

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF ROGERS, MINNESOTA ADOPTING A SALES AND USE TAX AND A MOTOR VEHICLE EXCISE TAX

The City Council of the City of Rogers, Hennepin County, Minnesota hereby ordains as follows:

Section 1. ADOPTION OF MUNICIPAL CODE CHAPTER 20. The City of Rogers Municipal Code is hereby amended by adding a new Chapter 20 to read in its entirety as follows:

Chapter 20 - SALES, USE AND MOTOR VEHICLE EXCISE TAX

Sec. 20-1. - Authority.

- (a) At the general election held November 6, 2018, the voters of the City of Rogers approved the imposition of a one-quarter of one percent sales and use tax and a \$20.00 motor vehicle excise tax to pay for the cost of collecting and administering the taxes and to pay for certain costs related to the funding of certain Designated Projects, as defined in Section 20-2.
- (b) The legislature has by Minnesota Laws 2019, First Special Session, Chapter 6, Article 6, Section 26, authorized the City to impose an additional sales, use and motor vehicle excise tax within the City to provide revenues to pay for the cost of collecting and administering the taxes and to pay for certain costs related to the funding of the Designated Projects, as defined in Section 20-2. The City approved the Act in accordance with applicable law.

Sec. 20-2. - Definitions.

The words, terms and phrases used in this Chapter shall have the meaning ascribed to them in Minnesota Statutes, Section 297A.61, except where the context clearly indicates otherwise. In addition, the following definitions shall apply:

- (a) “Act” shall mean Minnesota Laws 2019, First Special Session, Chapter 6, Article 6, Section 26, as amended.
- (b) “City” shall mean the City of Rogers.
- (c) “Commissioner” shall mean the Commissioner of Revenue for the State of Minnesota, acting under the authority of an agreement entered into between the City and the State of Minnesota pursuant to the Act, or such other person designated to administer and collect the Rogers Sales and Use Tax.
- (d) “Designated Projects” shall mean the planning, design, construction and any other capital and administrative costs of the following projects in an aggregate principal not to exceed \$16,500,000, minus an amount equal to any state grant authorized

before October 1, 2019 to fund any of the following projects, and plus an amount sufficient to pay interest on and the costs of issuing any bonds issued pursuant to the Act:

(1) trail and pedestrian facilities including an I-94 pedestrian crossing, a County Road 144 pedestrian tunnel, and other new trails and trail connections;

(2) aquatics facilities consisting of either or both of a splash pad and any contribution toward the community portion of a school pool; and

(3) community athletic facilities including construction of South Community park, site improvements for future recreation facilities, and a multipurpose indoor turf facility.

- (e) “Motor Vehicle” shall have the meaning given to it by Minnesota Statutes, Section 297B.01, Subd. 11.
- (f) “Motor Vehicle Excise Tax” shall mean the \$20.00 per vehicle tax imposed and collected pursuant to this Chapter.
- (g) “Ordinance” shall mean the ordinance set forth in this Chapter 20 in its present form and as subsequently codified in this code.
- (h) “Retailer” shall have the meaning as defined in Minnesota Statutes, Chapter 297A.
- (i) “Rogers Sales and Use Tax” shall mean the sales and use tax imposed and collected pursuant to this Ordinance.

Sec. 20-3 – Rogers Sales and Use Tax.

Except as otherwise provided in this Ordinance, there is hereby imposed an additional excise tax in the amount of one-quarter of one percent on the gross receipts from sales at retail and the storage, use, distribution or consumption of goods or services which are taxable, pursuant to Minnesota Statutes, Chapter 297A and occur within the City of Rogers. The imposition, administration, collection and enforcement of this tax shall be governed by the provisions of Minnesota Statutes, Sections 270C, 289A and 297A.

Sec. 20-4. - Separate Statement; Collection from Purchaser; Advertising No Tax; Minimum Uniform Tax Collection Methods.

The Rogers Sales and Use Tax shall be stated and charged separately from the sales price or charge for service insofar as practical and should be a debt from the purchaser to the seller recoverable at law in the same manner as other debts. In computing the tax to be collected as a result of any transaction, any amount of tax less than one-half of one cent may be disregarded and amounts of tax less than one-half of one cent may be disregarded

and amounts of tax one-half cent or more may be considered an additional cent. If the sales price of any sale at retail in ninety-nine cents or less, no tax shall be collected.

Sec. 20-5. - Exemption Certificates.

A fully completed exemption certificate taken from a purchaser to the effect that the property purchased is for resale or that the sale is otherwise exempt from the application of the tax imposed by this Ordinance will conclusively relieve the Retailer from collecting and remitting the tax to the extent the seller is also relieved of liability for the sales and use tax under Minnesota Statutes, Section 297A.665. A person who has obtained from the Commissioner an exemption certificate pursuant to the Minnesota Statutes, Section 297A.72 may use such exemption certificate for the purposes of the sales tax imposed by the City.

Sec. 20-6 - Presumption of Purpose of Sale.

For the purpose of the proper administration and enforcement of Section 20-3 of this Ordinance, it shall be presumed that all retail sales for delivery in the City are for storage, use, or other consumption in the City until the contrary is established.

Sec. 20-7. - Collection of Rogers Sales and Use Tax at Time of Sale.

- (a) Any Retailer making deliveries within the City, any Retailer maintaining a place of business in the City, or any other Retailer otherwise doing business within the City, upon making sales of any items described in Section 20-3 which are not exempted from the sales tax imposed under that section and which are to be delivered or caused to be delivered within the City to the purchaser, shall at the time of making such sales collect the Rogers Sales and Use Tax from the purchaser. The tax collected by such Retailer shall be remitted to the Commissioner on behalf of the City.
- (b) Any Retailer required to collect the Rogers Sales and Use Tax and remit such tax to the Commissioner pursuant to this section shall register with the Commissioner and provide such other information as the Commissioner may require.

Sec. 20-8. - Agent of Retailer.

When in the opinion of the Commissioner it is necessary for the efficient administration of the tax, the Commissioner may regard any salesman, representative, trucker, peddler or canvasser as the agent of the dealer, distributor, supervisor, employer or other person under whom such salesman, representative, trucker, peddler or canvasser operated or from whom the tangible property is being sold is obtained, and may regard the dealer, distributor, supervisor, employer or other person as a Retailer for the purposes of this Ordinance.

Sec. 20-9. - Motor Vehicle Excise Tax.

There is hereby imposed an additional excise tax in the amount of \$20.00 per vehicle on the sale of new and used Motor Vehicles by any person engaged within the City in the business of selling Motor Vehicles at retail. The excise tax shall be stated and charged separately and collected by the Retailer and remitted monthly to the Rogers City Clerk. Each retail seller of Motor Vehicles shall complete and submit with each monthly payment of the excise tax such forms as may be required by the City Clerk. Except to the extent that they may be inconsistent herewith, all provisions of this Ordinance shall also apply to the Motor Vehicle Excise Tax. The Motor Vehicle Excise Tax collected each month by a retail seller of vehicles shall be remitted to the City Clerk on or before the 15th day of the following month.

Sec. 20-10. - Collection and Enforcement.

The Rogers Sales and Use Tax and Motor Vehicle Excise Tax imposed by the City pursuant to this Ordinance shall be subject to the same interests, penalties, and other rules as are applicable to the State general sales tax imposed by Minnesota Statutes, Chapters 270C, 289A and 297A. The Rogers Sales and Use Tax imposed by the City pursuant to this Ordinance may be collected by the State on behalf of the City as provided by an appropriate agreement with the Commissioner.

The Rogers Sales and Use Tax imposed and Motor Vehicle Excise Tax by the City pursuant to this Ordinance shall expire at the earlier of (1) 20 years after the tax is first imposed, or (2) when the City Council determines that \$16,500,000 has been received from the tax to pay for the Designated Projects, minus an amount equal to any state grant authorized before October 1, 2019 to fund any of the Designated Projects, and plus an amount sufficient to pay interest on and the costs of issuing any bonds issued pursuant to the Act.

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 City. The Rogers Sales and Use and Tax Motor Vehicle Excise Tax imposed by the City pursuant to this Ordinance may expire at any earlier time if the City Council so determines by ordinance.

Sec. 20-11. - Tax Clearance; Issuance of Licenses.

The City may not issue or renew a license for the conduct of trade or business in the City if the Commissioner notifies the City that the applicant for such license owes delinquent Rogers Sales and Use Taxes and Motor Vehicle Excise Taxes as provided in this Ordinance, or penalties or interest due on such taxes. For the purposes of this section, the following terms have the following meanings:

- (a) Rogers Sales and Use Taxes and Motor Vehicle Excise Taxes include all taxes as provided in this Ordinance including all penalties and interest due on said taxes.
- (b) Delinquent taxes do not include a tax liability if:

- (1) an administrative or court action which contests the amount or validity of the liability has been filed or served;
 - (2) the appeal period to contest the tax liability has not expired; or
 - (3) 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, partnership or other entity if the license is issued to or in the name of a corporation, partnership or other entity.
- (d) A copy of the notice of delinquent taxes given to the City shall also be sent to the applicant taxpayer. In the case of renewal of a license, if the applicant requests a hearing in writing, within thirty (30) days of the receipt of the notice of delinquent taxes, then a contested case hearing shall be held by the Commissioner under the same procedures as provided in Minnesota Statutes, Section 270C.72 for the State sales and use tax imposed under Minnesota Statutes, Chapter 297A, provided that if a hearing must be held on the State sales and use tax, the hearings may be combined.

Sec. 20-12. - Effective Date; Transitional Sales.

Except as otherwise provided herein, the Rogers Sales and Use Tax and Motor Vehicle Excise Tax authorized by this Ordinance shall apply to sales made on or after October 1, 2019 and shall be in addition to all other taxes now in effect. The Rogers Sales and Use Tax is governed by Minnesota Statutes, Chapter 297A regarding sales that occur during any transition period described therein and, in addition, the Rogers Sales and Use Tax and Motor Vehicle Excise Tax shall not apply to the following:

- (a) The gross receipts from retail sales or leases of tangible personal property or Motor Vehicles made pursuant to a bona fide written contract which unconditionally vests the rights and obligations of the parties thereto, provided that such contracts were enforceable prior to October 1, 2019, and that delivery of the tangible personal property subject thereto is made on or before December 31, 2019.
- (b) Payments made prior to October 1, 2019, for contracts to provide taxable services, provided that such contracts were enforceable prior to October 1, 2019, however the Rogers Sales and Use Tax shall apply to payments made pursuant to such contracts to provide services on and after December 31, 2019.

Section 2. EFFECTIVE DATE. This ordinance shall take effect after its adoption and its publication (or publication of a summary thereof in accordance with applicable law).

Passed by the City Council of Rogers this ____ day of June, 2019.

Mayor

Attest:

City Clerk

DRAFT