

**Subject** North Mankato Food and beverage tax

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## Overview

Allows the city of North Mankato to impose a food and beverage tax of up to one percent in the city. The tax also applies to retail on-sale of alcoholic beverages. Revenues from the tax must be used for operation, maintenance, and capital expenses for the Casewell Regional Sporting Complex, including paying associated bonds; and for costs related to regional tourism events. Allows the city to enter into an agreement with the commissioner of revenue to collect the tax on the city's behalf.

Effective upon the city's compliance with approval and filing requirements for special laws.

**Background:** Several cities have food and beverage taxes, including Detroit Lakes, Biwabik, Mankato, Marshall, St. Cloud, and Minneapolis. With the exception of Detroit Lakes, these cities have imposed a food and beverage tax by ordinance, without voter approval. Most of the revenues from these taxes have been used for various capital projects but several (Mankato, Marshall, St. Cloud, and the 1969 Minneapolis tax) have been allowed to use at least some of the tax revenues for operations.