

DRAFT

ORDINANCE NO. 2021-010

CITY OF ARDEN HILLS
RAMSEY COUNTY, MINNESOTA

AN ORDINANCE REPLACING CHAPTER 3, SECTION 380 -
LOCAL LODGING TAX, OF THE ARDEN HILLS CITY CODE

THE CITY COUNCIL OF THE CITY OF ARDEN HILLS, MINNESOTA, ORDAINS:

SECTION 1. Chapter 3 – Licenses and Regulations, Section 380 – Lodging Tax, is hereby replaced in its entirety, to read as follows:

Section 380 - Local Lodging Tax

380.01 Definitions:-

—As used in this ~~Chapter~~chapter, the following words and terms shall have meanings given to them by this section:-:

City. The City of Arden Hills

—~~•~~ Director.— The Finance Director of the City or designee.

—~~•~~ ~~City.~~ ~~The City of Arden Hills~~

Lodger. The person obtaining lodging from an operator.

—~~•~~ Lodging.— The furnishing for consideration of lodging by a hotel, motel, rooming house, campgrounds, air B&B, tourist court, or resort, except ~~there~~where such lodging shall be for a continuous period of thirty (30) days or more to the same lodger.

—~~•~~ Operator.— A person who provides lodging to others, or any officer, agent or employee of such person.

—~~•~~ Person.— Any individual, corporation, partnership, association, estate, receiver, trustee, executor, administrator, assignee, syndicate or any other combination of individuals.- Whenever the term "person" is used in any provision of this Chapter prescribing and imposing a penalty, the term as applied to a corporation, association, or partnership, shall mean the officers or partners thereof as the case may be.

~~—~~ **Rent.**— The total consideration valued in money charged for lodging whether paid in money or otherwise, but shall not include any charges for services rendered in connection with furnishing lodging other than the room charge itself.

~~—~~ **Lodger.**— ~~The person obtaining lodging from an operator.~~

380.02 Imposition of Tax—:

—There is hereby imposed a tax of three (3%) percent (~~3%~~) on the rent charged by an ~~operator~~Operator for providing lodging to any person.— The tax shall be stated and charged separately and shall be collected by the ~~operator~~Operator from the ~~lodger~~Lodger. The tax collected by the ~~operator~~Operator shall be a debt owed by the ~~operator~~Operator to the City and shall be extinguished only by payment to the City.— In no case shall the tax imposed by this section upon an ~~operator~~Operator exceed the amount of tax which the ~~operator~~Operator is authorized and required by this Chapter to collect from a ~~lodger~~Lodger.

380.03 Collections—:

— Each ~~operator~~Operator shall collect the tax imposed by this Chapter at the time ~~rent~~Rent is paid.— The tax collections shall be held in trust by the ~~operator~~Operator for the City.— The amount of tax shall be separately stated from the ~~rent~~Rent charged for the ~~lodging~~Lodging.

380.04 Exemptions—:

— An exemption shall be granted to any person as to whom or whose occupancy it is beyond the power of the City to tax.— No exemption shall be granted except upon a claim therefore made at the time the ~~rent~~Rent is collected and such a claim shall be made in writing under penalty of perjury on forms provided by the City.— All such claims shall be forwarded to the City when the returns and collections are submitted as required by this Chapter.

380.05 Advertising No Tax—:

— It shall be unlawful for any ~~operator~~Operator to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any party thereof will be assumed or absorbed by the ~~operator~~Operator, or that it will not be added to the ~~rent~~Rent or that, if added, it or any part thereof will be refunded.— Operator must collect. In computing the tax to be collected, amounts of tax less than one cent (~~\$0.01~~) shall be considered an additional cent (~~\$0.01~~).

380.06 Payments and Returns—:

— The taxes imposed by this Chapter shall be paid by the ~~operator~~Operator to the City not later than twenty-five (25) days after the end of the month in which the taxes were collected.— At the time of payment, the ~~operator~~Operator shall submit a return upon such forms and containing such information as the City may require.— The return shall contain the following minimum information:

- 1) ~~Subd. 1~~—The total amount of ~~rent~~Rent collected for ~~lodging~~Lodging during the period covered by the return.
- 2) ~~Subd. 2~~—The amount of tax required to be collected and due for the period.
- 3) ~~Subd. 3~~—The signature of the person filing the return or that of an agent duly authorized in writing.
- 4) ~~Subd. 4~~—The period covered by the return.
- 5) ~~Subd. 5~~—The amount of uncollectible rental charges subject to the lodging tax.
- 6) ~~Subd. 6~~—A copy of the "Minnesota State Sales and Use Tax Return" submitted by the ~~operator~~Operator for the period covered by the return.

—The ~~operator~~Operator may offset against the taxes payable with respect to any reporting period, the amount of taxes imposed by this Chapter previously paid as a result of any transaction the consideration for which became uncollectible during such ~~consideration for which became uncollectible during such~~ reporting period, but only in proportion to the portion of such consideration which became uncollectible.

380.07 Examination of Return, Adjustments, Notices and Demands—:

—The Director may rely upon the "Minnesota State Sales and Use Tax Return" filed by the ~~operator~~Operator with the State of Minnesota in determining the accuracy of a return filed under this Chapter. However, the Director shall be authorized to make any investigation or examination of the records and accounts of the person making the return, if the Director reasonably determines that such steps are necessary for determining the correctness of the return.

—The tax computed on the basis of such examination shall be the tax to be paid. If the tax due is found to be greater than that paid, such excess shall be paid to the City within ten (10) days after receipt of a notice thereof, given either personally or sent by registered mail to the address shown on the return. If the tax paid is greater than the tax found to be due, the excess shall be refunded to the person who paid the tax to the City within ten (10) days after determination of such refund.

380.08 Refunds—:

—Any person may apply to the Director for a refund of taxes paid for a prescribed period in excess of the amount legally due for that period, provided that no application for refund shall be considered unless filed within one (1) year after such tax was paid, or within one (1) year from the filing of the return, whichever period is the longer. The Director shall examine the claim and

make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof by registered mail to such person at the address stated upon the return.- If such claim is allowed in whole or in part, the Director shall credit the amount of the allowance against any taxes due under this Chapter from the claimant and the balance of said allowance, if any, shall be paid by the Director to the claimant.

380.09 Failure to File a Return-:

~~Subd. 1~~ A. If any ~~operator~~Operator required by this Chapter to file a return shall fail to do so within the time prescribed, or shall make, willfully or otherwise, an incorrect, false, or fraudulent return, the ~~operator~~Operator shall, upon written notice and demand, file such return or corrected return within five (5) days of receipt of such written notice and shall at the same time pay any tax due on the basis thereof.- If such person shall fail to file such return or corrected return, the Director shall make a return or corrected return, for such person from such knowledge and information as the Director can obtain, and assess a tax on the basis thereof, which tax, less any payments theretofore made on account of the tax for the taxable period covered by such return shall be paid within five (5) days of the receipt of written notice and demand for such payment.- Any such return or assessment made by the Director shall be prima facie correct and valid, and such person shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

~~Subd. 2~~ B. If any portion of a tax imposed by this Chapter, including penalties thereon, is not paid within thirty (30) days after it is required to be paid, the City may institute such legal action as may be necessary to recover the amount due plus interest, penalties, the costs and disbursements of any action.

~~Subd. 3~~ C. Upon a showing of good cause, the Director may grant an operator one ~~thirty~~(30) ~~day~~ extension of time within which to file a return and make payment of taxes as required by this Chapter provided that interest during such period of extension shall be added to the taxes due at the rate of ten (10%) percent ~~(10%)~~ per annum.

380.10 Penalties-:

-If any tax imposed by this Chapter is not paid within the time herein specified for the payment, or an extension thereof, there shall be added thereto a specific penalty equal to ten (10%) percent ~~(10%)~~ of the amount remaining unpaid.- The amount of tax not timely paid, together with any penalty provided by this section, shall bear interest at the rate of ten (10%) percent ~~(10%)~~ per annum from the time such tax should have been paid until it is paid.- Any interest and penalty shall be added to the tax and be collected as part thereof.

380.11 Administration of Tax-:

-The Director shall administer and enforce the assessment and collection of taxes imposed by this Chapter.- The Director shall cause to be prepared blank forms for the returns and other documents required by this Chapter and shall distribute the same throughout the City and furnish

them on application, but failure to receive or secure them shall not relieve any person from any obligation required of him-~~or~~/her under this Chapter.

380.12 Examination of Records-:

—The Director and those persons acting on behalf of the Director, authorized in writing by the Director, may examine the books, papers and records of any ~~operator~~Operator in order to verify the accuracy of any return made, or if no return was made, to ascertain the tax as provided in this Chapter.- Every such ~~operator~~Operator is directed and required to give to the Director, or such other authorized agent or employee, the means, facilities and opportunity for such examinations and investigations as are hereby authorized.

380.13 Violations-:

—Any person who shall willfully fail to make a return required by this Chapter; or who shall fail to pay the tax after written demand for payment;₂ or who shall fail to remit the taxes collected or any penalty or interest imposed by this Chapter, after written demand for such payment;₂ or who shall refuse to permit the City to examine the books, records and papers under his-~~or~~/her control, or who shall willfully make ~~may~~any incomplete, false or fraudulent return shall be guilty of a misdemeanor.

380.14 Use of Proceeds- and Annual Report:

—Ninety-five (~~95%~~) percent (~~95%~~) of the proceeds obtained from the collection of taxes pursuant to this Chapter shall be used in accordance with Minnesota Statutes § 469.190, as the same may be amended from time to time, to fund a local convention-~~or~~, tourism, or visitors bureau for the purpose of marketing and promoting the City as a tourist or convention center. Any local bureau receiving proceeds shall, for its most recent calendar year, provide an annual year-end report of its operations and its financial condition to the City Council in writing and by oral presentation at a City Council meeting.

380.15 Appeals-:

~~Subd. 1~~-A. Any ~~operator~~Operator aggrieved by ~~any~~ notice, order or determination made by the Director under this Chapter may file a petition for review of such notice, order or determination detailing the ~~operator's~~Operator's reasons for contesting the notice, order or determination.- The petition shall contain the name of the petitioner, the petitioner's address and the location of the ~~lodging~~Lodging subject to the order, notice or determination.

—~~Subd. 2~~-B. The petition for review shall be filed with the City within ten (10) days after the notice;₂ order or determination for which review is sought has been mailed or served upon the person requesting review.

~~Subd. 3~~ C. Upon receipt of the petition, the City ~~Manager~~Administrator, or the ~~Manager's~~Administrator's designee, shall set a date for a hearing and give the petitioner at least five (5) ~~days~~days' prior written notice of the date, time and place of the hearing.

~~Subd. 4~~ D. At the hearing, the petitioner shall be given an opportunity to show cause why the notice, order or determination should be modified or withdrawn.- The petitioner may be ~~represent~~represented by counsel of petitioner's choosing at petitioner's own expense.

~~Subd. 5~~ E. The hearing shall be conducted by the City Administrator, or the ~~Administrator's~~Administrator's designee, provided only that the person conducting the hearing shall not have participated in the drafting of the order, notice or determination for which review is sought.

~~Subd. 6~~ F. The person conducting the hearing shall make written findings of fact and conclusion based upon the applicable sections of this Chapter and evidence presented.- The person conducting the hearing may affirm, reverse or modify the notice, order or determination made by the Director.

~~Subd. 7~~ G. Any decision rendered by the City Administrator ~~or clerk~~, or the ~~Administrator's~~Administrator's designee, pursuant to this ~~subdivision~~section may be appealed to the City Council.- A petitioner seeking to appeal the decision must file a written notice of appeal with the City within ten (10) days after the decision has been mailed to the petitioner.- The matter will thereupon be placed on the ~~Council~~council agenda as soon as it is practical.- The City Council shall then review the findings of fact and conclusions to determine whether they are correct.- Upon a determination by the City Council that the findings and conclusions are incorrect, the City Council may modify, reverse or affirm the decision of the City Administrator, or the ~~Administrator's~~Administrator's designee, upon the same standards as set forth in ~~Subd. 6~~subsection F of this section.

SECTION 2. This Ordinance shall become effective and be enforced from and after the day following its passage and publication.

PASSED and ADOPTED this _____ day of _____, 2021, by the City Council of the City of Arden Hills, Minnesota.

CITY OF ARDEN HILLS

By _____
David Grant, Mayor

ATTEST:

Julie Hanson, City Clerk

Published in the _____ on _____, 2021.