

CITY OF GRAND RAPIDS MINNESOTA

Ordinance No. _____

AN ORDINANCE AMENDING ARTICLE 62-11 LODGING TAX

The City of [city], Minnesota, ordains:

Section 1. Authority and purpose.

Subd. 1. **Authority.** In accordance with [Special Law(s)] and City of [city] Resolution No. _____ adopted by the City of [city], Minnesota, on [month] [day], [year], the City of [city] is authorized to impose a tax of up to [written amount and (numerical amount)] on gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190.

Subd. 2. **Purpose.** The purpose of this Ordinance is [purpose(s)].

Section 2. Definitions. The following words, terms, and phrases have the meanings given them in this Ordinance unless the language or context clearly indicates a different meaning is intended. Minnesota Statutes, section 270C.171 is incorporated for definitions in this Ordinance. In any potential conflict between the statute and this Ordinance, the statute shall take precedence.

Subd. 1. **Commissioner.** “Commissioner” means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

Subd. 2. **City.** “City” means the City of [city], Minnesota.

Subd. 3. **Lodging and related services.** “Lodging and related services” means lodging and related services by a hotel, rooming house, resort, campground, vacation rental, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice.

Subd. 3a. **Accommodations intermediary.** “Accommodations intermediary” means any person or entity, other than an accommodations provider, that facilitates the sale of lodging as defined in subdivision 3, and that charges a room charge to a customer. The term “facilitates the sale” includes brokering, coordinating, or in any way arranging for the purchase of or the right to use accommodations by a customer.

Subd. 3b. **Accommodations provider.** “Accommodations provider” means any person or entity that furnishes lodging and related services, as defined in subdivision 3, to

the general public for compensation. The term “furnishes” includes the sale of use or possession, or the sale of the right to use or possess.

Subd. 4. **State sales and use tax laws and rules.** “State sales and use tax laws and rules” means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, chapters 270C, 289A, 297A, 469A, and Minnesota Rules, chapter 8130, as amended from time to time.

Section 3. Local lodging tax imposed; amount of tax; coordination with state sales and use tax laws and rules. A local lodging tax is imposed in the amount of [written amount and (numerical amount)] on the gross receipts from sales of lodging and related services, as defined in section 2, subdivision 3 of this Ordinance, sourced within City limits which are taxable under the state sales and use tax laws and rules. All of the provisions of the state sales and use tax laws and rules apply to the local sales and use tax imposed by this Ordinance. The local lodging tax imposed by this Ordinance shall be collected and remitted to the Commissioner by the accommodations provider on any sale when the state sales tax must be collected and remitted to the Commissioner under the state sales and use tax laws and rules and is in addition to the state sales and use tax.

Section 4. Advertising no tax. It shall be unlawful for any accommodations intermediary or accommodations provider to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the accommodations intermediary or accommodations provider, or that it will not be added to the rent or that, if added, it or any part thereof will be refunded.

Section 5. Use of proceeds.

Subd. 1. All of the revenues, interest, and penalties derived from the lodging tax imposed by this Ordinance collected by the Commissioner and remitted to the City shall be deposited by the City [title *i.e.* Treasurer] in the City treasury and shall be credited to the fund established to pay the costs of collecting the lodging tax imposed by this Ordinance and to fund [purpose(s) of the Ordinance].

Section 6. Agreement with the Commissioner. The City may enter into an agreement with the Commissioner regarding each party’s respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the lodging tax imposed by this Ordinance. Any such agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this Ordinance, or [Special Law(s)].

Section 7. Effective Date. This Ordinance shall take effect on the first day of publication after adoption and the tax imposed hereunder shall commence on [numerical day] day of [month], [year].

Adopted this _____ day of [month], [year].

President, City Council

Attest: _____

Deputy Administrator

ORDINANCE APPROVED by the Mayor of the City of [city] this _____ day of [month], [year].

Mayor