.4 the commissioner of a license transfer, cancellation, suspension, or revocation during the
2.5 license period.

2.6 (e) ~~No~~ A single entity may hold both a cocktail room license and a taproom license, and
2.7 colocate a cocktail room and taproom may not be colocated if the cocktail room license fee
2.8 is equivalent to the municipality's on-sale liquor license fee.

Roseville 2020 Legislative Priorities

Other Priorities

The following legislative priorities are ones that the City of Roseville supports but will let other organizations and advocates directly engage the Minnesota Legislature regarding passage of legislation to implement these priorities.

Roseville 2020 Legislative Priorities

Enact Statewide Licensing of Massage Therapists

Currently, the State of Minnesota does not license or register massage therapists. As a result, most cities, including Roseville, license massage therapists locally. Massage therapists often work in multiple cities. This fact, coupled with the lack of a statewide database of massage therapists, put cities at an informational disadvantage about any past violations of the law by a massage therapist applicant.

On June 19, 2017, the Roseville City Council adopted Resolution #11423 supporting statewide licensing of massage therapists.

The City of Roseville supports legislation that requires statewide licensure or registration of massage therapists. The City of Roseville supports cities retaining the ability to regulate massage therapy establishments.

**EXTRACT OF MINUTES OF MEETING
OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota, was duly held on the 19th day of June, 2017, at 6:00 p.m.

The following members were present: McGehee, Willmus, Laliberte, Etten and Roe and the following members were absent: None

Councilmember Laliberte introduced the following resolution and moved its adoption:

RESOLUTION No. 11423

**RESOLUTION SUPPORTING STATEWIDE LICENSING OF MASSAGE
THERAPISTS**

WHEREAS, the State of Minnesota does not currently license or register massage therapists; and

WHEREAS, in the absence of any required statewide standards and regulations, cities, including Roseville, have entered into the traditional state domain of health-care licensure by requiring all massage therapists operating in the city to obtain a local license; and

WHEREAS, as a result of local licensing for massage therapists, city staff and law enforcement has spent numerous hours conducting criminal background checks, researching massage therapist accreditation programs to ensure legitimacy and credibility, and monitoring the massage therapy establishments due to citizen complaints and concerns regarding activities of massage therapists; and

WHEREAS, massage therapists often work in multiple establishments in multiple cities; and

WHEREAS, due to the lack of a statewide database of massage therapists, problems occurring in one city may not be known by staff and law enforcement of other cities despite their best efforts to conduct criminal background checks.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, MINNESOTA, that the City of Roseville supports legislation that requires statewide licensure or registration of massage therapists by the State of Minnesota that would not pre-empt the ability of cities to regulate massage therapy establishments.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember McGehee and upon vote being taken thereon, the following voted in favor thereof: McGehee, Willmus, Laliberte, Etten and Roe and the following voted against the same: none.

WHEAREUPON said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

I, the undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of said City Council held on the 19th day of June, 2017, with the original thereof on file in my office.

WITNESS MY HAND officially as such Manager this 19th day of June, 2017.


Patrick Trudgeon, City Manager

(SEAL)

Roseville 2020 Legislative Priorities

Advocate for an increase in Transportation Funding

Minnesota has been experiencing a funding gap due to aging transportation infrastructure, the rising costs of labor and road materials, and inflation. Costs have increased 55 percent over the last 20 years, but the federal gas tax (18.4 cents per gallon) has remained stagnant since 1993. The 28.5 cents per gallon Minnesota gas tax, last increased in 2012 as the final phase-in of legislation enacted in 2008, has not been indexed for inflation and is not keeping up with needs. Aging infrastructure is also a major factor. Maintenance costs increase as road systems age, and no city--large or small—is spending enough on roadway capital improvements to maintain a 50-year lifecycle.

The Minnesota Transportation Finance Advisory Committee (TFAC) convened by Governor Mark Dayton in 2012 concluded that the state has a \$21 billion shortfall in transportation funding over the next 20 years—and that is just to keep the transportation system at its current level of service. The report estimates the annual funding gap (AFG) for Municipal State Aid (MSA) system is conservatively estimated at \$100 million, while the non-MSA city street system AFG is between \$250 million to \$400 million. There is not adequate funding available and, even with MnDOT efforts to increase efficiencies, savings do not cover the funding deficit. Long-term, dedicated, and sustainable investments are needed.

Roseville Transportation Needs

The City of Roseville receives an allocation of Municipal State Aid funds annually to finance ongoing maintenance of the larger volume streets within the City’s jurisdiction. These MSA funds include a percentage of the overall gas tax, license fees and motor vehicle sales tax collected annually by the state.

Over the past 10 years, the City of Roseville has received the following allocations of funds from the MSA Account:

Year	Total Allocation	% Increase from Previous Year
2007	\$961,507	
2008	\$912,398	-5.1%
2009	\$971,046	6.4%
2010	\$1,028,306	5.9%
2011	\$1,112,860	8.2%
2012	\$1,134,369	1.9%
2013	\$1,156,722	2.0%
2014	\$1,211,822	4.8%
2015	\$1,323,592	9.2%
2016	\$1,342,878	1.5%
2017	\$1,362,945	1.5%
2018	\$1,544,539	13.3%

Roseville 2020 Legislative Priorities

These funds can only be used on Roseville's MSA designated streets (20% of our total street mileage) and on "off system" roads such as State Aid designated County Roads (Lexington Ave, Rice St) and State Highways (Snelling Ave, 35W, 36). However, Roseville's current funding levels are only sufficient to allow for mill and overlay repairs to the existing State Aid system. The City see longer term funding gaps as large County project come due (i.e. County Road C, Rice Street, County Road B2) and the City is forced to participate in the costs of those projects. For example, the City's cost participation on the County Road C Reconstruction project is estimated at more than \$900,000. This figure represents almost 60% of Roseville's annual State Aid allocation.

Finally, as more cities surpass the 5,000-person population threshold to participate as Municipal State Aid cities, the MSA Fund shortfall will become even more pronounced.

Lastly, an increasing number of Roseville residents are asking for improved transit services. The City's 2040 Comprehensive Plan identifies transit deficiencies on key corridors such as Larpenteur Ave. The key to adding additional service and resources is ultimately funding. Metro Transit would like to increase service, but is faced with prioritizing routes due to gaps in current funding levels.

The City of Roseville supports additional comprehensive transportation funding. Specific to Roseville transportation funding should go towards:

- ***Increased Municipal State Aid road funding***
- ***Increased County State Aid road funding***
- ***Investment to reduce congestion in I-35W corridor***
- ***Investment to reduce congestion in Hwy 36 corridor***
- ***Increased funding for transit services in Roseville, especially east-west routes.***
- ***Expansion of Snelling Ave. Bus Rapid Transit north of Rosedale Mall***
- ***Incorporation of pedestrian/bike trails adjacent and over major transportation corridors***

Roseville 2020 Legislative Priorities

Amend State Building Code Chapter 1306 to Allow Municipalities to Require Sprinkler Systems in R-2 (Multi-Family) Occupancy Groups

On March 27, 2017 the Roseville City Council adopted Minnesota State Building Code Chapter 1306 provisions requiring sprinkling in certain building occupancy groups. At that time, the City Council discussed the possible expansion of sprinkler requirements to multi-family buildings. Following much research and communications with the State Fire Marshal's office, it was determined expansion requirements was not possible under current statute and code.

The City of Roseville supports legislation that allows for local governments to require sprinkler systems in R-2 (Multi-Family) occupancy groups.

Roseville 2020 Legislative Priorities

Improve Absentee Balloting

Eligible voters in Minnesota may vote by absentee ballot prior to Election Day. Starting 46 days before an election, a voter can request an application for an absentee ballot, receive and cast an absentee ballot in one visit to their election office. For those voting absentee in-person, the application process is burdensome and confusing as voters expect the same process they encounter in their polling place on Election Day. There is often confusion and frustration that they are not allowed to place their ballots directly into a tabulator if they are voting more than seven days before Election Day.

The City of Roseville supports legislation that seeks to streamline voter check-in procedures and increase efficiency and decrease the time voters spend in line waiting to cast their absentee ballots. To improve the voter experience and respond to voter demand to vote early, the city supports extending the time period for those who choose to vote absentee in-person and to place their ballots directly into a tabulator from seven days to the full 46 days before Election Day. The city also supports eliminating the option to place an in-person absentee ballot in a series of envelopes instead of the tabulator in order to increase efficiency.

Roseville 2020 Legislative Priorities

Continue to fund the DEED Redevelopment Grant Program and the Demolition Loan Program

The 2019 Legislative Session resulted in refunding the Redevelopment Grant Program and the Demolition Loan Program through the Department of Employment and Economic Development (DEED). Redevelopment Grant Program grants pay up to half of redevelopment costs for eligible sites, with a 50-percent local match. These grants are available to cities and Economic Development Authorities (EDAs), and can be used to pay for land acquisition, demolition, infrastructure improvements, soil stabilization, ponding or other environmental infrastructure and adaptive reuse of buildings, including remedial activities at sites where a subsequent redevelopment will occur.

The Demolition Loan Program helps development authorities (including cities and EDAs) with the costs of demolishing blighted buildings on sites that have future development potential but where there are no current development plans.

The Roseville EDA has taken a more aggressive role in redeveloping blighted and underutilized sites, and these programs would become an additional economic development tool in those efforts.

The City of Roseville supports continued funding for both the Redevelopment Grant Program and the Demolition Loan Program to assist the City/EDA in proactive economic development efforts of blighted properties.

Roseville 2020 Legislative Priorities

Create presumptive coverage for Firefighters diagnosed with cancer

There is a growing evidence linking the increased cancer rates of firefighters to their frequent interaction with harmful and hazardous chemicals during the course of their career. While measures can be taken to limit their exposure, toxins can remain in their body and build up over time putting them at greater risk. A study conducted in 2006 (LeMasters Meta-Analysis) indicates that firefighters have the following increased risk in contracting specific types of cancer when compared to the general population:

- Testicular (102% greater risk)
- Multiple myeloma (53% greater risk)
- Non-Hodgkin lymphoma (51% greater risk)
- Skin (39% greater risk)
- Prostate cancer (28% greater risk)
- Malignant melanoma (32% greater risk)
- Brain (32% greater risk)
- Rectum (29% greater risk)
- Stomach (22% greater risk)
- Colon (21% greater risk)

Currently, 36 states have “presumption laws” in place that allow for workers compensation coverage for firefighters who are diagnosed with certain types of cancer during their career. Current Minnesota state law requires employee to prove a cancer link to their occupation in order to receive workers compensation.

HF 2106 was introduced in 2017 that created a presumption of occupational disease for firefighters with certain forms of cancer. It did not receive a hearing.

It should be noted that the City of Roseville is self-funded for workers compensation of its employees. Therefore any expansion of presumptive coverage will require additional expenditure by the city.

The City of Roseville supports any legislation that would create presumptive coverage for firefighters that are found to have cancer during their employment.

Roseville 2020 Legislative Priorities

Improve transparency of information in property tax notices sent by counties

Currently state law requires counties to mail property tax notices to every taxpayer between November 10 and November 24. The notice must show the amount of property taxes each taxing authority proposes to collect for the following year and indicate a time and date when public input about the levy and budget will occur.

State statutes prescribe in detail what needs to be shown on the property tax notice. The statutes also require that the notice state that proposed taxes do not include levies (such as school bond referendums) approved after the preliminary levy is established at the end of September.

In municipalities where local tax levies are approved, the tax notices sent by counties are inaccurate and people will potentially receive a much larger tax bill than they were expecting.

In addition, when cities have an EDA or HRA levy, it does not appear under the relevant city portion of the statement. Instead, it is displayed on separate portion of the statement under “other taxing authorities.”

The City of Roseville supports legislation that requires property tax notices sent to taxpayers to show impacts of voter levies that may be approved after certification of preliminary tax levies and show city EDA and HRA levies under the relevant city portion of the statement rather than under “other taxing authorities.”

Roseville 2020 Legislative Priorities

Receive Full Reimbursement for Presidential Primary Costs

In 2016, the legislature passed into law a process for the State of Minnesota to conduct a presidential nomination primary in 2020 for president of the United States. This will be administered by cities and counties in much the same way as other elections are conducted.

Minn. Stat. § 207A.15 provides a process for local units of government to be reimbursed for expenses incurred from conducting the primary. The Office of the Secretary of State (OSS) will submit to the Department of Management and Budget (MMB) an estimated cost of administering the primary, and MMB will provide funding to the OSS. That funding will then be distributed to local units of government as reimbursement based on expense reporting submitted to the OSS.

Because the presidential nomination primary is a partisan activity administered on behalf of political parties, it is critical that local units of government be reimbursed fully and that no cost be borne by cities.

The City of Roseville supports expanding the list of reimbursable items currently outlined in statute to ensure that local units of government are fully reimbursed for all anticipated and unanticipated costs of conducting the presidential nomination primary.

Roseville 2020 Legislative Priorities

Allow for the use city a website or other technology-based method for official notices

State law requires that cities publish certain types of information in a qualified newspaper designated by the city. This information includes ordinances before they become effective, advertisement for bids, public hearing notices, and sample ballots. These items are collectively known as “official notices.” This law was created in 1949 in order to provide citizens with information about its local government from a local source.

Today, city websites have become a primary source of information about a city, including these official notices. Most cities publish official notices in official newspaper and the city website, a redundancy in work and cost.

In Roseville, the local weekly newspaper, the Roseville Review, closed and the city began using a larger metropolitan-wide newspaper for publication of its official notices, significantly increasing costs.

Due to these factors, it is time for eliminate the outdated requirement for publishing official notices in a newspaper.

The City of Roseville supports legislation that allows local governments to publish official notices on its website or other technology-based methods in lieu of an official newspaper.

Municipal Revenue & Taxation

supports statutory changes to further clarify that all lodging taxes, whether administered by the state or locally, apply to total charges, including charges for services provided by accommodation intermediaries.

1-W Payments for Services to Tax Exempt Property

Metro Cities supports city authority to collect payments from tax exempt property owners to cover the costs of services to those entities, similar to statutory authority for special assessments. Metro Cities opposes legislation that would exempt nonprofit entities from paying user fees and service charges.

1-X Proceeds from Tax Forfeited Property

Metro Cities supports changes to state laws governing the proceeds for tax forfeited properties. Currently, counties can recover administrative costs related to a property before other allocations are made and the law allows for the county to recoup a percentage of assessment costs once administrative costs are allocated. The result is often no allocation or a very low allocation, and usually insufficient level of proceeds available for covering special assessments, unpaid taxes and fees to cities. State processes addressing tax-forfeited properties can have implications for local land use plans and requirements and can result in unexpected and significant fiscal impacts on local communities. The current process also does not require the repayment of unpaid utility charges or building and development fees.

Metro Cities supports statutory changes that balance repayment of unpaid taxes and assessments, utility charges and other fees and that more equitably allocates the distribution of proceeds between counties and cities.

1-Y Vehicle Title and Registration System (VTRS)

Issues associated with the rollout of the state MN Licensing and Registration System (MNLARS) have caused significant unanticipated and ongoing disruptions to services provided by local deputy registrars. Some registrar offices have relied on other local revenues, such as the property tax, to manage normal expenses due to unresolved glitches in the system and a shift from the state to the local level for additional processing time. These challenges have also created a high potential for negative public perceptions on local government services, on an issue over which local governments have no ability to control.

In 2019, state officials elected to replace the MNLARS system with the Vehicle Title and Registration System (VTRS). **Metro Cities supports state funding to compensate local deputy registrars for unanticipated, increased costs associated with implementation of the new system, and the shifting of per-transaction processing burdens that may result from the implementation of VTRS.**

Statutory Provisions Applying to Local Sales Tax Authority

In 1971, the legislature enacted a law that stated that no local government “...shall increase a present tax or impose a new tax on sales or income” as a tradeoff to the state providing significant general purpose aid to local governments.¹ Despite this prohibition, the legislature has allowed a number of local sales taxes to be imposed via special legislation. Also beginning in 2008, counties were granted general authority to impose local sales taxes for transportation purposes.

In 1997 the legislature codified provisions to be followed in administering current or new local sales taxes imposed under special or general law. The statute also outlined the steps a local government should take before seeking local sales tax authority under a special law. Over the years these provisions have been recodified and amended, most recently in the 2019 legislative session. Some of the administrative provisions included in this statute were required as a condition of the state becoming a member of the Streamlined Sales and Use Tax Agreement (SSUTA).² Most of the current provisions are contained in [Minnesota Statutes, section 297A.99](#), and are described here. Many of the administrative provisions apply to the county statutory sales tax authority, as well as to taxes imposed under special law.

The steps a local government must take when seeking special legislation to impose a local sales tax are scattered throughout the section but are summarized on [page 6](#). A history of the changes made to these provisions can be found in the appendix.

Local Taxes Subject to the Statutory Provisions

The statutory provisions apply to all local sales taxes, unless the enabling legislation specifically exempts the local authority from all or part of this statute.³ A local government cannot impose a separate local tax on motor vehicles in addition to the sales tax, except for a county under the general county sales tax authority. ([Minn. Stat. § 297A.99](#), subd. 1.)

Limits on Spending Related to Imposing Local Sales Taxes

Local governments are prohibited from spending money to advertise or otherwise spend money to *promote* passage of a referendum for imposing a local sales tax. They may only spend money to:

- 1) conduct the referendum;

¹ The original prohibition was included as a subdivision in the local government aid law (Minn. Stat. 1971, § 477A.01, subd. 18), but the language was modified slightly and moved into a separate section – [Minn. Stat. § 477A.016](#), when the local government aid chapter was recodified in the 1981 first special session.

² The SSUTA is a voluntary agreement between 21 states to streamline and simplify sales taxes collection for businesses operating in multiple states. Minnesota has been a participating state since 2001.

³ The statutory provisions preempt any contrary provisions included in local sales taxes authorized by special law prior to June 2, 1997.

- 2) distribute the information about the sales tax contained in the required resolution, but only if specific proposed projects and their individual projected costs are enumerated; and
- 3) host public forums on the issue, provided proponents and opponents were given equal time to speak. ([Minn. Stat. § 297A.99](#), subd. 1, para. (d))

Local Resolution Requirements for Seeking Special Legislation

Before a political subdivision seeks special legislation authorizing the imposition of the sales tax, its governing body must pass a resolution indicating its desire to impose the tax. The resolution must include information on the proposed tax rate, the amount of revenue to be raised and its intended use, and the anticipated date when the tax will expire. Information from the resolution is used in preparing the necessary special legislation. ([Minn. Stat. § 297A.99](#), subd. 2)

Special Resolution for Certain Taxes Authorized in the 2019 Session

Certain cities that were authorized to impose a local sales tax in 2019 are required to pass a second resolution before the tax may be imposed. The resolution must enumerate very specific projects to be funded by the sales tax revenues within the broader project areas listed in the original voter-approved referendum and requires that funds only be used for those projects. The definition of “specific project” can be found in [Minnesota Laws 2019, first special session, chapter 6](#), article 6, section 34.

Cities subject to this provision are: Avon, Cambridge, Glenwood, International Falls, Two Harbors, and Worthington.

Voter Approval Requirements Before Imposition of the Tax

Political subdivisions must hold a local referendum at a general election⁴ before imposing a local sales tax authorized by special law. Over the years, the timing of the referendum—whether it should be held before or after the enabling legislation had passed has changed. Currently the sales tax must be authorized by the legislature before the voters can approve its imposition. ([Minn. Stat. § 297A.99](#), subd. 3)

If the enabling legislation allows the tax to fund more than one project a separate vote must be held for each project. Only the projects approved by voters may be funded by the sales tax and the authorized revenue to be raised and length the tax is imposed is reduced for any project that is not approved by the voters.

⁴ A general election means either the state general election held on the first Tuesday after the first Monday in November of an even-numbered year, or a regularly scheduled election for local public officials for that political subdivision.

Determination of the Local Tax Rate

The local tax rate is set in the legislation authorizing the tax. The statute clarifies that the full local tax rate applies to all taxable sales. SSUTA allows lower rates to apply to certain items but all current local sales taxes have only one rate.⁵ ([Minn. Stat. § 297A.99](#), subd. 5)

Definition of the Tax Base for the Local Tax

The statute provides that the local sales tax applies to the same tax base, with the same exemptions, as the state sales tax. A taxable service is subject to the local tax if more than one-half of the service, based on the cost, is performed within the local jurisdiction. ([Minn. Stat. § 297A.99](#), subds. 4 and 7)

The following sales made within the local taxing jurisdiction are exempt from the local tax:

- Purchases shipped outside the taxing jurisdiction for use in a trade or business outside of the jurisdiction
- Purchases temporarily stored in the taxing jurisdiction before being shipped by common carrier for use outside of the jurisdiction
- Purchases that are subject to the direct pay provisions for interstate motor carriers under [Minnesota Statutes, section 297A.90](#)

Requirements of a Complementary Use Tax

A complementary use tax is required in all jurisdictions with a local sales tax.⁶ The use tax is imposed on the consumption or “use” of taxable items for which no sales tax was paid. The tax is imposed mainly on purchases by resident buyers from sellers located outside of the local taxing jurisdiction. The use tax removes the disadvantage to local businesses from competition with businesses located outside of the taxing area that are not required to collect the local sales tax. ([Minn. Stat. § 297A.99](#), subd. 6)

The statute also allows a credit against the use tax owed for a local sales or use tax paid to another political subdivision. This is similar to the credit against state sales and use tax for the amount of sales taxes paid to another state. ([Minn. Stat. § 297A.99](#), subd. 8)

A political subdivision with a local sales and use tax must notify its citizens about the local use tax and provide information or electronic links to allow persons to get information and forms needed to pay the tax. The political subdivision must post the information on the main page of its website and provide an annual notice with the billing statement for any public utilities provided by the jurisdiction. ([Minn. Stat. § 297A.99](#), subd. 12a)

⁵ The one-rate-per-taxing-jurisdiction requirement in SSUTA does not apply to the sale of the following items: electricity, gas, or other heating fuels delivered by the seller, or the transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes.

⁶ Four local taxes enacted before 1997 did not include a complementary use tax—in Cook County and the cities of Hermantown, Mankato, and St. Paul. A local use tax was imposed in these political subdivisions beginning January 1, 2000.

Collection, Administration, and Enforcement of Local Taxes

The statute requires the Commissioner of Revenue to administer and collect local sales and use taxes. This merely codified preexisting practice.⁷

The local taxes are subject to the same penalties, interest, and enforcement provisions as the state sales tax. Refunds of excess state sales taxes paid must also include a refund of any excess local sales tax paid. The state deducts its collection and administration costs and any local tax refunds from the tax revenue returned to the local taxing jurisdiction. The net local tax revenue is paid to the local taxing jurisdiction on a quarterly basis. [Minn. Stat. § 297A.99](#), subds. 9 and 11.

Imposing and Repealing Local Sales Tax

To facilitate state administration of local taxes, the imposition of a tax may only begin on the first day of a calendar quarter. Repeal of a local tax is only effective at the end of a calendar quarter. A local taxing jurisdiction must give the Department of Revenue at least 90 days' notice before a tax is imposed or repealed. The tax is effective after the commissioner has given sellers located in the area at least 60 days' notice and will apply to catalog or remote sales only after the commissioner has given these sellers 120 days' notice. The practical effect is that there may be a delay in the imposition of a local tax on remote sales if the local government does not provide at least a 120-day advance notice to the state. ([Minn. Stat. § 297A.99](#), subd. 12)

Because of the notification and timing requirements, local taxes will usually terminate after the authorized amount is raised. The local government may usually keep this revenue; however, the commissioner may keep any revenue in excess of the average quarterly revenue raised from the tax in the previous 12-month period and deposit it into the state general fund. ([Minn. Stat. § 297A.99](#), subd. 3, para. (f))

The law also requires a political subdivision to wait one year after the expiration of a tax before imposing a new tax. ([Minn. Stat. § 297A.99](#), subd. 3, para. (d))

Despite this requirement, the legislature has granted extensions of existing sales taxes without the required break.⁸ The only local governments that let an existing tax expire for at least one year before imposing a new tax for a different purpose are:

- Cook County, which let a tax expire in 2008 and sought and received authority for a new tax during the 2009 legislative session;

⁷ The city of Duluth is the only local government to ever collect and administer its own tax. At the city's request, it was originally exempted from the collection and administration provisions of the statute. However, the exemption ended and the commissioner began collecting the Duluth tax January 1, 2006, to meet the SSUTA requirement that one agency collect all state and local sales taxes.

⁸ Extensions have been granted without a break in imposition for the following local sales taxes since 2005: the Central Minnesota city tax; taxes in the cities of Albert Lea, Baxter, Brainerd, Hermantown, Mankato, New Ulm, North Mankato, Proctor, Rochester, and Worthington; and the second local tax imposed by Cook County in 2009.

- the city of Wilmar, which imposed a tax in 1997 that expired in 2001 and sought and received authority for a new tax in 2005 that expired at the end of 2012; and sought and received authority for a new tax in 2019;
- the city of Fergus Falls, which let its 2010 tax expire in 2016 and received authority to impose a new tax in 2017.

Determining the Site of a Delivery for Local Tax Purposes

Zip codes are used to determine whether a delivery sale is subject to a local sales and use tax. If a zip code area includes more than one tax rate the lowest rate in the zip code area applies. For example, if a zip code includes both a portion of Edina (with no local sales tax) and a portion of Minneapolis (with a half-cent local sales tax), the Minneapolis tax may not be collected. Nine-digit zip codes should be used, if available, to determine the tax rate. ([Minn. Stat. § 297A.99](#), subd. 10)

Special Authority for First-class Cities

Notwithstanding the requirement that sales tax revenues only fund the projects explicitly specified in the enabling legislation, cities of the first class (Minneapolis, St. Paul, Duluth, and Rochester) may also use the revenues to fund certain large capital projects of regional significance without additional voter approval. These cities may use revenues that exceed the amount needed to pay for the financing of the specified capital projects to help fund a sports facility, convention center, or civic center that has a construction cost of at least \$40 million. ([Minn. Stat. § 297A.9905](#))⁹

General Steps for Seeking Local Sales Tax Authority

In order to impose a local sales tax, a political subdivision must obtain enactment of a special law authorizing it to do so by taking the following steps (in the order listed):

- 1) The governing body of a local government must pass a resolution proposing the tax and including the following:
 - a. the proposed tax rate;
 - b. a detailed description of no more than five capital projects to be funded by the tax;
 - c. documentation of the regional significance of each project including the benefits to nonlocal persons and businesses;
 - d. the amount of revenue to be raised for each project and the estimated time to raise that amount; and
 - e. the total revenue to be raised and anticipated expiration date for the tax.

⁹ This authority was granted in the bill authorizing the use of the Minneapolis sales tax to fund a portion of the Vikings football stadium. The city of St. Paul is helping to finance a minor league baseball stadium from its existing tax.

- 2) The local government must submit the resolution and documentation on regional significance of the project(s) to the chair and ranking minority member of the House and Senate tax committees by January 31 of the year that it is seeking the special law.
- 3) Working with a legislator, the local government must request and get enacted a special law authorizing imposition of the tax.
- 4) The local government must file local approval with the secretary of state before the start of the next regular legislative session after the session in which the enabling law is enacted.
- 5) The local government must receive voter approval at a general election within two years of receiving the local sales tax authority before it can impose the tax. A separate question must be held for each project and only the ones approved by voters may be funded by the sales tax. The authorized revenue to be raised and length of time that the tax is imposed is reduced for any project that is not approved by the voters.
- 6) The local government must pass an ordinance imposing the tax and notify the Commissioner of Revenue at least 90 days before the first day of the calendar quarter on which the tax is to be imposed.

Transportation Local Sales Taxes Authorized by Statute

In 2008, the legislature enacted two statutes to allow counties to impose local sales taxes to help fund transportation. The Metropolitan Transportation Area sales tax provision allowed any county in the Twin Cities seven-county metropolitan area, to join the Metropolitan Transportation Area, which imposed a tax in the area to fund transit projects. The Metropolitan Transportation Area was dissolved in 2017 and this provision is currently not used. The history of this provision is included in the appendix. The Greater Minnesota transportation sales and use tax provision now applies to all counties in the state and allows them to impose a tax singly or as part of a joint powers agreement to fund a specified transportation or transit project, or transit operations.

Greater Minnesota Transportation Sales and Use Tax

Any county may singly or through a joint powers agreement, impose a local sales and use tax of up to one-half of 1 percent and a \$20 excise tax on commercial sales of motor vehicles to fund a transportation or transit project. ([Minn. Stat. § 297A.993](#))

In order to impose the tax, the county or counties must specify a project to be funded by the proceeds. A county only needs to pass a resolution in order to impose the tax. The tax revenue may pay for transit capital and operating costs and capital costs for a safe routes to school program, as well as specified transportation capital projects. Except in the cases where the tax is funding transit operating costs, the tax expires when the specific project is completed;