

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3069

03/22/2023 Authored by Gomez and Elkins The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to local sales and use taxes; creating an advisory task force to examine
1.3 the role of local taxes in local government funding; requiring a report.

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

1.5 Section 1. LOCAL TAXES ADVISORY TASK FORCE.

1.6 Subdivision 1. Establishment. The Local Taxes Advisory Task Force is established.
1.7 The purpose of the task force is to examine the use of local taxes as a funding mechanism
1.8 for cities and counties to fund capital projects and other improvement projects.

1.9 Subd. 2. Membership. (a) The task force consists of the following members:

1.10 (1) three members of the house of representatives, two appointed by the speaker of the
1.11 house and one appointed by the minority leader of the house of representatives;

1.12 (2) three members of the senate, two appointed by the majority leader of the senate and
1.13 one appointed by the minority leader of the senate;

1.14 (3) the commissioner of revenue or the commissioner's designee;

1.15 (4) one member from the League of Minnesota Cities; and

1.16 (5) one member from the Association of Minnesota Counties.

1.17 (b) Appointments to the task force must be made no later than July 1, 2023.

1.18 Subd. 3. Meetings. (a) The commissioner of revenue shall convene the first meeting to
1.19 be held no later than July 15, 2023. The commissioner of revenue must convene all
1.20 subsequent meetings in a manner and frequency as prescribed by this subdivision.

2.1 (b) The task force shall meet twice monthly, at a time and space designated by the
2.2 commissioner of revenue. All meetings of the task force must be open to the public.

2.3 (c) After September 15, 2023, the commissioner of revenue may increase or decrease
2.4 the frequency of the meetings as necessary for the task force to accomplish the duties
2.5 specified in subdivision 4.

2.6 Subd. 4. **Duties.** (a) The task force shall examine the role of local taxes as a funding
2.7 mechanism for local governments and must determine:

2.8 (1) objective evaluation criteria for general local sales tax proposals, food and beverage
2.9 tax proposals, and lodging tax proposals seeking accommodations beyond the requirements
2.10 of Minnesota Statutes, section 469.190;

2.11 (2) the appropriate entity or entities to evaluate local tax proposals based on the
2.12 established criteria in an objective manner prior to legislation on these taxes being heard in
2.13 the legislative committees with jurisdiction over local sales taxes;

2.14 (3) the appropriate process for enacting special laws authorizing new or modifying
2.15 existing local taxes; and

2.16 (4) the necessary changes to current law to accommodate the determinations made
2.17 regarding clauses (1) to (3).

2.18 (b) The task force must make recommendations to the legislature regarding its
2.19 determinations from paragraph (a) in a report pursuant to subdivision 5.

2.20 Subd. 5. **Report; expiration.** (a) The task force shall make recommendations regarding
2.21 the objectives specified in subdivision 4 in a report to the legislature. The commissioner of
2.22 revenue must draft and compile the report and send it to the legislative committees with
2.23 jurisdiction over local taxes no later than January 15, 2024. In the event that the members
2.24 of the task force do not agree on a final recommendation, the report shall indicate the
2.25 differing opinions and preferred recommendations of the members. The report may include
2.26 any additional information the task force deems relevant.

2.27 (b) The task force expires upon submission of its report.

2.28 (c) The legislative committees with jurisdiction over local taxes must hold a public
2.29 hearing on the report during the regular legislative session in the year in which the report
2.30 is submitted.

3.1 Subd. 6. **Officer; support.** The commissioner of revenue or the commissioner's designee
3.2 must act as the chair of the task force. The commissioner of revenue must provide
3.3 professional, technical, and administrative support to the task force.

3.4 Subd. 7. **Expenses.** The members of the task force shall be reimbursed for all travel
3.5 expenses actually and necessarily incurred in the performance of the members' duties in
3.6 accordance with policies adopted by the Legislative Coordinating Commission.

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