

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2303
Version: As introduced

DATE: March 10, 2014

Authors: Simonson and others

Subject: Duluth local food and beverage and lodging taxes

Analyst: Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/hrd.htm.

Overview

Allows the city to increase both its local food and beverage tax and its local lodging tax by one-half of one percent.

The revenues from the food and beverage tax will be used to fund up to \$18 million, plus associated bond costs of capital projects related to tourism and recreation in the portion of the city west of 34th Avenue west and expires when sufficient revenues have been raised.

The revenues from the additional lodging tax will be used to promote tourism and recreation activities in the portion of the city west of 34th Avenue west and expires December 31, 2024.

Section

- 1 Food and beverage tax.** Allows the Duluth city council to increase its food and beverage tax from the current rate of 1.75% percent to 2.25% with the additional revenue dedicated to fund up to \$18 million of capital projects related to tourism and recreation in the portion of the city west of 34th Avenue west. The temporary increase ends when the additional revenue raised is sufficient to fund the allowed projects. Also eliminates obsolete language related to a 1998 temporary increase of the Duluth food and beverage tax from 1.75% to 2.25% to fund the Duluth Entertainment and Convention Center (DECC) and the Great Lakes Aquarium which has expired. Effective upon the city filing approval with the secretary of state.
- 2 City of Duluth; tax on receipts by hotels and motels.** Allows the Duluth city council to increase its lodging tax from the current rate of 1.0% percent to 1.5% with the additional revenue dedicated to promotion of tourism and recreation in the portion of the city west of

Section

34th Avenue west. The temporary increase ends December 31, 2024. Also eliminates obsolete language related to a 1998 temporary increase of the lodging tax from 1.0% to 1.5% to fund the DECC and the Great Lakes Aquarium which has expired. Effective upon the city filing approval with the secretary of state.