

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 297  
**Version:** As Introduced

**DATE:** February 18, 2013

**Authors:** Liebling

**Subject:** Modifies the Rochester local lodging tax and repeals its food and beverage tax

**Analyst:** Pat Dalton, 651-296-7434

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### Overview

The bill repeals the existing authority the city of Rochester has to impose a one percent food and beverage tax to fund construction, renovation, improvement, and expansion of the Mayo Civic Center Complex and replaces the revenue by increasing the allowed lodging tax for the same purpose from one to three percent. This would increase the total allowed Rochester lodging tax rate from two percent to four percent. It also increases the city's bonding authority for the Mayo Civic Center Complex from \$43.5 million to \$50 million and removes the expiration date from the lodging tax imposed to fund this project.

### Section

**1 Rochester lodging tax.** Modifying the Rochester lodging tax as follows:

**Subd. 1a. Authorization.** Increases the allowed rate of the lodging tax imposed to fund construction, renovation, improvement, and expansion of the Mayo Civic Center Complex from one percent to three percent.

**Subd. 2. Disposition of proceeds.** Adds design costs to the allowed uses for the lodging tax proceeds.

**Subd. 2a. Bonds.** Increases the authority to issue bonds for this project from \$43.5 million to \$50 million.

**Subd. 3. Expiration of taxing authority.** Removes the requirement that the tax in subdivision 1a expires when the proceeds are sufficient to pay the bonds in subdivision 2a; however, it allows the city to choose to repeal the tax anytime after that time.

**Section**

**2**        **Repealer.** Repeals the Rochester local food and beverage tax authority authorized in 2009 but never imposed.