

HOUSE RESEARCH

Bill Summary

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Authors: Quam and others

Subject: Increase Rochester's lodging tax rate and repeal its food and beverage tax

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Overview

In 2009, the city of Rochester was granted authority to impose an additional 1 percent lodging tax and a 1 percent food and beverage tax to fund construction, renovation, improvement, and expansion of the Mayo Civic Center complex. This was in addition to the 4 percent lodging tax already imposed by the city for tourism and convention center promotion.

The new revenues were dedicated to paying bonds and obligations issued by the end of 2014 to pay for the project. The taxes have never been imposed.

The bill eliminates the city food and beverage tax authority, increases the additional lodging tax authority to pay for the Mayo Civic Center project from 1 percent to 3 percent, and extends the time by which the bonds or obligations must be issued by two years—from the end of 2014 to the end of 2016.

- 1 Rochester lodging tax.** Increases the total local lodging tax authority in the city of Rochester from 5 percent to 7 percent.
 - Subd. 1a and 2.** Increases the authorized additional local lodging tax rate used to fund renovation, expansion, and improvement of the Mayo Civic Center complex from 1 percent to 3 percent.
 - Subd. 2a.** Removes a reference to the food and beverage tax repealed in section 2 from the language related to repayment of the Mayo Civic Center complex bonds
 - Subd. 3.** Changes the date by which Mayo Civic Center bonds and obligations must be issued in order to be funded from the lodging tax revenue from December 31, 2014 to December 31, 2016.
- 2 Repealer.** Repeals the authority for a Rochester food and beverage tax to fund payment of the Mayo Civic Center complex bonds. This tax has never been imposed.