

OFFICE OF COUNTY RECORDER
COUNTY OF BELTRAMI, MINNESOTA
THIS IS TO CERTIFY
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By: PAULA R. COONS
CHARLENE D. STURK
COUNTY RECORDER
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BELTRAMI COUNTY COVER SHEET

This cover sheet is now a permanent part of the recorded document.



ORDINANCE NO. 51

AN ORDINANCE OF BELTRAMI COUNTY, MINNESOTA, ENACTING A LOCAL SALES AND USE TAX

THE BELTRAMI COUNTY BOARD OF COMMISSIONERS DOES HEREBY ENACT A LOCAL SALES AND USE TAX FOR THE PURPOSE OF DESIGNING AND CONSTRUCTING A NEW COUNTY JAIL

Section 1. Authority. Pursuant to an Act of the 93rd Minnesota Legislature, in Regular Session, dated May 23, 2023, chapter 64, article 10, section 25 (2023 Session Law) and an additional Act of the 93rd Minnesota Legislature, in Regular Session, dated February 23, 2024, chapter 76, section 6 (2024 Session Law) the Minnesota Legislature has authorized Beltrami County to impose a new Local Sales and Use Tax to provide revenues to pay the costs of collecting and administering the tax to the commissioner of revenue of the State of Minnesota and to finance the capital and administrative costs related to the funding of designated projects as defined below and approved by the voters at the November 7th, 2023 referendum.

Section 2. Definitions. For purposes of this chapter, the following words, terms, and phrases have the meanings given them in this section unless the language or context clearly indicates a different meaning is intended.

(a) **County.** “County” means Beltrami County, Minnesota.

(b) **Commissioner.** “Commissioner” means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

(c) **Designated projects.** “Designated projects” means the construction of a new, replacement jail facility and its appurtenances together with modifications to the existing jail (including demolition) as well as modifications to the current County Courthouse to accommodate the operational changes a new jail facility will impose as authorized by law.

(d) **State sales and use tax laws and rules.** “State sales and use tax laws and rules” means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, chapters 270C, 289A, 297A, and Minnesota Rules, chapter 8130, as amended from time to time.

Section 3. Local sales and use tax imposed; amount of tax; coordination with state sales and use tax laws and rules. A local sales tax is imposed in the amount of five-eighths of one percent (0.625%) on the gross receipts from sales at retail sourced within the County limits which are taxable under the state sales and use tax laws and rules. A local use tax is imposed in the amount of five-eighths of one percent (0.625%) on the storage, use, distribution or consumption

of goods or services sourced within County limits which are taxable under the state sales and use tax laws and rules. All of the provisions of the state sales and use tax laws and rules apply to the local sales and use tax imposed by this chapter. The local sales and use tax imposed by this chapter shall be collected and remitted to the commissioner on any sale or purchase when the state sales tax must be collected and remitted to the commissioner under the state sales and use tax laws and rules and is in addition to the state sales and use tax.

Section 4. Effective date of tax; transitional sales. Except as otherwise provided herein, the local sales and use tax imposed by this chapter shall apply to sales and purchases made on or after July 1, 2024. The local sales and use tax imposed by this chapter shall not apply to:

(a) The gross receipts from retail sales or leases of tangible personal property made pursuant to a bona fide written contract, which unconditionally vests the rights and obligations of the parties thereto, provided that such contract was enforceable prior July 1, 2024, and that delivery of the tangible personal property subject thereto is made on or before July 1, 2024.

(b) The gross receipts from retail sales made pursuant to a bona fide lump sum or fixed price construction contract, which unconditionally vests the rights and obligations of the parties thereto and which does not make provision or allocation of future taxes, provided that such contract was enforceable prior to July 1, 2024, and that delivery of the tangible personal property used in performing such construction contract is made before April 1, 2025.

(c) The purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after July 1, 2024, but the local sales and use tax imposed by this chapter shall apply on the first billing period not including charges for services furnished before July 1, 2024.

(d) Lease payments for tangible personal property and motor vehicles that includes a period before and after July 1, 2024, but the local sales and use tax imposed by this chapter shall apply on a prorated basis to lease payment amounts attributable to that portion of the lease payment period on or after July 1, 2024 and on the entire lease payment for all lease payment periods thereafter.

Section 5. Tax Clearance; Issuance of Licenses.

(a) The County may not issue or renew a license for the conduct of a trade or business within the County if the commissioner notified the licensing division of the County that the applicant owes delinquent County taxes as provided in this chapter, or penalties or interest due on such taxes.

(1) County taxes include sales and use taxes provided in this article. Penalties and interest are penalties and interest due on taxes included in this definition.

(b) Delinquent taxes does not include a tax liability if: (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) Applicant means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership.

(1) A copy of the notice of delinquent taxes given to the licensing division of the County shall also be sent to the applicant taxpayer. In the case of renewal of a license, if the applicant requests in writing, within 30 days of receipt of the notice of hearing, then, a contested hearing shall be held under the same procedures as provided in Minn. Stat. chapter 270A for the state sales and use tax imposed under Minn. Stat. chapter 297A; provided further that if a hearing must be held on the state sales and use tax, hearings must be combined.

Section 6. Deposit of revenues; costs of administration; termination of tax.

(a) All of the revenues, interest, and penalties derived from the local sales and use tax imposed by this chapter collected by the commissioner and remitted to the County shall be deposited by the County Auditor/Treasurer in the County treasury and shall be credited to the fund established to pay the costs of collecting the local sales and use tax imposed by this chapter and to finance the capital and administrative costs directly related to completing the designated projects.

(b) The local sales and use tax imposed by this chapter shall terminate at the earlier of: (1) 30 years after the tax is first imposed; or (2) when the County Board determines that \$80,000,000, plus an amount sufficient to pay the costs related to issuing bonds and interest on the bonds has been received from the local sales and use tax imposed by this chapter to pay for all the capital and administrative costs directly related to completing the designated projects. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the County. The local sales and use tax imposed by this chapter may terminate at an earlier time if the County Board so determines by ordinance.

Section 7. Agreement with the commissioner. The County may enter into an agreement with the commissioner regarding each party's respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the local sales and use tax imposed by this chapter. Any such agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this ordinance, or Minnesota law.

Section 8. Summary publication. The following summary is approved by the Beltrami County Board of Commissioners and shall be published in lieu of publishing the entire ordinance pursuant to Minnesota Statutes section 375.51 subd. 3:

An Ordinance to impose a five-eighths of one percent (0.625%) Local Sales and Use Tax to finance the construction of a new, replacement jail facility and its appurtenances together with modifications to the existing jail as well as modifications to the current County Courthouse to accommodate the operational changes a new jail facility will impose as authorized by the Minnesota Legislature and to provide revenues to pay the costs of collecting and administering the tax to the commissioner of revenue of the State of Minnesota and also to finance the administrative costs related to the funding of the County's new jail. The Ordinance identifies the authority for enacting the Ordinance; establishes the effective date as July 1, 2024; sets guidelines on what goods and services shall be taxed; identifies tax clearance and issuance of licenses rules; and establishes when the Sale and Use Tax shall expire. This is a summary of Beltrami County Ordinance 51, the full text is available on the County's website, or a printed copy can be obtained at the County Administration Building.

Section 9. This Ordinance shall be in full force and effect from and after its passage and publication.

Passed by the Board of Commissioners of Beltrami County, Minnesota, this 19th day of March, 2024.

Motion Made by: Commissioner Anderson

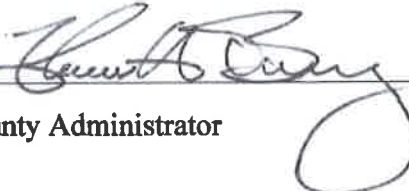
Motion Seconded by: Commissioner Gould

	<u>YES</u>	<u>NO</u>
Gaasvig	X	
Gould	X	
Anderson	X	
Sumner	X	
Carlson	X	

Attest:

 for John Carlson

~~County~~ Board Chair
Vice Chair



County Administrator

Reading and Public Hearing: March 19, 2024
Adoption: March 19, 2024
Effective: July 1, 2024